

COMMODITY FUTURES TRADING COMMISSION

Agency Financial Report Fiscal Year 2025



50 Years

**COMMODITY FUTURES TRADING COMMISSION
FY 2025 AGENCY FINANCIAL REPORT**

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CHAIRMAN AND CHIEF EXECUTIVE
AND
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ACTING EXECUTIVE DIRECTOR**

January 16, 2026

The 2025 Agency Financial Report communicates the Commodity Futures Trading Commission's (CFTC or Commission) financial position and operating performance during the previous fiscal year and states the CFTC's plans for the future.

The Reports Consolidation Act of 2000 authorizes Federal agencies to consolidate various reports in order to provide performance, financial, and related information in a more meaningful and useful format. The Commission has chosen an alternative to the consolidated Performance and Accountability Report, and instead, produces an Agency Financial Report, pursuant to Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements. Unless otherwise indicated, information in this report is provided as of December 18, 2025, and covers the period October 1, 2024 to September 30, 2025.

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The report may be electronically accessed at:
<https://www.cftc.gov/About/CFTCReports/index.htm>

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MESSAGE FROM THE CHAIRMAN

I am pleased to present the Commodity Futures Trading Commission (CFTC, or Commission) FY 2025 Agency Financial Report. Reporting the Commission's financial and performance results provides transparency, promotes accountability, and encourages the CFTC and those we regulate to act responsibly. This report provides a year-long snapshot of the Commission's financial and performance reporting.

The U.S. derivatives markets are the most open, transparent, and competitive in the world. The estimated 2025 notional value of U.S. derivatives markets is \$31 trillion for U.S. futures and \$352 trillion for U.S. swaps, which underscores the importance of our mission.

Futures and swaps provide essential price discovery and risk management to our nation's farmers, ranchers, energy producers, and commercial businesses. These crucial attributes of derivatives markets contribute greatly to financial stability and predictability of prices that impact the daily lives of all Americans. Robust derivatives markets that enable hedgers to lock in prices help ensure that the cost of groceries, transportation, electronics, and all manner of goods and services do not fluctuate wildly for American consumers each day. Through the Commodity Exchange Act (CEA), Congress mandates and empowers the CFTC to foster open, transparent, competitive, and financially sound markets; to prevent and deter misconduct and disruptions to market integrity; and to protect all market participants from fraud, manipulation, and abusive practices. The CFTC's rich history of principles-based regulation allows us to foster innovation and nimbly adapt to changes in our markets.

The Financial Section of this report includes the results of the independent audit of our FY 2025 Financial Statements, which I am pleased to report is an unmodified opinion. I can also report that no CFTC material internal control weaknesses exist and that the financial and performance data in this report are reliable and complete. Key management assurances and internal control details are provided in the Management's Discussion and Analysis section.

This report provides an overview of the CFTC's work over this past fiscal year. It is my honor to lead the CFTC and its capable staff to fulfill the agency's mission. I welcome the vital responsibility to oversee the stability and security of America's commodity derivatives markets during this period of rapid transformation.



Michael Selig

Chairman

January 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COMMISSION

CFTC FISCAL YEAR 2025 HIGHLIGHTS

WHAT IS ON THE HORIZON?

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

MANAGEMENT ASSURANCES

The Commission

The CFTC is an independent agency of the U.S. government that oversees the U.S. derivatives markets, which include futures, options, and swaps (for a list of abbreviations and acronyms see page 102).



CFTC was established in 1974 to assume regulatory authority over commodity futures markets that had previously belonged to the U.S. Department of Agriculture since the 1920s.



These markets have existed since the 1860s, beginning with agricultural commodities such as wheat, corn, and cotton.



The markets grew to include energy and metal commodities, such as crude oil, heating oil, gasoline, copper, gold, and silver.



Over time, financial instruments based on interest rates (IR), stock indexes, foreign currency, and other products far exceeded agricultural contracts in trading volume.



In the aftermath of the 2008 financial crisis, the Commission's mandate was vastly expanded to include most over-the-counter (OTC) derivatives markets.

