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IAA Supports Form PF Proposal to Raise Filing Thresholds, Recommends Tailored Improvements

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Via Electronic Transmission

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Mr. Christopher Kirkpatrick
Secretary
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Form PF; Reporting Requirements for All Filers (Rel. No. IA-6959; File No. S7-2026-13)

Dear Ms. Countryman and Mr. Kirkpatrick:

The Investment Adviser Association (**IAA**)^[1] appreciates the opportunity to comment on the proposal issued jointly by the Securities and Exchange Commission (**SEC**) and Commodity Futures Trading Commission (**CFTC**) (together, the **Commissions**) to amend Form PF, the confidential reporting form for private fund advisers.^[2] Many IAA members advise

private funds and are required to file Form PF. These members reflect the full breadth of the private fund industry and therefore have significant experience with Form PF and its reporting requirements, as well as a strong interest in ensuring that Form PF remains appropriately tailored to its core regulatory objectives.

We commend the Commissions for proposing a thoughtful recalibration of Form PF that would modernize reporting thresholds, reduce unnecessary complexity, and focus reporting on information most relevant to systemic risk monitoring and investor protection. We strongly support these efforts and, at the same time, recommend several additional changes to further streamline Form PF reporting requirements to reduce unnecessary burdens.

I. Background and Executive Summary

The Commissions adopted Form PF in 2011 pursuant to the Dodd-Frank Act to provide them and the Financial Stability Oversight Council (**FSOC**) with confidential information regarding the operations, exposures, and investment strategies of private funds.^[3] This Proposal represents the third set of amendments to Form PF since 2022 and would: (i) update reporting thresholds established in 2011 to reflect the significant growth of the private fund industry; (ii) amend or eliminate certain amendments adopted jointly by the SEC and CFTC in 2024;^[4] and (iii) revise or remove several reporting items adopted by the SEC in 2023.^[5]

Taken together, these changes would eliminate or significantly reduce reporting obligations for smaller private fund advisers and ease operational complexity and compliance burdens that were largely created by the 2023 and 2024 Amendments for other advisers. However, we believe that additional streamlining is necessary to more effectively achieve the Proposal's stated goal of reducing regulatory burdens while preserving the utility of Form PF to support investor protection and inform the SEC's and FSOC's assessment of potential systemic risks to the U.S. financial system. Therefore, while we support many of the proposed amendments, we offer several recommendations that we believe will improve the form.

Specifically, the IAA strongly supports:

- The proposed increases to the Form PF filing thresholds from \$150 million to \$1 billion in private fund assets under management (**AUM**), and from \$1.5 billion to \$10 billion in hedge fund AUM for large hedge fund advisers;
- The proposed elimination of Section 6 reporting for private equity fund advisers;
- Streamlining Section 5; and
- Other proposed targeted updates that would eliminate or simplify certain reporting requirements that appear to provide limited incremental value for systemic risk monitoring or are otherwise captured through other Form PF reporting.

We also recommend that the Commissions adopt the following further modifications:

- Reassess the reporting threshold for large private equity fund advisers and increase the threshold to at least \$10 billion;
- Restore aggregated reporting for both master-feeder arrangements and parallel fund structures that existed before adoption of the 2024 Amendments because disaggregated reporting imposes significant compliance and operational costs and is unnecessary;
- Eliminate the requirement to separately identify trading vehicles;
- Adopt additional changes to event reporting under Section 5 and reconsider the definition of hedge fund;
- Evaluate the new private credit information added by the 2024 Amendments before considering a separate reporting section or additional private credit reporting requirements at this time;
- Provide a transition period of no less than 12 months after FINRA has completed its technical work on the amended form and made a testing environment available; and
- Ensure robust controls around maintaining Form PF confidentiality.

Our comments and recommendations are discussed below.

II. Comments and Recommendations

A. The IAA Supports the Proposed Increases to the Form PF and Large Hedge Fund Advisers Thresholds.

The IAA strongly supports the proposal to increase the Form PF filing threshold from \$150 million to \$1 billion in private fund AUM. As the Proposal notes, this change would eliminate the burden of filing Form PF for about 43 percent of current filers, while preserving reporting on approximately 94 percent of private fund gross asset value.^[6] The Proposal represents a thoughtful update to the reporting threshold that would substantially reduce burdens on smaller advisers while maintaining Form PF's effectiveness as a tool for systemic risk monitoring.

Recognizing the significant growth of the private fund industry since Form PF was adopted in 2011 – the industry more than tripled from \$8 trillion in assets in 2013 to \$25 trillion in 2025 – and drawing on over a decade of experience reviewing Form PF data, the Commissions appropriately concluded that the existing threshold no longer reflects the size and structure of today's private fund market and can be modernized without materially diminishing the utility of the data collected.^[7] We believe the proposed threshold increase appropriately aligns reporting obligations with the Commissions' systemic risk objectives while continuing to provide the SEC and FSOC with information regarding the vast majority of private fund assets.^[8]

We similarly strongly support the proposal to increase the reporting threshold for large hedge fund advisers from \$1.5 billion to \$10 billion in hedge fund AUM. As the Commissions explain, the proposed threshold would continue to capture a substantial majority of hedge fund assets while reducing reporting obligations for the almost two-thirds of advisers whose activities are less likely to be relevant to systemic risk monitoring. Consistent with the rationale underlying the original Form PF framework, the Proposal appropriately focuses enhanced reporting requirements on a smaller number of advisers that manage more than 80 percent of hedge fund assets.^[9]

We also support the proposal to require review of Form PF reporting thresholds every five years to ensure that they remain appropriately targeted over time and continue to reflect changes in the size and composition of the private fund industry. While the Commissions could consider the rate of inflation during the five-year period, we do not support requiring an increase due to inflation alone since market value fluctuations often do not track inflation. Instead, the Commissions should retain flexibility to consider any relevant factors in determining whether the thresholds should be changed.

