

NEWS & INSIGHTS

PUBLICATIONS

CFTC Aims to Reward Cooperation

SRZ Private Funds Regulatory Update

November 2020

On Oct. 29, 2020, the CFTC announced new guidance for enforcement staff when recommending the recognition of a respondent's cooperation, self-reporting or remediation in CFTC orders (without changing the existing policy for how cooperation credit is determined). Chairman Tarbert commented that the CFTC aims to foster a "culture of compliance" and seemingly hopes to incentivize cooperation by recognizing that a respondent cooperated or self-reported, which can lead to a reduced penalty. Further, the CFTC may also recognize a respondent's *failure* to cooperate and self-report.

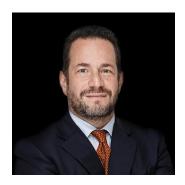
Under the new guidance, any of the following scenarios may be noted by CFTC staff: (i) no self-reporting, cooperation or remediation; (ii) no self-reporting, but cognizable cooperation and/or remediation that warrant recognition but not a recommended reduction in penalty; (iii) no self-reporting, but substantial cooperation and/or recognition resulting in a reduced penalty; and (v) self-reporting, substantial cooperation and remediation resulting in a substantially reduced penalty.

This article appeared in the November 2020 edition of SRZ's Private Funds Regulatory Update. To read the full Update, click here.

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