



## US CFTC Commissioner Kristin Johnson calls for Creation of an Interagency Task Force to Oversee AI and Digital Assets at Davos Blockchain Event

On 20 January 2025, United States Commodity Futures Trading Commission (**US CFTC**) Commissioner Kristin Johnson delivered remarks at the *Global Blockchain Business Council's 8th Annual Blockchain Central Davos*, held alongside the 2025 World Economic Forum. Speaking on the theme *Collaboration for the Intelligent Age*, Johnson addressed the role of blockchain and artificial intelligence (**AI**) in shaping financial markets. She called for regulatory frameworks that balance innovation with oversight, emphasising the need for collaboration among regulators, market participants, and policymakers.

Commissioner Kristin Johnson outlined the rapid evolution of financial technology, with blockchain and AI driving changes in market structure, automation, and risk management. She said that while these technologies offer efficiency and accessibility, they also bring challenges related to fraud, manipulation, and systemic risks. She supported strengthening regulatory frameworks to ensure digital asset markets operate with transparency and accountability.

She noted that last year, the US CFTC issued a request for information (**RFI**) on AI in financial markets, alongside similar initiatives by the US Department of the Treasury and other federal agencies. These efforts, she said, are essential for understanding the use cases, benefits, and risks of emerging technologies. She also called for a more structured regulatory approach, including an interagency task force to oversee AI and digital assets.

Digital assets and AI have reshaped financial markets, creating new investment opportunities while raising concerns about fraud, security, and regulatory gaps. The rise of decentralised finance (**DeFi**) and the integration of AI in trading strategies have made financial markets more complex, requiring regulators to adapt their oversight mechanisms.

Commissioner Kristin Johnson said that while the US CFTC and other regulatory agencies have taken steps to understand these developments, more structured engagement is needed. She highlighted the importance of a proactive regulatory approach that involves industry leaders, academics, and international regulators in shaping policies that address risks without stifling innovation.

Over the past year, US financial regulators have intensified efforts to study AI and digital assets. In 2024, the US CFTC and US Department of the Treasury issued separate RFIs to gather information on the use of AI in financial services. The Federal Reserve, the Office of the Comptroller of the Currency, the US Securities and Exchange Commission (**US SEC**), and other agencies have also engaged in discussions on AI regulation.

In response to these initiatives, Johnson advocated for an interagency task force to oversee AI and digital asset regulation. She reiterated this call at the Davos event, emphasising that coordination among regulators is necessary to provide clear guidance to market participants. She also highlighted the need for enhanced supervisory resources, noting that the US CFTC has seen an increased regulatory burden without a corresponding expansion in resources.

Johnson called for deeper engagement between regulators and the financial industry to ensure that regulatory frameworks reflect market realities. She said that self-regulation should remain a core value but must be complemented by strong oversight mechanisms. She stressed that digital asset firms should be held to the same standards of financial integrity as traditional institutions, particularly in areas like anti-money laundering (**AML**) compliance and fraud prevention.

She also advocated for the creation of an AI Task Force within the US CFTC's Division of Enforcement. This unit, she said, should be led by experts with deep knowledge of AI-based financial crimes. She argued that the financial industry must work with regulators to combat fraudulent schemes that exploit AI to manipulate markets or target investors.

Commissioner Kristin Johnson acknowledged that regulatory changes will take time but urged immediate action on key priorities. She said that agencies should begin formalising interagency coordination on AI and digital assets in the coming months, with the goal of establishing clear regulatory guidelines by the end of the year. She also called for an expansion of the US CFTC's resources to enhance its ability to oversee digital markets effectively.

She emphasised that while legislative changes may take longer, agencies should use their existing authority to enforce stronger safeguards in digital asset markets. The AI Task Force, if created, could begin operations in the near future, focusing on fraud detection and enforcement in AI-driven financial schemes.

