



# CFTC Self-Reporting, Cooperation, and Remediation Advisory: A Game-Changer

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Division of  
Enforcement

February 25, 2025

### ENFORCEMENT ADVISORY

#### ADVISORY ON SELF-REPORTING, COOPERATION, AND REMEDIATION

This Enforcement Advisory ("Advisory") provides guidance to the Commodity Futures Trading Commission's ("CFTC" or "Commission") Division of Enforcement ("Division") staff on how to evaluate a company's<sup>1</sup> or individual's self-reporting, cooperation, and remediation when recommending enforcement actions to the Commission and sets forth the factors the Division will consider in evaluating whether to reduce the Division's proposed penalties in cases where there has been self-reporting, cooperation, and remediation.<sup>2</sup> The Advisory provides fair notice to the public and guidance that is designed to ensure due process in the Division's investigations and enforcement actions.

The Division seeks to both promote compliance with the law and ensure accountability for those who violate the law. The Division seeks to achieve these goals by, among other things, incentivizing self-reporting, cooperation, and remediation of potential violations. The Division's policy on these topics must be consistent with the Commission's overall regulatory scheme, be transparent, and provide clarity to those who might seek a reduced penalty based on their self-reporting, cooperation, and remediation ("Mitigation Credit"). This Advisory sets forth the approach the Division will use to evaluate self-reporting, cooperation, and remediation to determine Mitigation Credit and achieve these goals consistent with the principles of regulatory consistency, transparency, and clarity.<sup>3</sup>

<sup>1</sup> "Company" as used in this Advisory means any type of business entity except a sole proprietorship.

<sup>2</sup> This Advisory provides internal guidance regarding the Division's recommendation to the Commission in connection with an investigation or enforcement action. Agency action in a particular matter, such as an order, can only be taken by the Commission in its sole discretion, and this internal guidance does not bind the Commission. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable by law by any party in any matter, civil or criminal. Nor are any limitations hereby placed on otherwise lawful litigation prerogatives of the Commission.

<sup>3</sup> The Advisory is the Division's sole policy on self-reporting, cooperation, and remediation. The previously announced policies, including those contained in six different Division advisories as well as in the Division's Enforcement Manual, are no longer the policy of the Division. See Enforcement Advisory: Advisory Regarding Penalties, Monitor and Comments, and Admissions in CFTC Enforcement Actions (Oct. 17, 2023), <https://www.cftc.gov/media/9466/EnfAdv/Resolutions/download>; Enforcement Guidance: Cooperation, Self-Reporting, and Remediation Recognition in Commission Orders (Oct. 29, 2020),




**Clarity:** Companies and individuals (“Persons”) considering self-reporting, cooperation, and remediation should have a clear understanding of the benefits of taking those steps.<sup>1</sup>



# Mitigation Credit Matrix

	<b>Tier 1: No Cooperation</b>	<b>Tier 2: Satisfactory Cooperation</b>	<b>Tier 3: Excellent Cooperation</b>	<b>Tier 4: Exemplary Cooperation</b>
<b>Tier 1: No Self- Report</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>
<b>Tier 2: Satisfactory Self-Report</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>	<b>45%</b>
<b>Tier 3: Exemplary Self Report</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>	<b>55%</b>



While the Division's recommendation to the Commission will be determined in each matter based on the facts and circumstances of that matter, if a matter is eligible for Mitigation Credit for self-reporting and/or cooperation, the Division will presumptively recommend a discount from the initial civil monetary penalty calculated by the Division.<sup>2</sup>



In certain circumstances, such as willful misconduct involving fraud or manipulation that resulted in harm to a client, counterparty, or customer, a Person will be required to disgorge all profits (and, where applicable, pay restitution) resulting from the violation. Disgorgement and restitution obligations will not be eligible for any Mitigation Credit.<sup>3</sup>