B. We Recommend that the Commissions Also Reassess the Reporting Threshold for Large Private Equity Fund Advisers.

While the Proposal appropriately updates the general Form PF and large hedge fund adviser thresholds, the Commissions have not conducted a similar analysis of the data and not included a corresponding adjustment to the reporting threshold for large private equity fund advisers. We appreciate that the Proposal specifically requests comment on this question and encourage the Commissions to analyze the available data and increase this threshold as part of this rulemaking.

The current \$2 billion threshold has remained unchanged since Form PF was adopted in 2011, notwithstanding the substantial growth of the private equity industry during that period. As the Commissions recognized when Form PF was adopted, reporting thresholds should be designed so that the population of large private fund advisers subject to enhanced reporting remains relatively small in number while representing a substantial portion of industry assets.^[10] The same considerations that support updating the general filing threshold and the large hedge fund adviser threshold support updating the large private equity adviser threshold as well.

Several approaches could be used to update this threshold. For example, the Commissions could adopt a threshold of \$10 billion, consistent with the threshold proposed for large hedge fund advisers. They could also increase the threshold by the same proportion they propose to increase the hedge fund threshold, *i.e.*, from \$2 billion to \$13.3 billion (a factor of 6.67). Alternatively, the Commissions could raise the threshold proportionally based on the growth of private equity fund gross assets since Form PF was adopted. According to SEC data, private equity fund gross assets have increased from about \$1.79 trillion in 2012 to \$8.52 trillion in 2024, a growth of about 376 percent.^[11] Applying that growth rate to the

current \$2 billion threshold would result in a threshold of approximately \$7.5 billion. The Commissions could also consider maintaining the same relationship between the threshold and aggregate private equity fund assets that existed when Form PF was adopted. Using the \$1.79 trillion in private equity fund gross assets in 2012 and the original \$2 billion threshold yields a ratio of roughly 0.112 percent (*i.e.*, the percentage of assets excluded from reporting as a large private equity fund adviser). Applying that ratio to approximately \$8.52 trillion in private equity fund gross assets in 2024 would produce a threshold of approximately \$9.5 billion.^[12]

In the absence of data supporting a different approach, we believe a threshold of at least \$10 billion would be reasonable and appropriately reflect the substantial growth of the private equity industry since 2011. This threshold would cover a similar percentage of private fund AUM that was covered when the form was originally adopted. This threshold would also align the reporting threshold for large private equity fund advisers with the threshold proposed for large hedge fund advisers, making it easier to administer, while continuing to focus enhanced reporting on advisers managing the largest and most significant private fund complexes.^[13]

We therefore recommend that the Commissions adopt an appropriately updated threshold for large private equity fund advisers. At a minimum, they should commit to periodically reviewing and adjusting this threshold, consistent with the proposed approach for other Form PF reporting thresholds.

C. Aggregated Reporting for Both Master-Feeder Arrangements and Parallel Fund Structures Should be Restored.

Under the 2024 Amendments, advisers will have to separately report each component of a master-feeder arrangement and each fund in a parallel fund structure,^[14] *i.e.*, each component or fund must be reported on a disaggregated basis. The disaggregation requirement was among the most controversial and consequential aspects of the 2024 Amendments. Commenters raised significant concerns during the proposal stage for the 2024 Amendments regarding the operational complexity, cost, and implementation challenges of this new requirement. The Commissions nevertheless adopted the requirement.

We urge the Commissions to restore the flexibility that existed prior to the 2024 Amendments to allow advisers to report both master-feeder arrangements and parallel fund structures on either an aggregated or disaggregated basis, provided they report consistently throughout Form PF.

The 2011 Form Approach to Aggregation Is Working Effectively.

Advisers to private funds have operated under the aggregation framework since Form PF was adopted in 2011. Because the 2024 Amendments have not yet been implemented, advisers continue to have the flexibility to aggregate their master-feeder and parallel fund structures. The SEC and FSOC have relied on Form PF data since 2011 to monitor private fund activity and assess potential systemic risk.^[15] The Proposal does not identify any instance in which aggregated reporting materially impeded those efforts. Nor does it point to any market event, supervisory concern, or systemic-risk assessment that was negatively impacted as a result of the aggregation framework currently in place.

Given this longstanding experience, there is a strong empirical basis for continuing to permit advisers to report both master-feeder arrangements and parallel fund structures on an aggregated basis. As discussed below, aggregated reporting also better reflects how advisers manage these structures and present information to investors and in audited financial statements.

The Proposed de Minimis Exception for Master-Feeder Funds Does Not Adequately Address the Challenges Raised by Disaggregation.

Recognizing that disaggregation does not necessarily advance the Commissions' objectives, the Proposal would create a limited exception. In our view, however, the exception is too narrow to effectively address our concerns with disaggregation. The proposed relief would only be available to certain master-feeder arrangements, and not at all to parallel fund structures, and we do not believe it would sufficiently reduce the number of reporting funds and

corresponding data points to meaningfully reduce compliance and operational burdens. Moreover, the Commissions have not provided sufficient support to justify requiring separate reporting for arrangements that do not qualify for that narrow relief.

Under the 2024 Amendments, advisers to master-feeder arrangements must report each component fund separately, except for feeder funds that invest only in (i) a single master fund, (ii) U.S. treasury bills, and/or (iii) cash and cash equivalents (*i.e.*, “disregarded feeder funds”). The Proposal would expand the category of disregarded feeder funds by adopting a limited *de minimis* exception under which advisers would not be required to report a feeder fund separately if the fund invests no more than 5 percent of its gross asset value outside the allowed assets. This change is intended to address concerns regarding the burden and increased volume of disaggregated reporting while recognizing that such limited investments generally do not materially alter a feeder fund’s risk profile. We agree with this underlying premise but do not believe the proposed five-percent threshold would provide meaningful relief in practice.

