

SEC Rule 18f-4 | Preparedness Checklist

Scope

- Have the funds been identified that are in scope for 18f-4 compliance?

Complexity

- Does the required Value-at-Risk calculation capability exist?
- What permitted cash & derivative products are the in-scope funds allowed to trade?
- What internal processes are in place to support trading in new products / transaction types for the fund?
- What historical data does the fund have access to regarding positions and pricing?

Resourcing

- Has funding been approved to support complying with the regulation?
- How were the funding requirements determined?
- Have implementation time and total implementation costs been adequately estimated and planned?

Regulatory Compliance Preparedness

- Has it been determined how funds will perform daily VaR limits monitoring and reporting?
- Have the SEC compliant risk reports been defined?
- Does the capability exist to make required SEC and Board of Directors reporting?
- Have the Risk Management Program and Policies & Procedures been drafted?
- Have portfolio Stress Testing capabilities been developed?
- Are the funds prepared to comply with Recordkeeping Requirements?