# Self-Reporting Tiers

Tier	Self-Reporting
Tier 1: No Self-Report	<ul style="list-style-type: none"><li>• No timely self-report; or</li><li>• Self-report was information already known from other sources; or</li><li>• Self-report that was not reasonably related to the potential violation or not reasonably designed to notify the Commission of the potential violation</li></ul>
Tier 2: Satisfactory Self-Report	<ul style="list-style-type: none"><li>• Self-report to an Appropriate Division</li><li>• Notified the Commission of the potential violation</li><li>• Did not include all material information reasonably related to the potential violation that the reporting party knew at the time of the self-report</li></ul>
Tier 3: Exemplary Self-Report	<ul style="list-style-type: none"><li>• Self-report to an Appropriate Division</li><li>• Notified the Commission of the potential violation</li><li>• Included all material information reasonably related to the potential violation that the reporting party knew at the time of the self-report</li><li>• Included additional information that assisted the Division with conserving resources in the Division's investigation</li></ul>



# Cooperation Tiers

Tier	Cooperation
Tier 1: No Cooperation	<ul style="list-style-type: none"><li>• No substantial assistance beyond required legal obligations</li></ul>
Tier 2: Satisfactory Cooperation	<ul style="list-style-type: none"><li>• Provided substantial assistance</li><li>• Voluntary production of documents and information</li><li>• Arranging for voluntary witness interviews</li><li>• Basic presentations on legal and factual issues</li></ul>
Tier 3: Excellent Cooperation	<ul style="list-style-type: none"><li>• Meet the expectations for Satisfactory Cooperation</li><li>• Consistently provided substantial assistance</li><li>• Internal investigations or reviews</li><li>• Thorough analysis of potential violation, root cause, and corrective action for remediation</li><li>• Use of internal or external expert resources and consultants as appropriate</li></ul>
Tier 4: Exemplary Cooperation	<ul style="list-style-type: none"><li>• Meet the expectations for Excellent Cooperation</li><li>• Consistently provided material assistance</li><li>• Proactive engagement and use of significant resources</li><li>• Significant completion of remediation</li><li>• Use of accountability measures, as appropriate</li></ul>





e. Safe Harbor for Good Faith Self-Reporting

- i. The Division will provide a safe harbor for good-faith self-reporting. The Division will not recommend charges under Sections 6(c)(2), 9(a)(2), and 9(a)(3) of the Commodity Exchange Act, 7 U.S.C. §§ 9(2), 13(a)(2), 13(a)(3), or Regulation 180.1,<sup>8</sup> for any self-report or voluntary disclosure that is later found to be inaccurate after further investigation by the Person, if the self-report or voluntary disclosure was made in good faith and if any inaccurate information in the self-report or voluntary disclosure is supplemented and corrected promptly after discovery of the inaccurate information.<sup>4</sup>



<sup>3</sup> The Advisory is the Division's sole policy on self-reporting, cooperation, and remediation. The previously announced policies, including those contained in six different Division advisories as well as in the Division's Enforcement Manual, are no longer the policy of the Division.<sup>5</sup>

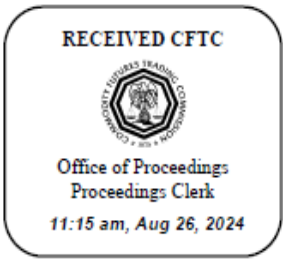
# Settlements Under Prior Guidance

UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

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**In the Matter of:**

**Respondent.**  
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) **CFTC Docket No. 24-18**  
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**ORDER INSTITUTING PROCEEDINGS PURSUANT TO  
SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING  
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**





# Settlements Under Prior Guidance

In accepting Respondent's offer, the Commission recognizes that Respondent self-reported certain of the violations addressed in this Order. The Commission's recognition of Respondent's substantial cooperation is further reflected in the form of a reduced civil monetary penalty. The Commission acknowledges Respondent's representations concerning its remediation of the issues addressed in this matter.<sup>6</sup>



# Settlements Under Prior Guidance

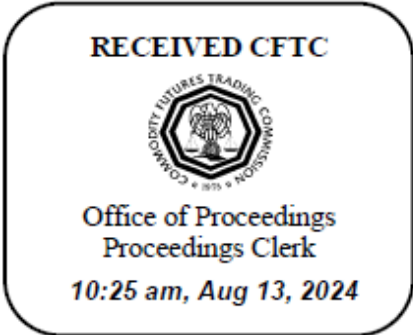
Respondent shall pay a civil monetary penalty in the amount of five million dollars (\$5,000,000) (“CMP Obligation”), within ten (10) days of the date of entry of this Order. If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