We expect that many feeder funds that are managed and evaluated as part of a single investment program would exceed the proposed limit, as well as higher limits the Commissions might consider, despite the feeder fund continuing to operate as part of the same investment program and not representing a materially distinct investment strategy from the related master fund. For example, certain feeder funds may enter into foreign exchange hedging arrangements designed to hedge currency exposure back to a base currency. Such arrangements could cause a feeder fund to exceed the proposed threshold significantly. As a result, we do not propose a specific alternative threshold and instead recommend that the Commissions eliminate the requirements to aggregate master-feeder arrangements.

More broadly, the Proposal’s recognition that limited differences among component funds often do not materially affect their risk profile reinforces the case for restoring the flexibility that existed prior to the 2024 Amendments. As discussed above, advisers historically were permitted – and, pending implementation of the 2024 Amendments are still permitted – to report master-feeder arrangements on either an aggregated or disaggregated basis, provided they applied the chosen methodology consistently throughout Form PF. We continue to believe that this approach more accurately reflects how advisers manage these structures in practice.

Under the pre-2024 framework, the Commissions have continued to receive information regarding a fund structure’s aggregate strategy, exposures, and risk profile, which we believe provides the information most relevant to the SEC’s and FSOC’s use of Form PF data. The Commissions have not sufficiently articulated why it is important for them also to know whether the exposures are held in feeder funds or other special purpose vehicles and why that additional information justifies the costs associated with mandatory disaggregation.

Accordingly, we urge the Commissions to restore the pre-2024 reporting framework. If the Commissions determine to retain mandatory disaggregation, however, we encourage them to adopt a significantly broader exception that provides meaningful relief and reflects the Proposal’s recognition that limited differences among feeder funds often do not materially affect their risk profile.

Advisers Should Continue to Be Permitted to Report Parallel Fund Structures on an Aggregated Basis.

The need for relief from mandatory disaggregation is particularly acute for IAA members that use parallel fund structures. Parallel fund structures are widely used throughout the private fund industry, especially by private equity fund advisers. Advisers routinely establish parallel funds to accommodate different investor types (*e.g.*, taxable and tax-exempt investors, U.S. and non-U.S. investors), regulatory requirements, and operational considerations. As a result, a single investment program is typically implemented through numerous parallel vehicles that invest substantially pro rata alongside one another and pursue the same investment strategy.

Under the 2024 Amendments, advisers generally would be required to prepare a separate set of Form PF responses for each parallel fund, even though those funds often hold substantially similar portfolios, pursue the same investment strategy, and are managed by the same investment team using the same risk management processes. In many cases, the information reported for each parallel fund would be largely duplicative.

Where parallel funds invest side-by-side in the same portfolio, their exposures, counterparty relationships, and overall risk characteristics are substantially similar. Requiring separate reporting for each vehicle therefore multiplies the number of reporting funds and corresponding data points without necessarily providing meaningful additional insight into the overall exposures and activities of the investment program. By contrast, the aggregated reporting approach currently in place provides the Commissions with a comprehensive view of the investment program's aggregate exposures and activities, which we believe is the information most relevant to Form PF's regulatory objectives.

Aggregated reporting also more closely reflects how advisers manage parallel fund structures in practice. Advisers generally assess portfolio exposures, monitor risk, and report information to investors at the overall investment-program level rather than on a vehicle-by-vehicle basis. Similarly, audited financial statements and other investor reporting frequently present information in a manner that reflects the economic reality of the overall investment strategy rather than the separate legal structure of parallel vehicles. Permitting aggregated reporting would continue to align the parallel fund data with these established sources of the funds' data. It would also more closely align with the Commissions' proposed approach to the look-through requirements, discussed below. Conversely, the further Form PF reporting may diverge from how advisers report to investors and prepare financial statements, the greater the operational complexity and compliance burden.

Moreover, mandatory disaggregation may make it more difficult to understand the overall exposures associated with a parallel fund structure. Rather than reviewing a single report that reflects the aggregate investment program, the SEC and FSOC would be required to analyze and effectively reconstruct multiple fragmented reports to assess the overall exposure and risk characteristics of what is, in practice, a single investment strategy.

For these reasons, we urge the Commissions to restore the flexibility that existed prior to the 2024 Amendments and permit advisers to report parallel fund structures on either an aggregated or disaggregated basis, provided the reporting methodology is applied consistently throughout Form PF. For both master-feeder arrangements and parallel fund structures, the Commissions could require advisers to report whether an aggregated or disaggregated basis is used, to assist with the Commissions' understanding and analysis of the data. Advisers could provide this information in response to Questions 7 (master-feeder arrangements) and 8 (parallel fund structures).

We support the Proposed Revisions to the Look-Through Requirements.

The IAA supports the Proposal's revisions to the Form PF look-through requirements. In particular, we support eliminating the prescriptive requirement to look through certain investments and permitting advisers to report indirect exposures using reasonable estimates that are consistent with their internal methodologies and the reporting conventions of their service providers.

The look-through requirements adopted in the 2024 Amendments will be operationally challenging and resource-intensive to implement. Advisers frequently must rely on information provided by third-party funds, managers, administrators, and other service providers that may not be available on a timely basis or in a format that aligns with Form PF reporting requirements. As a result, these requirements will require significant manual calculations and assumptions while providing limited incremental regulatory value.

We therefore agree with the Commissions' determination that advisers should be permitted to use reasonable estimates and methodologies that are consistent with their internal risk management and reporting practices. This approach is more practical, better reflects how advisers evaluate exposures in the ordinary course of business, and should improve the consistency and reliability of reported information. We also support the related amendments permitting advisers to report notional exposures for derivatives and similar instruments where appropriate. This approach generally aligns more closely with existing risk management frameworks and available data.