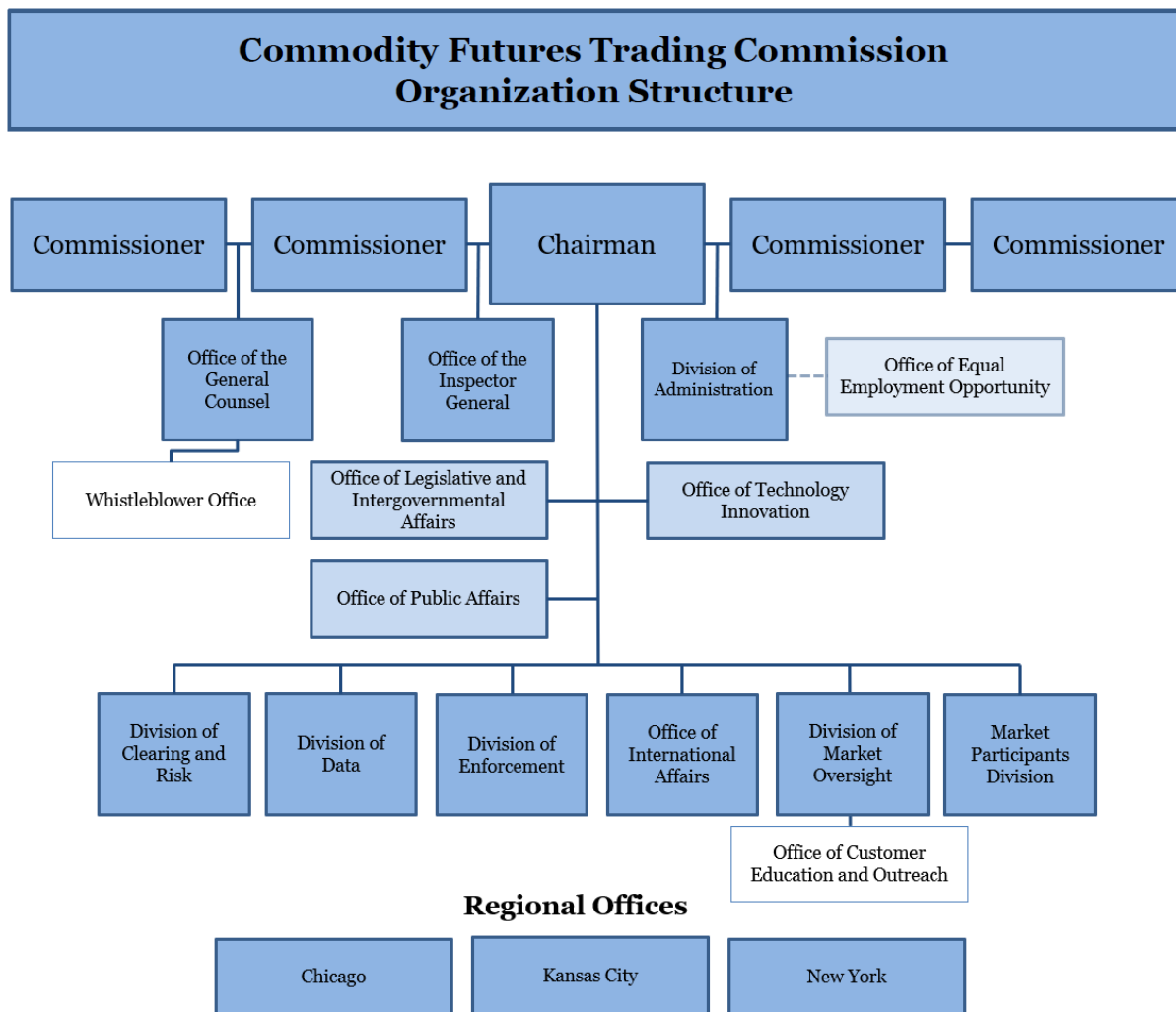
To learn more about the regulatory [history](#) of the U.S. futures industry – both before and after the CFTC was established - please visit the CFTC's website.

Why Are Derivatives Important to Me?

The futures and swaps markets are essential to our economy and the way that businesses and investors manage risk. The CFTC works to ensure that market participants can use markets with confidence. These markets also shape the prices we pay for food, energy, and a host of other goods and services. Please see *Why Are the Markets Important to Me* on page 96 for additional information on how futures and swaps work.

CFTC Organizational Structure

The Office of the Chairman oversees the CFTC’s principal divisions and offices that administer and enforce the CEA and the regulations, policies, and guidance thereunder. The four programmatic divisions, the Division of Clearing and Risk (DCR), Division of Enforcement (DOE), Division of Market Oversight (DMO), and the Market Participants Division (MPD) — are supported by a number of offices and divisions, including the Division of Data (DOD), Division of Administration (DA), Office of the General Counsel (OGC), and the Office of International Affairs (OIA). The Office of the Inspector General (OIG) is an independent office of the Commission. The CFTC’s headquarters is located in Washington, D.C., and the regional offices are located in Chicago, Kansas City, and New York.



