

SEC Proposes to Enhance Private Fund Reporting

FOR IMMEDIATE RELEASE

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Washington D.C., Aug. 10, 2022 — The Securities and Exchange Commission today voted to propose amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds. The amendments, which the Commodity Futures Trading Commission (CFTC) is concurrently considering to propose jointly with the SEC, are designed to enhance the Financial Stability Oversight Council's (FSOC) ability to assess systemic risk as well as to bolster the SEC's regulatory oversight of private fund advisers and its investor protection efforts in light of the growth of the private fund industry.

"In the decade since the SEC and CFTC jointly adopted Form PF, regulators have gained vital insight with respect to private funds. Since then, though, the private fund industry has grown in gross asset value by nearly 150 percent and evolved in terms of its business practices, complexity, and investment strategies," said SEC Chair Gary Gensler. "I am pleased to support the proposal because, if adopted, it would improve the quality of the information we receive from all Form PF filers, with a particular focus on large hedge fund advisers. That will help protect investors and maintain fair, orderly, and efficient markets."

Through the SEC's experience with Form PF, the agency identified situations where revised information would improve its understanding and regulation of the private fund industry. The SEC also identified instances where more detailed information would provide better empirical data for the FSOC to use in determining the extent to which the activities of private funds or their advisers pose systemic risks.

Among other things, the proposed amendments would:

- **Enhance Reporting by Large Hedge Fund Advisers on Qualifying Hedge Funds.** The proposal would enhance how large hedge fund advisers report investment exposures, borrowing and counterparty exposure, market factor effects, currency exposure reporting, turnover, country and industry exposure, central clearing counterparty reporting, risk metrics, investment performance by strategy, portfolio correlation, portfolio liquidity, and financing liquidity to provide better insight into the operations and strategies of these funds and their advisers and improve data quality and comparability.
- **Enhance Reporting on Basic Information About Advisers and the Private Funds They Advise.** The proposal would require additional basic information about advisers and the private funds they advise including identifying information, assets under management, withdrawal and redemption rights, gross asset value and net asset value, inflows and outflows, base currency, borrowings and types of creditors, fair value hierarchy, beneficial ownership, and fund performance to provide greater insight into private funds' operations and strategies, assist in identifying trends, including those that could create systemic risk, improve data quality and comparability, and reduce reporting errors.
- **Enhance Reporting Concerning Hedge Funds.** The proposal would require more detailed information about the investment strategies, counterparty exposures, and trading and clearing mechanisms employed by hedge funds, while also removing duplicative questions, to provide greater insight into hedge funds' operations and strategies, assist in identifying trends, and improve data quality and comparability.

The proposal will be published on SEC.gov and in the Federal Register. The public comment period will remain open for 60 days after the date of issuance and publication on SEC.gov or 30 days after publication in the Federal Register, whichever period is longer.

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Related Materials

- [SEC Rule](#)
- [Fact Sheet](#)