(Source: <https://www.cftc.gov/PressRoom/SpeechesTestimony/opajohnson14>)

## Acting Chairman Pham Announces Key CFTC Leadership Changes Amid New Administration

On 22 January 2025, the United States Commodity Futures Trading Commission (**US CFTC**) announced significant leadership changes under Acting Chairman Caroline D. Pham. The reshuffle reflects the transition to a new administration and ensures continuity in the Commission's regulatory oversight across the derivatives and commodities markets. The announcement included interim appointments for positions within the US CFTC's leadership team, highlighting the organisation's focus on emerging financial technologies, market stability, and international engagement.

She announced a series of interim appointments across divisions, naming Harry Jung as Acting Chief of Staff, Meghan Tente as Acting General Counsel, and Taylor Foy as Acting Director of the Office of Public Affairs, among others. These appointments aim to advance the US CFTC's mission while addressing critical areas such as crypto regulation, market oversight, and international collaboration.

### Harry Jung: Acting Chief of Staff

Harry Jung, appointed as Acting Chief of Staff, will serve as Acting Chairman Caroline D. Pham's top advisor while spearheading the US CFTC's engagement on crypto, decentralised finance (**DeFi**), and digital assets. Harry joined the US CFTC in 2023 as a Senior Policy Advisor and Counselor to then-Commissioner Pham. Previously, he held leadership roles at Citigroup, where he worked in the Office of the CEO and Chief Administrative Officer and led regulatory strategy and digital asset engagements with US and global regulators. Harry also has experience at Morgan Stanley and FINRA. He holds a law degree from Michigan State University College of Law, a master's degree from Georgetown University, and a bachelor's degree from Hamilton College.

### **Meghan Tente: Acting General Counsel**

Meghan Tente has taken on the role of Acting General Counsel after a distinguished tenure at the US CFTC, which began in 2012. She has held multiple leadership roles, including Acting Director of the Division of Market Oversight, where she supervised derivatives exchanges and ensured compliance with regulatory requirements. Meghan has been recognised with multiple awards, including the US CFTC Chairman's Awards for Excellence in Management and Exceptional Service. A graduate of Brown University and Cornell Law School, Meghan has a wealth of experience engaging with international regulators and overseeing market participants.

### **Taylor Foy: Acting Director, Office of Public Affairs**

Taylor Foy, named Acting Director of the Office of Public Affairs, joined the US CFTC in 2024 as a Senior Advisor to then-Commissioner Pham, focusing on public relations and external communications. Before joining the US CFTC, Taylor spent nearly 14 years on Capitol Hill, serving as Communications Director for the Senate Judiciary, Senate Finance, and Senate Budget Committees. His expertise spans tax and trade policy, government spending, and accountability. A graduate of Doane University, Taylor holds a Bachelor of Arts in Journalism and studied Business Administration.

### **Nicholas Elliot: Acting Director, Office of Legislative and Intergovernmental Affairs**

Nicholas Elliot, now Acting Director of the Office of Legislative and Intergovernmental Affairs, previously served as a Policy Advisor and Confidential Assistant to then-Commissioner Pham. He was also the Alternate Designated Federal Officer of the Global Markets Advisory Committee. Before joining the US CFTC, Nicholas worked for US Senator Bill Hagerty, focusing on financial services, banking, and legislative priorities, including the Digital Trading Clarity Act. A graduate of Georgetown University's McDonough School of Business, Nicholas holds a BS in Business Administration with a Finance major and a Mandarin minor.

### **Amanda Olear: Acting Director, Division of Market Oversight**

Amanda Olear, appointed Acting Director of the Division of Market Oversight, has been with the US CFTC since 2007. Her tenure includes roles such as Director of the Market Participants Division and Associate Director of the Managed Funds Section. Amanda has extensive experience in registration, compliance, and market oversight, having worked closely with futures commission merchants and swap dealers. She holds a JD with honours from the University of Maryland Francis King Carey School of Law and a BA from McDaniel College, where she graduated summa cum laude.