A summary of each CFTC division and office as they operated in FY 2025 follows.¹

¹ More information on the CFTC’s responsibilities, divisions, and offices can be found at <https://www.cftc.gov/About/CFTCOrganization/index.htm>

Offices of the Chairman and the Commissioners

The Office of the Chairman consists of the CFTC's Chairman and Chief Executive and his or her dedicated staff. Led by the Chairman, these officials direct the day-to-day management of the agency, coordinate Commission business, and shape the CFTC's regulatory and enforcement agenda.

Executive Leadership Team

The CFTC's [Executive Leadership Team](#) consists of the heads of each operating division and office, the agency's Chief of Staff/Chief Operating Officer, and the CFTC Chairman in his or her capacity as the agency's Chief Executive. These individuals are responsible for carrying out the CFTC's administrative, regulatory, and enforcement agenda as directed by the Chairman.

Division of Clearing and Risk

The [DCR](#) oversees Derivatives Clearing Organizations ([DCOs](#)), DCO clearing members, other market participants that may pose risk to the clearing process, and the clearing of swaps, futures, and options on futures.

Division of Enforcement

The [DOE](#) investigates and prosecutes alleged violations of the CEA and Commission regulations. Potential violations include fraud, manipulation, and other abuses concerning commodity derivatives and swaps that harm market integrity, market participants, and the general public.

Division of Market Oversight

The [DMO](#) fosters open, transparent, fair, competitive, and secure markets through oversight of derivatives platforms and swap data repositories (SDRs). DMO reviews new applications for designated contract markets (DCMs), swap execution facilities (SEFs), SDRs, and foreign boards of trade (FBOT) and examines existing trading platforms and SDRs to ensure their compliance with the applicable core principles and other regulatory requirements, including system safeguards.

Office of Customer Education and Outreach

The [OCEO](#), housed in DMO, develops and administers the CFTC's customer and public education initiatives. The office is responsible for helping the public spot, avoid, and report fraud that involves commodities or derivatives trading. The office was created following the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), which created a special fund to pay for whistleblower awards and "customer education initiatives designed to help customers protect themselves from fraud or other violations" of the CEA.

Market Participants Division

The [MPD](#) primarily oversees derivatives market intermediaries, including commodity pool operators (CPOs), commodity trading advisors (CTAs), futures commission merchants (FCMs), introducing brokers, retail foreign exchange dealers (RFEDs), swap dealers (SDs), and major swap participants (MSPs), as well as designated self-regulatory organizations (SROs).

Division of Data

The [DOD](#) is responsible for the Commission's enterprise data strategy and data governance approaches. DOD creates data architecture and centers of excellence for analytics, visualization, and storage of data. In addition, DOD supports the Commission's strategic objectives with respect to data and analytics through collaboration with other Divisions and Offices, including ingest of data from registered entities pursuant to the CEA and Commission regulations, as well as integration of that data with other data sources.

Division of Administration

The [DA](#) directs the internal management of the Commission's business, personnel, financial, technological, security, and strategic operational resources. The Division's role is to effectively and efficiently ensure the fulfillment of the Commission's mission through continued success in continuity of operations, while providing the required resources for regulating the derivatives markets.

Office of the General Counsel

The [OGC](#) provides legal services and support to the Commission and all of its programs. These services include: representing the Commission in appellate, bankruptcy, and other litigation; assisting in the performance of adjudicatory functions; providing legal advice and support for Commission programs; drafting and assisting in preparation of Commission regulations; interpreting the CEA; advising on legislative, regulatory, and operational issues; and managing the Commission's policymaking and enforcement dockets. The OGC also houses the Freedom of Information Act, Ethics, Secretariat, Privacy, Records, Library, and E-discovery programs of the Commission.

Whistleblower Office

The CFTC's [Whistleblower Office](#) (WBO), housed in OGC, provides monetary incentives to individuals who report possible violations of the CEA that lead to a successful enforcement action, as well as privacy

y, confidentiality, and anti-retaliation protections for whistleblowers.

Office of International Affairs

The [OIA](#) advises the Commission regarding international regulatory issues and initiatives;

represents the Commission in international fora such as the International Organization of Securities Commissions (IOSCO), OTC Derivatives Working Group, and OTC Derivatives Regulators Group; coordinates Commission policy as it relates to policies and initiatives of major foreign jurisdictions, such as the G20, Financial Stability Board, and U.S. Treasury Department; negotiates cooperative arrangements; and provides technical assistance to foreign market authorities, including advice, training, and an annual meeting and symposium.

Office of Public Affairs

The [OPA](#) is the Commission's primary public-facing office that provides honest, timely and useful information across all communication platforms in order to serve internal and external stakeholders in all sectors to accomplish and facilitate the Commission's mission. OPA proactively conducts outreach and creates messages designed to raise awareness of the CFTC brand in order to promote public trust.