More broadly, the Proposal appropriately recognizes that highly prescriptive reporting requirements are not always necessary to provide the SEC and FSOC with meaningful information regarding fund exposures and potential risks. The proposed amendments to the look-through requirements would reduce operational complexity and reporting costs while continuing to provide regulators with information relevant to their oversight and systemic risk monitoring objectives.

D. The Commissions Should Eliminate the Requirement to Separately Identify Trading Vehicles.

The Proposal would narrow the scope of trading vehicles that advisers must separately identify and report on Form PF. [16] We appreciate the Commissions' recognition that the trading vehicle reporting requirements adopted in the 2024 Amendments may capture entities that are not particularly relevant to systemic risk monitoring or investor protection. In our view, however, the Commissions should go further and eliminate the requirement to separately identify trading vehicles altogether. As we discuss above in connection with disaggregation and look-through reporting, the relevant question is generally the nature and magnitude of a reporting fund's exposures, rather than the particular legal entity through which those exposures are held.

As an initial matter, we remain concerned that the definition of "trading vehicle" is overly broad and does not provide sufficient clarity regarding the types of entities that should be included. The definition extends beyond entities that actively incur leverage, face counterparties, or engage in trading activity and may encompass a wide range of entities used for legal, tax, financing, and operational purposes. In the private equity context, these may include blocker entities, holding companies, aggregation vehicles, financing entities, and other special-purpose structures that facilitate the operation of a fund but do not themselves present distinct systemic-risk concerns. As a result, advisers may face uncertainty regarding the scope of the reporting obligation and inconsistent outcomes in determining which entities must be identified.

We appreciate the Proposal's attempt to address some of these concerns by narrowing the categories of trading vehicles that must be separately identified. In our view, however, the proposed relief remains too limited. Although the Proposal would reduce the number of trading vehicles that must be reported, advisers would still be required to identify and track a potentially significant number of entities whose separate identification would provide limited additional insight into a fund's exposures, risk profile, or potential systemic significance. Accordingly, the Proposal does not fully address the substantial operational burdens associated with identifying, inventorying, and reporting trading vehicles, particularly in complex private equity fund structures. [17]

More fundamentally, we question whether separate identification of trading vehicles is necessary at all. The information most relevant to systemic risk monitoring and investor protection, including a reporting fund's assets, holdings, exposures, leverage, counterparties, and creditors, is reported elsewhere in Form PF. Under the 2024 Amendments, advisers would continue to report this information at the reporting fund level, including information associated with trading vehicles. In our view, this information is far more relevant to the SEC's and FSOC's oversight and systemic risk objectives than the separate identification of the legal entities through which those activities are conducted, which generally provides little additional insight into a fund's exposures or potential systemic significance.

Because we believe the costs of the trading vehicle reporting requirement far outweigh its regulatory benefits, we urge the Commissions to eliminate the requirement to separately identify trading vehicles. Doing so would further the Proposal's objective of reducing unnecessary complexity and reporting burdens while preserving the information most relevant to systemic risk monitoring and investor protection.

E. Additional Changes to Event Reporting Under Section 5 and to the Definition of Hedge Fund are Warranted.

The Proposal seeks comments on proposed amendments to Section 5 for large hedge fund advisers, which was adopted in 2023. We reiterate and expand on several of the comments we made in response to the proposal to make these changes. [18]

The Section 5 Current Reporting Deadline Should Be Extended from 72 Hours to Four Business Days.

We support several aspects of the Proposal's revisions to Section 5 current reporting requirements for large hedge fund advisers. In particular, we support the proposed removal of the "as soon as practicable" filing standard, the elimination of certain reporting triggers, and the proposed narrowing of the operations event definition. These changes should reduce uncertainty regarding both the timing of current reports and the circumstances that give rise to a reporting obligation.

We also appreciate the Commissions' request for comment on whether the current 72-hour filing deadline remains appropriate. Based on advisers' experience in implementing policies and procedures to comply with Section 5, we believe that 72 hours is too short, especially since that timeframe may expire on a weekend or holiday. We urge the Commissions to extend this deadline to four business days.

Determining whether a triggering event has occurred frequently requires substantial factual development and analysis. Advisers must assess the circumstances surrounding the event, verify relevant facts internally and with third parties as appropriate, evaluate whether the reporting threshold has been met, and coordinate among investment, operations, legal, compliance, and senior management personnel. At the same time, advisers are often actively responding to the underlying event, communicating with investors, counterparties, service providers, and other stakeholders, and making potentially time-sensitive business and investment decisions. As fiduciaries, advisers' first responsibility in these circumstances is to protect the interests of the funds they manage, including by addressing the underlying issue, mitigating potential harm, and ensuring the continued operation of the fund. A filing deadline that is too compressed risks diverting critical personnel and resources away from those efforts at precisely the time they are most needed.

Providing advisers additional time would also improve the accuracy, completeness, and usefulness of the information reported to the SEC. A four-business-day filing period would better enable advisers to evaluate the relevant facts, prepare a complete and accurate filing, and reduce the risk of incomplete or premature reports. Although the proposed increase in the large hedge fund adviser threshold would reduce the number of advisers subject to Section 5 reporting, advisers that remain subject to these requirements, including firms with relatively limited personnel and compliance resources, would continue to face significant operational challenges in meeting a 72-hour filing deadline.

A four-business-day reporting period would also align more closely with other SEC reporting frameworks. In particular, public companies generally must report material events on Form 8-K within four business days after the occurrence of the event. We believe the same timeframe would provide an appropriate balance here, allowing the SEC and FSOC to receive timely information while providing advisers a more reasonable opportunity to assess the event, gather relevant information, and prepare an accurate and complete report.