### **Richard Haynes: Acting Director, Division of Clearing and Risk**

Richard Haynes, the new Acting Director of the Division of Clearing and Risk, has been with the US CFTC for a decade, most recently serving as Deputy Director of the Risk Surveillance Branch. His work has focused on systemic risk in cleared derivatives and international policy recommendations. Richard co-authored multiple academic papers on market structure and regulatory policy and previously worked as a trader and quant in New York and Hong Kong. He earned a PhD in Mathematics from the University of Chicago.

### **Tom Smith: Acting Director, Market Participants Division**

Tom Smith, a veteran of the US CFTC since 1992, has been appointed Acting Director of the Market Participants Division. Over his nearly three-decade career, Tom has worked as an Attorney Advisor in the Office of Proceedings and as Special Counsel in the Division of Trading and Markets. Most recently, he served as Deputy Director of the Market Participants Division, focusing on capital, margin, and customer fund segregation. Tom holds a degree in accounting from Manhattan College and a JD from George Mason University.

### **Brian Young: Acting Director, Division of Enforcement**

Brian Young, named Acting Director of the Division of Enforcement, joined the US CFTC in 2024 as Director of the Whistleblower Office. With nearly 20 years at the Department of Justice, Brian has a distinguished career prosecuting high-profile cases, including fraud and antitrust violations. He previously served as Acting Director of Litigation for the DOJ's Antitrust Division and successfully litigated landmark cases involving LIBOR manipulation and futures market spoofing. Brian holds a JD and began his legal career as a clerk for the Hon. Alice M. Batchelder of the US Court of Appeals for the Sixth Circuit.

### **Mauricio Melara: Acting Director, Office of International Affairs**



Mauricio Melara, appointed Acting Director of the Office of International Affairs, has been with the US CFTC since 2010, focusing on cross-border issues and foreign regulatory systems. He has provided expert advice on international developments impacting the US CFTC's mission and served as Special Counsel in the Division of Market Oversight. Before joining the US CFTC, Mauricio worked in private practice at prominent law firms and as a trading officer. He earned his JD from Fordham University School of Law and a BS from NYU Stern School of Business.

Caroline D. Pham announced US CFTC leadership changes stating: *"I'm pleased to announce US CFTC leadership changes with the beginning of the new Administration, and I want to recognize and thank former Chairman Behnam and his staff, as well as Steve Adamske, Director, Office of Public Affairs; Clark Hutchison, Director, Division of Clearing and Risk; Ian McGinley, Director, Division of Enforcement; Vince McGonagle, Director, Division of Market Oversight; Amanda Olear, Director, Market Participants Division; Suyash Paliwal, Director, Office of International Affairs; Rob Schwartz, General Counsel; and Ann Wright, Director, Office of Legislative and Intergovernmental Affairs, who have been the US CFTC's executive leadership team over the past several years. I am grateful for their combined many decades of faithful service to the US CFTC, and I appreciate our talented US CFTC staff who will be assuming these roles on an interim basis."*

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9037-25>)

## US CFTC Commissioner Kristin Johnson Calls for Stronger Digital Asset Oversight in Keynote Address

On 24 January 2025, the United States Commodity Futures Trading Commission (**US CFTC**) Commissioner Kristin Johnson delivered a keynote address at the University of Chicago Law School, titled *Charting the Future of Financial Regulation*. Her speech focused on financial technology, with a strong emphasis on digital assets and artificial intelligence (**AI**). Commissioner Kristin Johnson spoke about the need for clear regulations, investor protections, and governance in digital asset markets. Her remarks followed recent Executive Orders from the new administration on AI and cryptocurrency.

Commissioner Kristin Johnson spoke about how technology is changing financial markets, particularly in digital trading, algorithmic models, and decentralised finance (**DeFi**). She said that while these developments bring new possibilities, they also create risks such as fraud, financial instability, and market manipulation. She also called for regulatory measures that would apply the same safeguards to digital asset markets as those used in traditional finance.

She further stated that regulators must take a forward-looking approach to ensure that digital markets operate under clear rules. The main goal, she said, is to create a system that allows innovation while protecting investors and market stability.