Office of Legislative and Intergovernmental Affairs

The OLIA provides support on matters before the U.S. Congress and serves as the Commission's official liaison with Members of Congress, federal agencies, and the Administration. In this role, OLIA develops and executes legislative strategy on behalf of the Chairman and Commission, manages congressional testimony, and works with the various divisions to provide technical assistance on legislation.

Office of Technology Innovation

The [OTI](#) serves as the CFTC's financial technology innovation hub, driving change and enhancing knowledge through innovation, consulting/collaboration, and education (ICE). OTI fosters innovation in CFTC's regulatory oversight and mission critical functions by supporting the operating divisions and the Commission's participation in domestic and international coordination. OTI regularly advocates for the advancement of responsible innovation, industry collaborations, and public outreach and education.

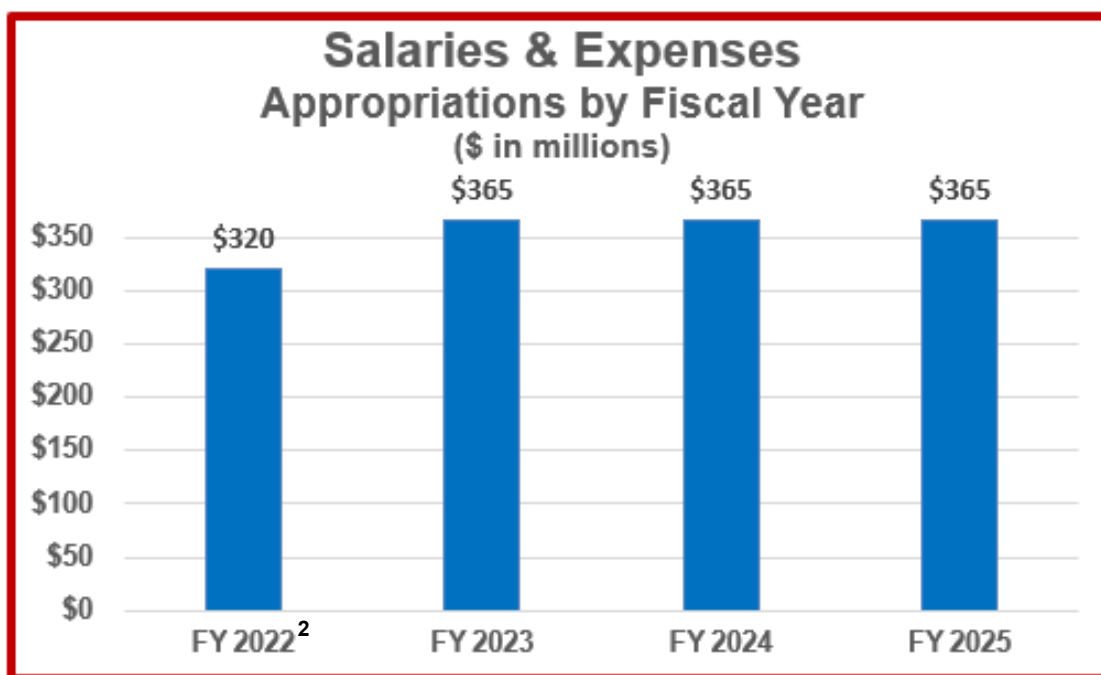
Office of the Inspector General

The [OIG](#) is an independent organizational unit of the CFTC. Its mission is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. As such, it has the ability to review all of the Commission's programs, activities, and records. In accordance with the Inspector General Act of 1978, the OIG issues semiannual reports detailing its activities, findings, and recommendations.