Accordingly, we urge the Commissions to amend Section 5 to require current reports no later than four business days following the occurrence of a triggering event or the adviser's reasonable determination that such an event has occurred.

The Definition of Hedge Fund Should be Amended or Certain Funds Should be Excluded from Hedge Fund Reporting.

The current Form PF definition of "hedge fund" continues to capture certain funds that do not share the characteristics typically associated with hedge funds and do not present the same risk profile. In particular, certain closed-end and other non-hedge-fund-like private funds – often referred to as "deemed hedge funds" – may fall within the definition of hedge fund for purposes of the form because their governing documents technically permit leverage, short selling, or limited redemption rights, even though those features may not be used in practice or may be available only on a highly limited basis.

As we have noted previously, the two most common reasons these funds are classified as hedge funds for Form PF purposes are that: (i) their governing documents permit leverage or short sales, regardless of whether the fund actually employs those strategies; or (ii) they permit limited investor redemptions, sometimes as infrequently as annually.^[19] As a result, funds that operate more like traditional private equity or other closed-end funds may nevertheless be treated as "qualifying hedge funds" for purposes of Form PF reporting.

This distinction is particularly important in the context of Section 5 current reporting. Many deemed hedge funds do not calculate net asset value (**NAV**) on a daily or monthly basis because they offer only limited or no redemption opportunities. Thus, several Section 5 reporting triggers are poorly suited to these funds. For example, advisers may be unable to determine changes in NAV as a percentage of NAV on a current basis, and metrics tied to fund liquidity may not provide meaningful information regarding potential stress events. Similarly, changes in unencumbered cash may reflect the ordinary operation of a closed-end fund, including capital call activity, investment funding, or distributions, rather than any indication of financial stress or systemic risk.

Any reporting requirement should be appropriately tailored to the risks and activities of the funds being reported. We therefore encourage the Commissions to revisit the application of the hedge fund definition for purposes of Section 5 reporting. This could be accomplished either through amending the definition of hedge fund to exclude funds that do not calculate NAV on a daily or monthly basis and/or closed-end funds that have limited redemption rights, or excluding these funds from the Section 5 current reporting requirements.

We also recommend that the Commissions consider whether these deemed hedge funds should be excluded from certain hedge fund reporting requirements elsewhere in Form PF, particularly where those funds routinely respond “not applicable” because the reporting framework assumes characteristics that are not present in their business model. Examples of these questions include: Section 2, Item B (Exposures and Trading), Item C (Risk Metrics), and Item D (Securities Lending); and questions on VaR calculation (current Question 40, redesignated as Question 46 in the 2024 Amendments), stress testing (current Question 42, redesignated as Question 47), and portfolio liquidity (Question 37). None of these questions is relevant for a deemed hedge fund because they assume daily pricing, active securities lending programs, stress testing, and liquid portfolio management practices that are not applicable to deemed hedge funds.^[20]

F. The IAA Supports Elimination of Section 6 Reporting for Private Equity Fund Advisers.

We strongly support the Proposal’s elimination of quarterly event reporting under Section 6 for private equity fund advisers, which was adopted by the SEC as part of the 2023 Amendments. The proposed amendment would appropriately remove reporting requirements relating to adviser-led secondary transactions, general partner removals, terminations of investment periods, and fund terminations.

As the Proposal notes, the SEC’s experience receiving and reviewing Section 6 reports over the past two years has demonstrated that these events have been less useful for investor protection and systemic risk monitoring purposes than expected. We agree with the observation that the events reported under Section 6 generally reflect idiosyncratic, fund-specific, or firm-specific developments rather than indicators of broader market stress or systemic risk.

The discussion in the Proposal of adviser-led secondary transactions underscores this point. For instance, continuation funds and other secondary transactions have become increasingly common in the private fund industry and may be undertaken for a variety of legitimate business and investment reasons.^[21] Advisers may use these transactions, for example, to provide liquidity to existing investors, attract new investors, or maximize the value of a successful portfolio investment. The occurrence of such a transaction, standing alone, does not necessarily signal investor harm, financial distress, or systemic risk.

More broadly, we have long questioned whether the events covered by Section 6 are sufficiently connected to Form PF’s core purpose of supporting systemic risk monitoring to justify a separate reporting section. The SEC’s experience administering Section 6 appears to confirm that these events generally do not provide information that warrants special reporting treatment. Accordingly, we support eliminating Section 6 in its entirety and commend the Commissions for their willingness to revisit reporting requirements in light of actual experience with the data collected.

G. General Support for Other Targeted Proposed Updates.

As a general matter, the IAA supports the Commissions' efforts to streamline Form PF by removing reporting requirements that are duplicative, operationally burdensome, or of limited utility, while preserving information most relevant to systemic risk monitoring and investor protection. We encourage the Commissions to continue evaluating Form PF reporting requirements through this lens.

Consistent with this objective, we support the Proposal's elimination or simplification of several reporting requirements that appear to provide limited incremental value for systemic risk monitoring or are otherwise captured through other Form PF reporting. In particular, we support the proposed elimination of Question 23(c) (volatility reporting), Question 34 (turnover reporting), Questions 39 and 40 (reference asset reporting), Question 41 (counterparty exposure reporting), and Question 45 (rehypothecation).

We generally support the Proposal's efforts to simplify counterparty exposure reporting. However, many deemed hedge funds would still be required to answer questions about counterparty exposure in Questions 26 and 27 even though they do not have traditional counterparties. It would thus be helpful for the Commissions to clarify in the adopting release that these deemed hedge funds may make a good faith determination as to whether they have counterparties within the meaning of the questions and determine how to respond accordingly.

H. The Commissions Should Evaluate the Private Credit Information Already Collected and Required Under the 2024 Amendments Before Considering Adding a New Private Credit Reporting Section or Additional Reporting Requirements at This Time.