Digital assets have grown rapidly, drawing interest from institutional and retail investors. However, the lack of regulation has led to market failures, fraud, and financial losses. The collapse of major crypto firms in 2022 showed that many platforms had poor financial management and weak investor protections.

Commissioner Kristin Johnson pointed out that the recent Executive Orders on AI and cryptocurrency show that the administration wants to bring more structure to these markets. She said that new regulations should focus on key areas like customer fund protections, corporate governance, and anti-money laundering (**AML**) compliance.

The 2022 collapse of major crypto firms highlighted weaknesses in the digital asset industry, with poor financial practices leading to substantial investor losses. In response, regulators, including the US CFTC and the United States Securities and Exchange Commission (**US SEC**), intensified efforts throughout 2023 and 2024 to define the legal boundaries of digital assets, holding public consultations and increasing enforcement actions. In January 2025, the new administration issued Executive Orders prioritising AI and digital asset regulation, indicating a shift towards greater oversight. On 24 January 2025, Johnson delivered her keynote address, where she called for a clear regulatory framework to address the risks in digital asset markets.

Johnson said that digital asset firms should be required to segregate customer funds from company assets to prevent mismanagement. She explained that many of the failures in the crypto industry were due to firms mishandling investor funds, and that separating customer money from operational funds would provide better protection.

She also spoke about the need for stronger corporate governance standards. She called for digital asset platforms to implement internal controls, independent oversight, and risk management committees. According to her, these structures already exist in traditional finance, and digital asset firms should follow the same rules.

Anti-money laundering (**AML**) and know-your-customer (**KYC**) compliance were also a major focus of her remarks. She argued that strengthening these regulations would help prevent fraud and illicit financial activity within the digital asset industry. Johnson noted that the lack of standardised compliance practices in crypto markets had allowed bad actors to exploit regulatory gaps.

She also said that interagency coordination would be essential in ensuring effective regulation. She urged the US CFTC, US SEC, and other financial regulators to work together to establish consistent rules and enforcement strategies for digital assets. Without coordination, she warned, regulatory uncertainty could continue to slow the development of a structured digital asset market.

With the establishment of the Presidential Working Group on Digital Asset Markets under the National Economic Council and the appointment of a Special Advisor for AI and Crypto, Johnson expects regulatory changes to take shape over the coming months. While she acknowledged that drafting and passing comprehensive regulations would take time, she said that immediate steps could be taken to enforce baseline protections, particularly in fund segregation and governance structures.

(Source: <https://www.cftc.gov/PressRoom/SpeechesTestimony/opajohnson15>)

## US Securities and Exchange Commission Published Study on Payment for Order Flow in Crypto Markets

On 24 January 2025, the United States Securities and Exchange Commission (**US SEC**) published a pivotal working paper titled "*How Does Payment for Order Flow Influence Markets? Evidence from Robinhood Crypto Token Introductions*." The study, authored in collaboration with researchers from Miami University and Wayne State University, provides a detailed examination of how Payment for Order Flow (**PFOF**) impacts cryptocurrency markets. It analyses Robinhood Crypto's staggered introduction of tokens and its broader implications for market quality, trading costs, and regulatory frameworks.

The paper focuses on the role of PFOF, a practice where brokers receive payments from market makers for routing orders. This study revealed a distinct lack of transparency in crypto PFOF practices compared to equities and options, coupled with substantially higher fees, approximately 4.5 to 45 times higher. The findings indicate that the introduction of tokens on Robinhood Crypto led to reduced trading volumes for most crypto assets (excluding Bitcoin and Ethereum), increased bid-ask spreads, heightened volatility, and a shift in order imbalances towards net sales. These changes resulted in an estimated daily cost of \$4.8 million to market participants. The report draws comparisons with equity and options markets, discussing the challenges posed by crypto PFOF practices.