CFTC Staffing and Funding Resources

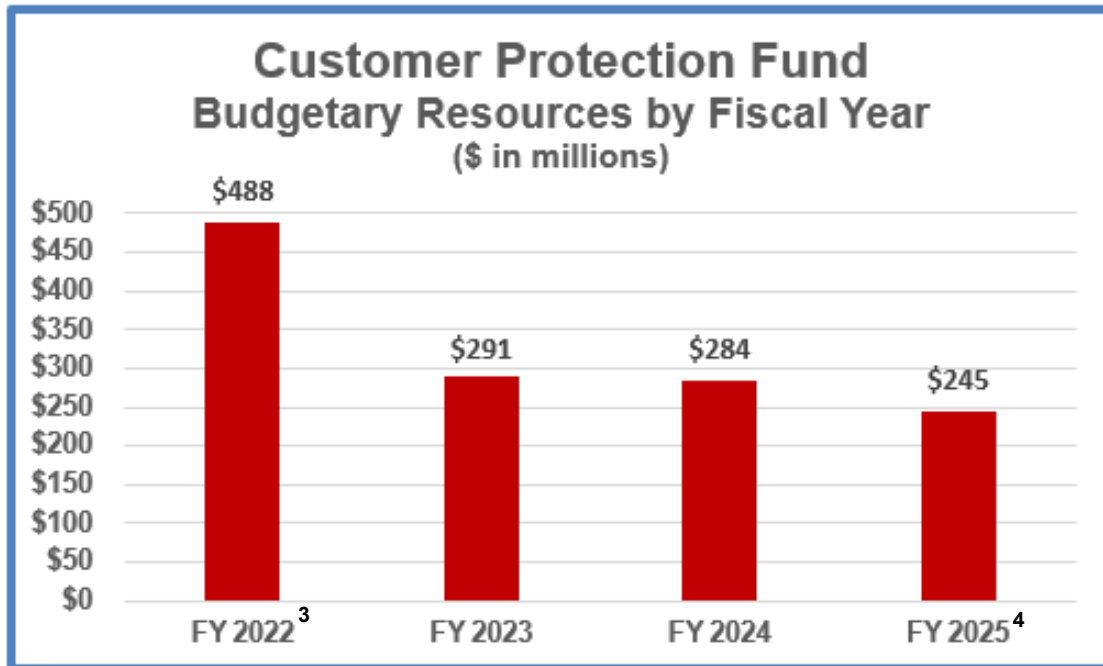
The CFTC is funded through the Salary and Expenses (S&E) Appropriation and the Customer Protection Fund (CPF). The S&E Fund is appropriated annually and provides for the general operating expenses for the Commission to carry out its responsibilities under the CEA. The CPF consists entirely of the monetary sanctions the CFTC levies and collects in enforcement actions; no taxpayer money is included. The CPF is a permanent appropriation, but it must be apportioned annually by OMB (See the Appendix for more information on the CPF).

Salaries & Expenses Appropriations by Fiscal Year



² In addition to the \$320 million annual budget, the CFTC received a one-time, no-year appropriation of \$62 million in FY 2022 to cover the move, replication, and related costs associated with the replacement leases for CFTC headquarter facility, resulting in a grand total of \$382 million. The \$62 million has been omitted from the FY 2022 S&E amount in the chart above to provide a more consistent comparison with the appropriations of past fiscal years that did not contain such major, one-time investments.

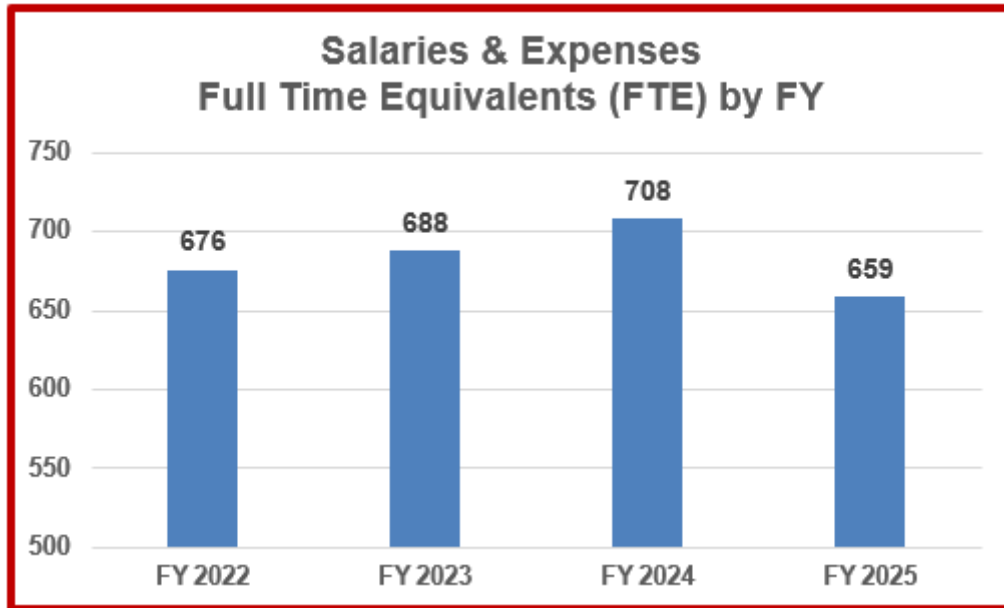
Customer Protection Fund Budgetary Resources by Fiscal Year