The Proposal requests comment on whether Form PF should be amended to require additional reporting regarding private credit funds, including through the creation of a new reporting section or new private-credit-specific questions. We do not believe that the Commissions have identified a basis for such changes at this time.

Form PF already collects significant information regarding private credit funds. Depending on their structure and activities, private credit funds report under the existing hedge fund and private equity fund reporting frameworks, which provide the SEC and FSOC with information regarding fund size, leverage, exposures, investment strategies, financing arrangements, and other characteristics relevant to systemic risk monitoring and regulatory oversight.

Moreover, the Commissions have only recently adopted amendments specifically designed to improve the identification and analysis of private credit funds. In the 2023 Amendments, the SEC added private credit as a distinct investment strategy option in Section 4, Question 69 for private equity funds. The SEC explained at that time that the change would enable it and FSOC to conduct targeted analysis, monitor industry trends, and support systemic risk and investor protection efforts.^[22] Similarly, the 2024 Amendments added private credit as a distinct investment strategy category in the hedge fund investment strategy reporting section.^[23] The Commissions stated that these more granular reporting categories would improve comparability among funds and enable more targeted analysis of potential systemic risk and investor protection concerns.^[24]

Given these recent changes, we believe the Commissions should first evaluate the usefulness of the additional private-credit-related information they have only recently required advisers to provide before considering whether further reporting is necessary. The Proposal does not identify specific deficiencies in the information currently available to the SEC and FSOC, nor does it explain why the additional private-credit-related information collected under the 2024 Amendments would be insufficient to address any particular investor protection or systemic risk concerns.

We recognize the increasing regulatory interest in the private credit market and support continued efforts by the Commissions and FSOC to monitor developments in this sector. However, we believe any assessment of whether additional reporting is warranted should be informed by experience with the substantial private-credit-related information

that Form PF already collects and will collect under the 2024 Amendments.

Indeed, publicly available analyses demonstrate that regulators already use existing Form PF data to monitor developments in the private credit market. For example, the OFR Hedge Fund Monitor uses Form PF data to analyze funds reporting private credit strategies and assess market trends and exposures.^[25]

Accordingly, we do not believe the Commissions should add a new private credit reporting section or additional private-credit-specific reporting requirements at this time. If, after evaluating the information already called for by Form PF – including the private-credit-specific reporting added by the 2023 and 2024 Amendments – the Commissions determine that meaningful data gaps remain, they should identify those gaps and then seek public comment on appropriately tailored reporting requirements. Any such proposal should clearly explain the information sought, the regulatory purpose it would serve, and the associated implementation costs and operational burdens.

I. The Commissions Should Provide a Transition Period That Reflects Both FINRA's Implementation Timeline and Advisers' Need for Sufficient Time to Prepare Prior to the Start of the First Covered Reporting Period for the Amended Form.

The Proposal would provide advisers with a minimum 12-month transition period following publication of a final rule in the *Federal Register*, based on the assumption that advisers would have sufficient time to implement system changes, conduct testing, and come into compliance with the amended reporting requirements.^[26] The Proposal does not appear to account for the time FINRA will need to modify its systems, publish technical specifications, and make a testing environment available for the amended Form PF. Nor is it clear whether the proposed transition period is intended to run to the first filing under the amended form or the beginning of the reporting period for which information must first be collected and analyzed.

These distinctions are significant. Advisers cannot begin implementation until FINRA has completed its own development work and published the technical specifications necessary to build, test, and validate systems. Once those specifications are available, advisers and their service providers must modify internal systems, map and validate data, test calculations and XML reporting functionality, and establish the controls and review procedures necessary to support accurate filings. Advisers must complete this work before the beginning of the reporting period covered by the filing, because once that reporting period begins they must be able to collect, validate, and analyze the required information on an ongoing basis.

Accordingly, the implementation schedule should account for two distinct phases. First FINRA should be given sufficient time to complete and publish its work (including a testing environment). Based on prior Form PF implementation efforts, we believe that FINRA should have approximately 12 months following adoption of a final rule to complete this work. Second, advisers should have no less than 12 months after this before they are required to begin collecting information for the first reporting period covered by the amended form.

The relevant compliance milestone therefore should not be the filing date itself. Rather, compliance should be measured from the beginning of the first reporting period for which information must be collected under the amended form. This approach would provide advisers, service providers, and FINRA with sufficient time to develop, test, and implement the operational and technological changes necessary to support accurate and complete reporting. In addition, advisers filing quarterly reports would benefit from at least one full quarter of production testing before being required to submit their first filing under the amended form. This additional testing period would help identify and resolve data, calculation, and reporting issues before live filing obligations begin. For annual filers, this means that the amended form should apply beginning with the first full calendar year that starts at least 12 months after FINRA has completed its work. For quarterly filers, advisers should have sufficient time to test systems in a production environment before submitting their first filing under the amended form. In our view, quarterly reporting should therefore begin no earlier than the second or third quarter following completion of FINRA's work.^[27]

We urge the Commissions to clarify in the final rule that implementation will be tied to the beginning of the applicable reporting period and to provide sufficient lead time for both FINRA and advisers to complete the substantial operational, technological, and testing work required by the amended reporting framework.

The sample implementation timelines below illustrate an approach consistent with our recommendation.