# Settlements Under Prior Guidance

UNITED STATES OF AMERICA  
 Before the  
 COMMODITY FUTURES TRADING COMMISSION

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 In the Matter of: )  
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 Respondent. )  
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CFTC Docket No. 24-10



ORDER INSTITUTING PROCEEDINGS PURSUANT TO  
 SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING  
 FINDINGS, AND IMPOSING REMEDIAL SANCTIONS



# Settlements Under Prior Guidance

In accepting Respondent's Offer, the Commission recognizes the self-reporting and substantial cooperation of Respondent in connection with the Division's investigation of this matter. The Commission also acknowledges Respondent's representations concerning its remediation in connection with this matter. The Commission's recognition of Respondent's self-reporting, substantial cooperation, and appropriate remediation is further reflected in the form of a substantially reduced penalty.<sup>7</sup>



# Settlements Under Prior Guidance

Respondent shall pay a civil monetary penalty in the amount of three million US dollars (\$3,000,000), within fourteen days of the date of the entry of this Order. If the CMP Obligation is not paid in full within fourteen days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.





# QUESTIONS?



# Endnotes

1. Commodity Futures Trading Commission (CFTC), Enforcement Advisory on Self-Reporting, Cooperation, and Remediation, February 25, 2025, [https://www.cftc.gov/media/11821/EnfAdv\\_Resolutions022525/download](https://www.cftc.gov/media/11821/EnfAdv_Resolutions022525/download).
2. *Id.* at 13.
3. *Id.*
4. *Id.* at 5.
5. *Id.* at 1.
6. *In the Matter of: The Bank of New York Mellon*, CFTC Docket No. 24-18 (Aug. 26, 2024).
7. *In the Matter of: Truist Bank*, CFTC Docket No. 24-10 (Aug. 13, 2024).

**For your information, here are cites to prior Division guidance on self-reporting and cooperation:**

- Enforcement Advisory: Advisory Regarding Penalties, Monitors and Consultants, and Admissions in CFTC Enforcement Actions (Oct. 17, 2023), <https://www.cftc.gov/media/9466/EnfAdvResolutions/download>.
- Enforcement Guidance: Cooperation, Self-Reporting, and Remediation Recognition in Commission Orders (Oct. 29, 2020), <https://www.cftc.gov/media/5181/ENFSelfReportingRemediationGuidance102920/download>.
- Enforcement Advisory: Advisory on Self-Reporting and Cooperation for CEA Violations Including Foreign Corrupt Practices (March 6, 2019), <https://www.cftc.gov/sites/default/files/2019-03/enfadvisoryselfreporting030619.pdf>.
- Enforcement Advisory: Updated Advisory on Self-Reporting and Full Cooperation (Sept. 25, 2017), <https://www.cftc.gov/idx/groups/public/@lrenforcementactions/documents/legalpleading/enfadvisoryselfreporting0917.pdf>.
- Enforcement Advisory: Cooperation Factors in Enforcement Division Sanction Recommendations for Companies (Jan. 19, 2017), <http://www.cftc.gov/idx/groups/public/@lrenforcementactions/documents/legalpleading/enfadvisorycompanies011917.pdf>.
- Enforcement Advisory: Cooperation Factors in Enforcement Division Sanction Recommendations for Individuals (Jan. 19, 2017), <http://www.cftc.gov/idx/groups/public/@lrenforcementactions/documents/legalpleading/enfadvisoryindividuals011917.pdf>.
- CFTC Enforcement Manual (May 20, 2020), <https://www.cftc.gov/media/1966/The%20CFTC%20Division%20of%20Enforcement%20-%20Enforcement%20Manual/download>.

**FIA**

The logo consists of the letters 'F', 'I', and 'A' in a bold, sans-serif font. The 'F' is dark grey. The 'I' is dark grey with a green triangle on its right side. The 'A' is formed by a green triangle on the left and a blue triangle on the right, with the two triangles overlapping in the center. The background features large, overlapping geometric shapes in light green, light blue, and white.