Proskauer

SEC and CFTC Propose Rollback of Form PF Requirements

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On April 20, 2026, the Securities and Exchange Commission and the Commodity Futures Trading Commission (the "Agencies") jointly proposed amendments to Form PF (the "Proposal") that would materially reduce reporting burdens for private fund advisers. If adopted, the Proposal would largely unwind the February 2024 Form PF amendments before advisers are required to comply with them, raise the thresholds used to determine whether a Form PF filing is required at all and remove or streamline a number of other questions that market participants viewed as particularly burdensome, including "event reporting" for private equity fund advisers.

For many advisers, the Proposal reflects a meaningful and positive shift in approach, though it also requests comment on whether any aspects of the form should be expanded or modified to collect information on private credit, which could increase burdens for certain managers. If adopted substantially as proposed, it would significantly reduce compliance burdens for many private fund advisers. As described further below, the most immediate beneficiaries would be smaller private fund advisers that would fall below the proposed $1 billion filing threshold, hedge fund advisers that would no longer qualify as large hedge fund advisers, and private equity fund advisers that currently must prepare for quarterly reporting of certain events, including adviser-led secondary transactions such as continuation vehicles.

Overview of Revisions

If adopted, the Proposal would notably:

- Increase the threshold used to determine whether a Form PF is required from $150 million to $1 billion in private fund assets under management;
- Raise the threshold for large hedge fund advisers from $1.5 billion to $10 billion in hedge fund assets under management;
- Permit certain feeder funds that invest substantially all of their assets in a single master fund to be disregarded when reporting master-feeder arrangements, and

narrow the types of trading vehicles that are required to be reported;

- Amend Section 5 and Section 6 to narrow the types of events that would require "current reporting" for hedge funds, and eliminate "event reporting" altogether for private equity funds;
- Eliminate the portions of Form PF General Instructions 7 and 8 that require advisers to "look through" the reporting fund's investments when reporting indirect exposures, and instead allow use of reasonable estimates; and
- Eliminate or simplify a large number of questions for hedge funds, including questions relating to aggregate exposure to certain asset classes, reference assets and counterparties and streamline or eliminate other Form PF requirements and make related corrections and revisions.

Each change is discussed in further detail below.

Background

Since the 2024 Form PF amendments were adopted, the SEC and CFTC have approved several extensions to the compliance deadline amid industry feedback that the form, as revised, was too burdensome and did not fit its stated purpose, and that filers did not always have the information or guidance necessary to file the form as revised. Leaders of the Agencies have issued several statements suggesting that they were using these extensions to consider whether to roll back amendments to the form, and the Proposal indicates that they intend to move forward with those changes.

Threshold Changes

The most notable change is the proposed increase in the threshold at which an adviser would be required to file Form PF. Today, SEC-registered advisers generally must file Form PF once they exceed $150 million in private fund assets under management (aggregated with certain related parties). If the Proposal is adopted, this threshold would be increased to $1 billion in private fund assets under management. The Proposal estimates that this would eliminate filing obligations for almost half of current filers, but that approximately 94% of gross private fund assets under management would still be advised by advisers required to file the form (down from 96%).

The Proposal would also materially narrow the universe of large hedge fund advisers, which must file the form quarterly, rather than annually. The current threshold for qualifying as a large hedge fund adviser is $1.5 billion in hedge fund assets under management, which would be increased to $10 billion. The Agencies estimate that approximately two-thirds of advisers currently qualifying as large hedge fund advisers would no longer qualify, but that approximately 81% of gross hedge fund assets under management would still be advised by large hedge fund advisers (down from 92%).

Finally, the Proposal also contains a requirement that the reporting thresholds be reviewed every five years.

Master-Feeder, Trading Vehicle and Indirect Exposure Reporting

The Proposal would ease certain reporting requirements adopted in 2024. Most notably, it would revise General Instruction 6 so that a feeder fund could be treated as a disregarded feeder fund if no more than 5% of its gross asset value is invested outside a single master fund, U.S. Treasury bills and/or cash and cash equivalents. It would also eliminate prescriptive “look through” requirements in General Instructions 7 and 8 for certain indirect exposure reporting. Instead, advisers would be permitted to report indirect exposures using reasonable estimates.

The Proposal would also narrow Question 9’s trading vehicle identification requirement so that advisers generally would identify only trading vehicles that are reported on Form ADV or that are included or required to be included in certain Form PF counterparty reporting questions. The Proposal would, however, continue to require advisers to look through certain trading vehicles and their holdings for some questions.

Large Hedge Fund Adviser Reporting

For advisers that still qualify as large hedge fund advisers based on the new $10 billion threshold, the Proposal would substantially reduce or simplify certain reporting requirements, including:

- Elimination of Question 23(c), relating to performance volatility;
- Simplification of Questions 29 and 30, relating to the valuation of certain trading positions;
- Elimination of Question 32(b)(2), relating to long and short exposure to certain sub-asset classes without netting offsetting exposure;

- Elimination of Question 34, relating to monthly asset turnover;
- Simplification of Question 36, relating to industry exposure;
- Elimination of Questions 39 and 40, relating to monthly exposure to reference assets;
- Elimination of Question 45, relating to rehypothecation; and
- Streamlining counterparty exposure reporting through elimination of Question 41 and modifying Questions 26, 42 and 43.

Current Reporting and Event Reporting

The Proposal would scale back Section 5 current reporting for large hedge fund advisers and eliminate Section 6 quarterly event reporting for private equity fund advisers.

For large hedge fund advisers, the Proposal would remove the requirement to file a current report "as soon as practicable" and instead provide advisers up to 72 hours to submit a current report when required. Large hedge fund advisers also would no longer be required to report certain events including margin default or inability to meet a margin call as well as inability to satisfy a redemption request (but not suspension of redemptions), and the definition of an "operations event" for which a current report is required would be narrowed. Due to the proposed elimination of Questions 39 and 40 (discussed above), a limited new requirement would be added to Section 5 to require a large hedge fund adviser reporting an extraordinary investment loss to identify and describe the largest exposure contributing to that loss.

For private equity fund advisers, "event reporting" would be eliminated in its entirety. If adopted, this means that advisers would no longer have to file quarterly event reports relating to adviser-led secondary transactions, general partner removals, terminations of investment periods or fund terminations. The Proposal notes that these filings have been relatively infrequent since the requirement became effective.

Potential Expansion to Private Credit

While most proposed changes would reduce reporting requirements, the Agencies also requested comment on whether any increased reporting should be required to collect information regarding private credit funds. No such requirements are actually contained in the Proposal, but by requesting comment, the Agencies are leaving the door open to make changes requiring reporting relating to private credit in any eventual adopting release.

Next Steps

Comments on the Proposal will be due 60 days after publication in the Federal Register. The Proposal contemplates a minimum one-year transition period for any amendments that are ultimately adopted, with some filers potentially having longer to accommodate their reporting cycle.

Related Professionals

- **Robert H. Sutton**
  Partner
- **Nathan R. Schuur**
  Partner
- **Sasha Burger**
  Associate