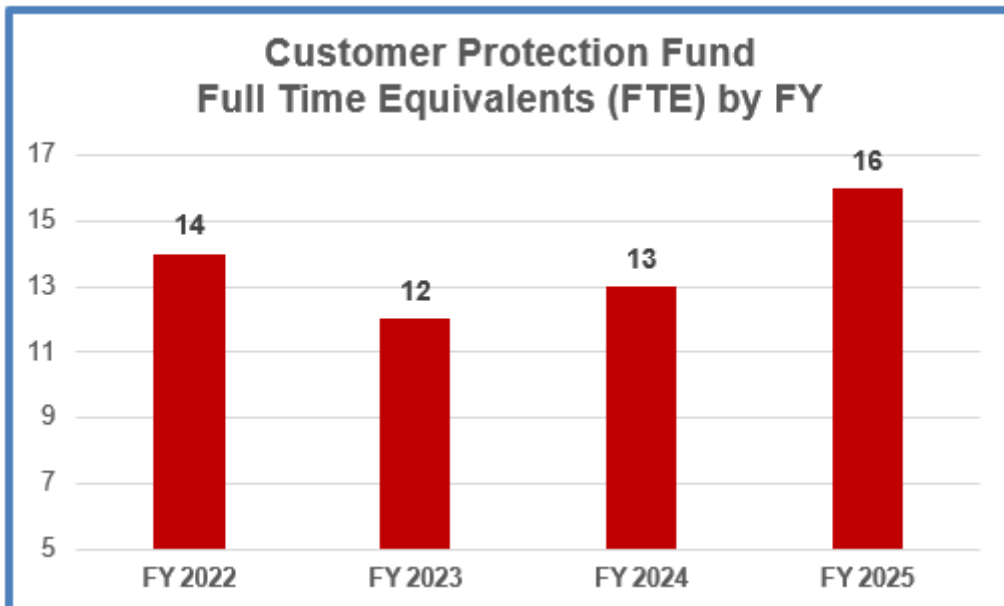
³ Per the Dodd-Frank Act, whenever the CPF balance falls below \$100 million, qualified transfers within that fiscal year are allowed. In FY 2022, the CPF received a transfer of \$398 million from CFTC's Civil Monetary Penalties, Fines and Administrative Fees receipt account which covered the payment of significantly large whistleblower awards. Prior to this, the most recent transfer into the CPF was in FY 2014.

⁴ Passed in July 2021, Public Law 117-25 provided the CFTC with one-time authority to set aside \$10 million from the primary CPF Fund into a separate, multi-year account to fund non-whistleblower awards costs (e.g., payroll, contracts, etc.) whenever the unobligated balance of the Fund is insufficient. The Commission used existing budgetary resources to establish the \$10 million account in September 2021. Per Public Law 117-328, the Commission was provided authority to transfer an additional \$10 million to the separate, multi-year account. The Commission used existing budgetary authority to transfer an additional \$10 million in July 2025. Per PL 119-004, these resources are available until September 30, 2025, at which time all unobligated amounts would be returned to the primary Fund unless additional Congressional action extends this date.

Salaries & Expenses Full Time Equivalents (FTE) by Fiscal Year



Customer Protection Fund Full Time Equivalents (FTE) by Fiscal Year



CFTC Fiscal Year 2025 Highlights

Final Commission Rulemakings

In FY 2025, the Commission:

- Adopted Parts 1, 22, and 30 final rules: Investment of Customer Funds by FCMs and DCOs
 - The Commission amended its regulations governing the types of investments that FCMs and DCOs may make with funds held for the benefit of customers engaging in futures, foreign futures, and cleared swap transactions. The Commission also revised asset-based and issuer-based concentration limits for the investment of customer funds. The Commission also specified market risk capital charges that a FCM must take on new investments added to the list of permitted investments in computing the firm's adjusted net capital. The amendments also revised regulations that require each FCM to report to the Commission, and to the firm's designated SRO, the name, location, and amount of customer funds held by each depository, including any investments of customer funds held by the depository. Lastly, the Commission eliminated the requirement that each depository holding customer funds must provide the Commission with read-only electronic access to such accounts for the FCM to treat the funds as customer segregated funds.
- Adopted Parts 1, 22, 30, and 39 final rules: Regulations to Address Margin Adequacy and To Account for the Treatment of Separate Accounts by FCMs
 - The Commission amended its regulations, adopted under the CEA, to require a FCM to ensure a customer does not withdraw funds from its account with the FCM if the balance in the account after the withdrawal would be insufficient to meet the customer's initial margin requirements; and relatedly, to permit an FCM, subject to certain requirements, to treat the separate accounts of a single customer as accounts of separate entities for purposes of certain Commission regulations.
- Adopted Part 143 final rule: Annual Adjustment of Civil Monetary Penalties (CMP) to Reflect Inflation – 2025
 - The Commission amended its rule that governs the maximum amount of CMPs imposed under the CEA, to adjust for inflation. This rule sets forth the maximum, inflation-adjusted dollar amount for CMPs assessable for violations of the CEA and Commission rules, regulations, and orders thereunder. The rule, as amended, implements the Federal Civil Penalties Inflation Adjustment Act (FCPIA) of 1990, as amended.
- Adopted Chapter 1 final rule: Form PF; Reporting Requirements for all Filers and Large Hedge Fund Advisers
 - The CFTC and the Securities and Exchange Commission (SEC) adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a CPO or CTA. The amendments corrected certain errors in Form PF.