Sample Implementation Timelines

Event	Option 1: Adoption by January 1, 2027	Option 2: Adoption After January 1, 2027	Notes
Beginning of First Reporting Period Under Amended Form (Large Hedge Fund Advisers)	No earlier than Q2 or Q3 2029	No earlier than 12 months after FINRA specifications and testing environment are available and aligned with the beginning of a calendar quarter	Advisers should have at least 12 months from the time FINRA completes its work before they are required to begin collecting, validating, and analyzing information.
Beginning of First Reporting Period Under Amended Form (Annual Filers)	No earlier than January 1, 2029	No earlier than 12 months after FINRA specifications and testing environment are available and aligned with the beginning of a calendar year	Advisers should have at least 12 months from the time FINRA completes its work before they are required to begin collecting, validating, and analyzing information under the amended form.
First Quarterly Filing Using Amended Form PF	August 29, 2029 (for Q2 2029) or November 29, 2029 (for Q3 2029)	First filing due after completion of the first quarter subject to the amended form	Quarterly filers should have sufficient time to test systems before their first filing using the amended form.
Subsequent Quarterly Filings	Ordinary filing schedule	Ordinary filing schedule	No special transition period needed once data collection begins under the amended form.
First Annual Filing Using Amended Form PF	April 30, 2030 (for calendar year 2029)	April 30 following completion of the first calendar year subject to the amended form	Applies to the first full annual reporting period beginning after the transition period.

Sample Implementation Timelines

Event	Option 1: Adoption by January 1, 2027	Option 2: Adoption After January 1, 2027	Notes
Availability of Current Form PF for Quarterly Filers	Until first quarterly amended form filing is due	Until first quarterly amended form filing is due	Large hedge fund advisers should continue filing on the current form until the amended form applies.
Availability of Current Form PF for Annual Filers	Until first annual amended form filing is due	Until first annual amended form filing is due	Annual filers should continue filing on the current form until the amended form applies.

J. The Commissions Must Ensure Robust Controls Around Maintaining Form PF Confidentiality

Although the Proposal would appropriately eliminate certain reporting requirements, Form PF will continue to require the reporting of substantial amounts of highly sensitive proprietary information. Given the significant expansion of confidential data collected on private funds in the 2024 Amendments, we remain concerned about the risks associated with the collection, storage, and sharing of highly sensitive proprietary information reported on Form PF. As we have noted previously,[\[28\]](#) confidentiality concerns provide an additional reason for the Commissions to collect only information that is necessary to achieve Form PF’s regulatory objectives. The collection of increasingly granular and proprietary information should be justified by a clear regulatory need and accompanied by robust safeguards designed to protect that information from unauthorized access or disclosure.

Form PF contains competitively sensitive information regarding private funds, their investment strategies, portfolio exposures, counterparties, and operations. The broader and more granular the information collected, the greater the potential consequences of an unauthorized disclosure, whether through a cybersecurity incident, operational failure, or other inadvertent release. Such information is highly proprietary, and public disclosure could harm private funds, their advisers, and their investors.

As we emphasized when Form PF was first proposed and adopted, the statutory confidentiality protections applicable to Form PF data are critical to the success of the reporting framework.[\[29\]](#) Advisers have provided extensive confidential information in reliance on those protections. We therefore urge the Commissions to continue to prioritize the security and confidentiality of Form PF information and maintain robust policies, controls, and procedures designed to prevent unauthorized access, use, or disclosure of this sensitive data.

The significant expansion of Form PF reporting in recent years, including the collection of increasingly detailed information regarding fund strategies, exposures, counterparties, and operations, further underscores the importance of ensuring that appropriate safeguards remain in place. Continued diligence with respect to the confidentiality and security of Form PF data therefore remains essential.

* * *

We appreciate your consideration of our comments on the Proposal. Please do not hesitate to contact the undersigned at (202) 293-4222 if we can be of further assistance.

Respectfully,

/s/ Gail C. Bernstein

Gail C. Bernstein

General Counsel and Head of Public Policy

/s/ Monique S. Botkin

Monique S. Botkin

Associate General Counsel

cc: The Honorable Paul S. Atkins, Chairman, Securities and Exchange Commission
The Honorable Hester M. Peirce, Commissioner, Securities and Exchange Commission
The Honorable Mark T. Uyeda, Commissioner, Securities and Exchange Commission
Brian Daly, Director, Division of Investment Management, Securities and Exchange Commission
The Honorable Michael Selig, Chairman, Commodity Futures Trading Commission

[1] The IAA is the leading organization dedicated to advancing the interests of fiduciary investment advisers. For nearly 90 years, the IAA has been advocating for advisers before Congress and U.S. and global regulators, promoting best practices and providing education and resources to empower advisers to effectively serve their clients, the capital markets, and the U.S. economy. Our members range from global asset managers to the medium- and small-sized firms that make up the majority of our industry. Together, the IAA's member firms manage more than \$57 trillion in assets for a wide variety of individual and institutional clients, including pension plans, trusts, mutual funds, private funds, endowments, foundations, and corporations. For more information, please visit www.investmentadviser.org and see the IAA's [Investment Adviser Industry Snapshot](#) (IAA Snapshot).

[2] [Form PF; Reporting Requirements for All Filers](#), 91 Fed. Reg. 22232 (Apr. 24, 2026) (**Proposal**).

[3] [Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF](#), 76 Fed. Reg. 71129, 71158 (Nov. 16, 2011) (**2011 Form** or **2011 Release**). Note that although Form PF was jointly adopted by the SEC and CFTC, investment advisers registered with the CFTC as commodity pool operators or commodity trading advisors must file either CFTC Form CPO-PQR or NFA Form PQR instead of Form PF. Our comments are therefore primarily directed to the SEC. See [Compliance Requirements for Commodity Pool Operators on Form CPO-PQR](#), 85 Fed. Reg. 71772 (Nov. 10, 2020).

[4] See [Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers](#), 89 Fed. Reg. 17984 (Mar. 12, 2024) (**2024 Amendments**). We note that the compliance date for the 2024 Amendments has been extended until October 1, 2026.

[5] [Form PF; Event Reporting for Large Hedge Fund Advisers and Private Equity Fund Advisers; Requirements for Large Private Equity Fund Adviser Reporting](#), 88 Fed. Reg. 38146 (June 12, 2023) (**2023 Amendments**).