The study's backdrop lies in the growing scrutiny of PFOF globally. While jurisdictions like the UK, Canada, and the EU have banned or limited PFOF due to concerns over conflicts of interest and market fairness, the practice remains legal and widely used in the United States. The research was prompted by the lack of comprehensive data on PFOF in crypto markets, which are significantly less regulated than their traditional financial counterparts. The US SEC sought to investigate whether the adverse effects observed in equities and options markets extend to cryptocurrencies, a market characterised by high trading volumes and substantial retail investor participation.

The research leveraged Robinhood Crypto's token introduction timeline to assess the impact of PFOF on market quality. Between January 2018 and October 2022, Robinhood introduced 19 cryptocurrencies, beginning with Bitcoin and Ethereum and concluding with Aave and Tezos. The platform, known for its predominantly retail clientele, generated significant revenue from PFOF, reporting \$420 million in crypto-related fees in 2021 alone. During this period, Robinhood facilitated an average of 1.2 million daily revenue-generating trades.

The findings revealed several issues. The lack of transparency in crypto PFOF practices stands out, as there are no mandatory public disclosures akin to those required for equities and options. Furthermore, the fees associated with crypto PFOF are disproportionately high, with wholesalers paying up to 35 basis points per dollar of trading volume compared to just 0.8 basis points for equities. This disparity exacerbates the costs borne by

traders and raises concerns about the fairness of execution practices. The study also demonstrated that token introductions on Robinhood Crypto led to wider bid-ask spreads, increased volatility, larger average trade sizes, and substantial order imbalances, collectively reducing market efficiency.

The US SEC paper proposes regulatory measures to address these challenges. It calls for greater transparency in PFOF practices within crypto markets, suggesting the implementation of disclosure requirements similar to Regulation NMS Rule 606 for equities and options. Enhanced oversight is also recommended to mitigate conflicts of interest and ensure fair pricing mechanisms, particularly for retail investors. By shedding light on these issues, the study aims to contribute to the ongoing debate over the need for stricter regulation of cryptocurrency markets.

Robinhood Crypto introduced its first tokens, Bitcoin and Ethereum, on 25 January 2018, gradually expanding to include 19 cryptocurrencies by October 2022. During this period, the platform solidified its position as a leading player among US retail investors, facilitating billions in trading volume and PFOF-related revenue. The US SEC's Division of Economic and Risk Analysis (**DERA**) played central role in conducting the research, while Robinhood Crypto served as the primary case study. Academic collaborators from Miami University and Wayne State University contributed to the analysis. The study also references the regulatory approaches of the UK, Canada, and the EU, highlighting the contrast between their stricter stances on PFOF and the relatively lenient framework in the United States.

(Source: [https://www.sec.gov/files/dera\\_wp\\_payment-order-flow-2501.pdf](https://www.sec.gov/files/dera_wp_payment-order-flow-2501.pdf))

## US CFTC to Hold Public Roundtables on Innovation and Market Structure

On 27 January 2025, the United States Commodity Futures Trading Commission (**US CFTC**) announced the launch of a series of public roundtables focused on emerging trends and innovation in market structure. Acting Chairman Caroline D. Pham initiated the effort as part of a broader push for transparency and open engagement in policy discussions affecting derivatives markets. The roundtables will cover critical topics, including affiliated entities and conflicts of interest, prediction markets, and digital assets.

The US CFTC's new initiative aims to facilitate informed discussions among industry leaders, market participants, experts, and public interest groups. The roundtables will build a comprehensive administrative record by incorporating studies, data, expert reports, and public input. Acting Chairman Pham underscored the importance of a forward-looking regulatory approach, stating that the initiative will help ensure US markets remain resilient while fostering economic growth and maintaining American competitiveness. The Commission has committed to providing further details about the roundtable series as they become available.

The US CFTC plays a central role in overseeing the derivatives markets and ensuring their integrity. As financial markets evolve with technological advancements, regulatory frameworks must adapt to address both opportunities and risks. In recent years, digital assets, prediction markets, and complex financial structures have introduced new challenges, necessitating a structured regulatory response.

