



1940 ACT <b><i>Derivatives Rule (Rule 18f-4)</i></b>	Effective date is February 19, 2021. Compliance Date is <b>August 19, 2022.</b>
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Advisers must adopt a Derivatives Risk Management Program, including stress testing, backtesting, internal reporting and escalation procedures.  
Exception from Rule applies to limited derivatives users, but they still must have policies and procedures designed to manage the fund’s derivatives risks – Fund’s derivatives exposure must not exceed 10% of the fund’s net assets, with certain limitations.  
Board must approve an experienced Derivatives Risk Manager (not portfolio manager alone), who must implement program and report to the Board.  
Fund must observe value-at-risk (“VaR”) limits (either “relative VaR” or “absolute VaR”).  
Funds must report derivatives program information on Forms N-CEN, N-PORT and N-LIQUID (renamed N-RN).

<https://www.sec.gov/news/press-release/2020-269>