[6] Proposal at 22236, 22264.

[7] Proposal at 22236.

[8] Increasing the threshold would also be consistent with the SEC's recent proposal to update the AUM threshold used to define a small adviser for purposes of the Regulatory Flexibility Act, which the IAA strongly supports. We appreciate that the SEC's efforts to modernize and appropriately tailor regulatory requirements to reduce burdens on small advisers are already being reflected in rulemakings such as this Proposal. See ["Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act](#), 91 Fed. Reg. 1107 (Jan. 12, 2026). See also [IAA Letter on Small Entity Proposal](#) (Mar. 13, 2026).

[9] Proposal at 22238 (citing 2011 Release). Under the Proposal, an adviser with over \$1 billion in private fund AUM that would no longer qualify as a large hedge fund adviser would file Section 1 of Form PF annually, instead of quarterly, and would not file Section 2 or be subject to Section 5 current reporting, absent any other requirements.

[10] 2011 Release at 71135.

[11] See [SEC, Investment Advisers – Private Funds Advised by RIAs](#).

[12] We encourage the Commissions to evaluate and provide data on the proportion of private equity assets captured by these large advisers and how that would change if the threshold were increased. For more information about the growth and characteristics of private equity funds, see IAA Snapshot at 78-80, 82-84.

[13] Given that private equity funds, which are typically closed-end funds with long-term capital commitments and limited or no investor redemption rights, among other low-contagion features, we believe the Commissions could consider an even higher threshold.

[14] A parallel fund structure is a structure in which one or more private funds (each, a “parallel fund”) pursues substantially the same investment objective and strategy and invests side by side in substantially the same positions as another private fund.

[15] See [Office of Financial Research \(OFR\), Hedge Fund Monitor](#).

[16] Trading vehicle is defined as a separate legal entity, wholly or partially owned by one or more reporting funds, that holds assets, incurs leverage, or conducts trading or other activities as part of a reporting fund’s investment activities but does not operate a business. The Proposal would require identification only of trading vehicles that are listed, or required to be listed, as private funds on Section 7.B. of Schedule D to Form ADV, or that are identified in connection with certain Form PF counterparty and creditor reporting requirements, including Questions 27, 28, 42, 43, and 44.

[17] We raised these same concerns in a 2025 letter to SEC Chairman Atkins. See [IAA Letter to SEC Chairman Paul Atkins](#) (May 1, 2025).

[18] See, e.g., [IAA Comment Letter on Proposed Amendments to Form PF](#) (Mar. 21, 2022) (**2022 IAA Letter**).

[19] See 2022 IAA Letter. For example, certain open-end real estate funds, permanent capital private equity funds, private credit funds, and other private equity funds have governing documents that may allow for derivatives or leverage, whether the funds use them or not, or may allow for redemptions on an infrequent basis (e.g., annually or every few years). Other closed-end funds may be commodity pools because they hold one or more swaps but are not generally considered hedge funds.

[20] The Commissions could refer to all funds reporting under Section 2 as “qualifying private funds,” and then make certain questions applicable only to qualifying hedge funds that are managed as true hedge funds.

[21] Proposal at 22257.

[22] 2023 Amendments at 38168.

[23] The 2024 Amendments include a description of private credit strategies contemplated by the Commissions when they added Question 25, noting that, “[f]or purposes of this question, investment strategies generally include ... private credit (and associated sub-strategies such as direct lending/mid-market lending, distressed debt, junior/subordinate debt, mezzanine financing, senior debt, senior subordinated debt, special situations, venture debt, and other ...” 2024 Amendments at n. 210. They further noted, “additional strategy categories are private credit (and associated sub-strategies such as direct lending/mid-market lending, distressed debt, junior/subordinate debt, mezzanine financing, senior debt, senior subordinated debt, special situations, venture debt, and other) ...” *Id.* at n. 213. See *also* 2023 Amendments at n. 216 (noting that for new Question 66 in Section 4, “private equity fund investment strategies generally include private credit (and associated sub-strategies such as distressed debt, senior debt, special situations, etc.)”).

[24] 2024 Amendments at 18005.

[25] See, e.g., [OFR, Hedge Fund Monitor](#). See *also* [OFR, Measuring Counterparty Exposures to Private Credit](#) (Mar. 12, 2026).

[26] We note the Proposal’s economic analysis assumes that advisers have already incurred the one-time costs necessary to comply with the 2024 Amendments. In fact, however, many advisers have not yet implemented those amendments. The Commissions have extended the compliance date for these amendments several times, and in September 2025 SEC Chairman Atkins directed the staff to reconsider their scope, leading to the Proposal. See [SEC Chairman Paul Atkins’ Open Meeting Statement on Form PF Extension](#) (Sept. 17, 2025) (**2025 Compliance Date Extension**). Faced with continued

uncertainty regarding the ultimate reporting requirements, many advisers necessarily delayed or limited implementation efforts to avoid devoting substantial resources to systems, processes, and controls that could ultimately require significant modification or become unnecessary altogether. As a result, advisers should not be assumed to have systems and processes in place that would permit immediate collection and analysis of information under the amended form.

[27] Additionally, having the initial reporting period end during the first quarter or last quarter of the year would result in complications as experienced during the initial transition period for the 2024 Amendments. See, e.g., 2025 Compliance Date Extension.

[28] See 2022 IAA Letter.

[29] See [IAA Letter to the SEC on Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF](#) (Apr. 12, 2011).

TAGS: [Form PF](#), [Hedge Funds](#), [Private Equity](#), [Private Funds](#)

818 Connecticut Avenue NW, Suite 600
Washington, DC 20006
P: [\(202\) 293-4222](tel:(202)293-4222)
iaaservices@investmentadviser.org
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