Acting Chairman Pham has consistently advocated for a proactive stance on market structure changes. In 2024, she called for increased public engagement and greater transparency in the US CFTC's approach to regulating derivatives markets. The launch of these roundtables reflects her commitment to an inclusive and data-driven policymaking process that considers a wide range of perspectives.

In 2024, Acting Chairman Pham called for greater transparency and engagement in derivatives market regulation, emphasising the need for structured public discourse. On 27 January 2025, US CFTC formally announced the public roundtable initiative, highlighting its focus on evolving market structures, digital assets, and affiliated entities. The US CFTC will host a series of roundtables, gathering insights from industry leaders, market participants, and public interest groups to develop clear regulatory guidelines.

The roundtables will serve as a platform for expert discussions on regulatory challenges and opportunities arising from market innovations. The initiative aims to enhance market stability by ensuring that emerging trends are addressed with a balanced regulatory approach. The US CFTC has committed to hosting these roundtables over the next several months, with detailed schedules to be announced in due course.

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9038-25>)

## UK FCA Issues First Fine for MiFIR Transaction Reporting Failures Against Infinox Capital Limited

On 29 January 2025, the United Kingdom Financial Conduct Authority (**UK FCA**) imposed a fine of £99,200 on Infinox Capital Limited for allegedly failing to submit 46,053 transaction reports under the *European Union Markets in Financial Instruments Regulation* (**MiFIR**). This is the first enforcement action taken by the UK FCA for an alleged breach of MiFIR's transaction reporting requirements. The fine follows an investigation into Infinox's transaction reporting systems, which the UK FCA found to be lacking in controls necessary to ensure compliance.

The *Final Notice 2025*: Infinox issued by the UK FCA states that between 1 October 2022 and 31 March 2023, Infinox allegedly failed to submit transaction reports for single-stock contracts for difference (**CFDs**) executed through one of its corporate brokerage accounts. This account represented a large part of Infinox's business, and the alleged failure to report these transactions meant that market activity in this area was not fully recorded.

The UK FCA found that Infinox did not disclose the reporting failure when it was first identified through a third-party compliance review. The UK FCA later detected discrepancies in transaction data and contacted the firm. Infinox acknowledged the alleged breach and submitted missing reports on 15 December 2023. The UK FCA alleges that the firm's failure to submit these reports breached Article 26(1) of MiFIR, which requires investment firms executing transactions in financial instruments to report complete and accurate details no later than the close of the following working day.

The MiFIR transaction reporting requirements were introduced to allow regulators to monitor trading activity, detect market abuse, and ensure fair and transparent markets. The UK FCA relies on firms submitting transaction reports to detect any suspicious trading behaviour. MiFIR replaced earlier reporting frameworks under the *Markets in Financial Instruments Directive* (**MiFID II**), and compliance with these regulations became UK law following Brexit.

The UK FCA states that Infinox provides CFD trading services, which are considered a high-risk financial product due to their speculative nature. In October 2022, Infinox began offering single-stock CFDs. UK FCA alleges that Infinox failed to implement adequate reporting systems for transactions executed through its corporate brokerage account, which meant that 60% of transactions in this business line were not reported.

Between 1 October 2022 and 31 March 2023, Infinox allegedly executed thousands of single-stock CFD trades without submitting the required transaction reports. The UK FCA states that it detected discrepancies in Infinox's transaction data in May 2023 and requested an explanation from the firm. On 31 May 2023, Infinox initially reported that 6,000 transactions had not been submitted. By 6 July 2023, Infinox revised this figure to 46,053.

The firm engaged with the UK FCA over the following months and completed the back-reporting of missing transactions on 15 December 2023. The UK FCA alleges that Infinox had been aware of the reporting failures since March 2023 but did not inform the regulator. The UK FCA considers this failure to proactively disclose the issue as a matter of concern, as transaction reports are a core element of market monitoring.