Swaps Market and Reducing Regulatory Burdens

In FY 2025, the Commission:

- Streamlined substituted compliance procedures: Established clear guidelines for how CFTC-registered non-U.S. swap entities may fulfill regulatory requirements through substituted compliance, while adhering to principles of international comity and respecting foreign regulators' interpretation of comparable regulatory frameworks. This approach strengthens cross-border regulatory integration while maintaining oversight consistency.
- Enhanced FCM Transparency: Published Frequently Asked Questions (FAQs) to address increased inquiries regarding FCM registration and operations. The FAQs offer transparency on FCM resources and responsibilities, supporting prospective registrants in evaluating regulatory requirements and operational readiness.
- Engaged public input on perpetual derivatives: Solicited public comments to gain insights on the uses, benefits, and risks associated with perpetual derivative contracts. Perpetual derivative contracts have no expiration date. This effort aims to enhance understanding of these products' market behavior, risk profiles, and implications for clearing, trading, and managing systemic risk.

Innovation and Market Structure

In FY 2025, the Commission:

- Hosted public roundtables on emerging trends: Convened a series of roundtables to examine cutting-edge market structure issues, including affiliated entities and conflicts of interest, prediction markets, and digital assets. These discussions ensure the Commission receives diverse stakeholder perspectives and data-driven analysis to inform future initiatives.
- Explored 24/7 trading in derivatives markets: Requested public feedback to better assess the impact of round-the-clock trading on risk management, market integrity, and customer protection in derivatives markets. This initiative underscores the CFTC's ongoing commitment to fostering market innovations while safeguarding participants.

Crypto Leadership

In FY 2025, the Commission:

- Advanced crypto policy recommendations: Initiated targeted actions in line with the recommendations of the President's Working Group on Financial Markets to support safe growth in digital asset markets.
- Listed spot crypto trading initiative: Launched exploratory efforts to assess how spot crypto asset contracts could be listed and traded on CFTC-regulated exchanges, broadening regulated market offerings and empowering investor choice.

- Crypto CEO forum: Convened industry leaders to discuss a pilot framework and pre-market testing for digital asset trading operations, custody solutions, and infrastructure interoperability, ensuring robust preparation for future market rollouts.
- Coordination on spot crypto trading oversight: Enhanced interagency collaboration with the SEC to harmonize staff approaches to spot crypto products, minimize jurisdictional overlap, and promote regulatory clarity for market participants.

Market Innovation

In FY 2025, the Commission:

- Tokenized collateral and stablecoin research: Evaluated the use of tokenized (digital representations of real-world assets like U.S. Treasuries and money market fund shares) collateral and stablecoin applications in margining practices, focusing on modernizing collateral frameworks while maintaining sound financial safeguards.
- Public engagement on tokenized assets: Issued staff requests for information and public comment to deepen understanding of operational, legal, and prudential considerations tied to digital token usage in derivatives markets.
- Piloted tokenized market integration: Partnered with market participants to test tokenized asset applications in controlled environments, emphasizing risk controls, auditability, and regulatory compliance.

CFTC Crypto Sprint

In FY 2025, the Commission:

- Launched targeted crypto sprint initiatives: Embarked on a 12-month sprint focused on priority areas, including listed spot crypto trading, tokenized collateral use, stablecoins, technical amendments to market structure, and stakeholder collaboration to operationalize recommendations President's Working Group on Digital Asset Markets (PWG).
- Solicited feedback for spot crypto initiative: Engaged exchanges and clearinghouses to refine listed spot crypto trading criteria and address custody and surveillance considerations.
- Harmonized actions with federal partners: Coordinated with the SEC and federal entities to align crypto sprint efforts with broader regulatory frameworks, ensuring reduced fragmentation and clearer compliance pathways.

Ending Regulation by Enforcement

In FY 2025, the Commission:

- **Enhanced transparency in self-reporting:** Published an Enforcement Advisory outlining mitigation credit criteria for self-reporting, cooperation, and remediation efforts, promoting voluntary compliance while upholding deterrence principles.
- **Resolution of multi-firm compliance issues:** Expedited victim restitution by undertaking coordinated actions to address systemic compliance deficiencies among multiple firms, using transparent metrics for remedies and penalties.
- **Strengthened criminal referral guidelines:** Adopted a policy statement clarifying factors for referrals to the Department of Justice (DOJ), ensuring consistency with executive guidance and upholding accountability standards.