The UK FCA imposed a fine of £99,200 on Infinox under Section 206 of the UK *Financial Services and Markets Act 2000*. The original penalty was £141,800, but a 30% reduction was applied after Infinox agreed to an early resolution of the case.

The UK FCA stated that while Infinox did not gain financially from the alleged breach, its failure to report transactions for a product that carries risks of market abuse had regulatory implications. The UK FCA also noted weaknesses in Infinox's internal controls, with a lack of oversight in its reporting processes.

Infinox must pay the fine by 9 February 2025. If the firm does not comply, the UK FCA may take further enforcement action. The UK FCA has also stated that it will continue to monitor firms' transaction reporting and take enforcement action where necessary to maintain market oversight.

(Source: <https://www.fca.org.uk/news>, <https://www.fca.org.uk/news/press-releases/fca-issues-first-fine-transaction-reporting-failures-under-mifir>, <https://www.fca.org.uk/publication/final-notice/infinox-2025.pdf>)



## US SEC and US CFTC Extend Compliance Date for Form PF Amendments

On 29 January 2025, the United States Securities and Exchange Commission (**US SEC**) and the United States Commodity Futures Trading Commission (**US CFTC**) announced an extension of the compliance date for amendments to US Form *PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers*. The compliance deadline, initially set for 12 March 2025, has now been moved to 12 June 2025. The decision follows concerns raised by industry participants regarding the administrative and technological challenges associated with the original timeline.

The US Form *PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers* is a confidential reporting form used by certain US SEC-registered investment advisers, including those also registered with the US CFTC as commodity pool operators (**CPOs**) or commodity trading advisers (**CTAs**). The form requires private fund advisers to provide data on their operations, financial condition, and risk exposure. These amendments, originally adopted on 8 February 2024, aim to enhance the oversight of hedge funds and other private funds to support regulatory monitoring and systemic risk assessment. The extension provides additional time for affected entities to implement necessary changes and comply with the updated reporting requirements.

The US Form *PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers* was introduced following the United States Dodd-Frank Wall Street Reform and **Consumer Protection Act of 2010**, with the aim to improve regulatory oversight by requiring private fund advisers to disclose information relevant to financial stability and investor protection. Amendments to the form were adopted in February 2024 to refine reporting requirements and capture more detailed data on large hedge funds and other private investment entities.

The compliance deadline extension was prompted by industry concerns regarding operational burdens. The changes require private fund advisers to adjust their reporting systems, which involves significant technological modifications. Market participants argued that meeting the original compliance date would result in overlapping regulatory obligations, as it fell within an already demanding reporting period.

### **Background**

On 8 February 2024, the US SEC and US CFTC adopted amendments to US Form *PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers* to enhance reporting transparency and improve risk assessment capabilities. The amendments were initially scheduled to take effect on 12 March 2025, giving advisers a year to update their systems. However, as the compliance date approached, industry groups, including the Managed Funds Association, Alternative Investment Management Association, Investment Adviser Association, and SIFMA Asset Management Group, submitted requests for an extension.

These groups raised the complexity of the required changes and the risk of inconsistencies if private fund advisers had to file reports under both the current and amended versions of Form PF within the same reporting cycle. The industry suggested an extension to either 12 June 2025 or 12 September 2025. After reviewing these concerns, the regulators decided on a three-month extension, concluding that it would alleviate the most pressing issues while still ensuring that the new reporting requirements come into effect without undue delay.

The extension allows private fund advisers additional time to adjust their reporting systems and conduct necessary testing to comply with the new Form PF requirements.

The updated reporting requirements under US Form *PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers* will enhance the ability of the United States Financial Stability Oversight Council to monitor potential systemic risks and improve the US SEC's regulatory oversight of private funds, address data quality issues, streamline reporting obligations, and refine the assessment of market trends. The revised compliance date means that private fund advisers must now adhere to the updated Form PF requirements by 12 June 2025.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-33>, <https://www.sec.gov/files/rules/final/2025/ia-6838.pdf>)



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