Interagency Coordination and Collaboration

In FY 2025, the Commission:

- **Strengthened interagency collaboration:** Issued joint statements and convened roundtables with the SEC to harmonize regulatory approaches for spot crypto assets and to reduce duplicative compliance requirements.
- **Whole-of-government digital asset strategy:** Participated in the PWG on Financial Markets and advanced initiatives to implement digital asset recommendations through coordinated interagency efforts.
- **Operationalized public-private partnerships:** Hosted forums like the Crypto CEO Forum to gather real-world data, support pilot programs, and promote actionable innovations in emerging markets.
- **Enhanced cross-border protections:** Added new unregistered foreign entities to the CFTC's Registration Deficient List, reinforcing investor safeguards and bolstering cross-border enforcement coordination.
- **Expanded consumer education and outreach:** Issued advisories warning consumers of evolving financial scams, including fraud involving generative AI. This outreach empowered retail participants to identify risks and adopt resilient safeguards.

What is on the Horizon?

This goal structure reflects the CFTC 2022 – 2026 Strategic Plan, adopted in March 2022.



GOAL 1: STRENGTHEN DERIVATIVES MARKETS & FOSTER THEIR VIBRANCY

Strengthening derivatives markets and protecting their participants increases confidence in market soundness. Open and competitive markets unaltered by fraud, manipulation, or other abuses bolsters confidence in their integrity and fosters economic growth.



GOAL 2: REGULATE DERIVATIVES MARKETS IN INTEREST OF ALL AMERICANS

The Commission's vital role in regulating derivatives markets and their financial instruments benefits all Americans. Sound regulation and oversight of these markets impacts all of us – enabling businesses to provide stable and predictable prices for everything from groceries to gasoline and from heating bills to home mortgages.



GOAL 3: ENCOURAGE INNOVATION & ENHANCE REGULATORY EXPERIENCE OF ALL

The Commission aims to develop regulations that keep pace with and encourage responsible innovation. When crafting and implementing regulations we will be guided by the important outcomes of improving derivatives markets' integrity, resiliency, and avoiding systemic risk.



GOAL 4: BE TOUGH ON THOSE WHO BREAK THE RULES

The CFTC is committed to protecting the public from misconduct in our markets, including manipulation, spoofing, disruptive trading, and other fraudulent actions. The Commission detects, investigates, and prosecutes misconduct and fraud. Doing so leads to improved confidence in the integrity of derivatives markets.



GOAL 5: FOCUS ON UNIQUE MISSION & IMPROVE OPERATIONAL EFFECTIVENESS

Achieving the CFTC's crucial mission requires exceptional operational effectiveness, information technology management, and advanced data analysis. This strategic goal recognizes the vital role business management and related service play in protecting derivatives markets and taxpayer dollars.

Establishing a "Crypto-First" Regulatory Framework

The regulation of digital assets is both a defining challenge and a generational opportunity. The Commission will face this challenge head-on and seize the opportunity to establish a "crypto-first" regulatory framework that reflects the unique technological realities of digital assets and unleashes their potential to revolutionize markets. However, these groundbreaking technologies, platforms, and products can only transform markets if the CFTC provides a foundation of regulatory clarity. With Congress poised to enact comprehensive digital asset market structure legislation, the CFTC is committed to providing the regulatory clarity needed to support responsible growth and innovation. A first step to clarify the digital asset regulatory framework is for the CFTC to transition away from the patchwork of oversight resulting from informal guidance and staff lore and instead prioritize bright-line rules developed through transparent Commission processes.

A "crypto-first" approach means CFTC must also be vigilant in its oversight and enhance safeguards – learning crucial lessons from past industry collapses so that the Commission can be an effective "cop on the beat" and a valuable partner to innovators. This transformational period for digital asset regulation requires technical expertise and steady leadership. The CFTC is committed to smooth and faithful implementation of legislation and will harmonize oversight with other regulators, as appropriate, while maintaining the Commission's exclusive authority over digital commodities.

A "crypto-first" regulatory framework also rejects heavy-handed approaches that stifle innovation and it avoids burdensome one-size-fits-all rules that push innovation offshore. Further, the Commission is ending the era of "regulation by enforcement," opting instead to reinvigorate "principles-based" rulemaking, with regulations tailored to emerging markets like digital assets. Clear, forward-thinking regulation will give compliant exchanges and intermediaries the tools to operate effectively. Through these "crypto-first" strategies, the CFTC will provide the certainty, transparency, and accountability required to encourage innovation, protect investors, and strengthen the economy, with a vision that ensures the United States leads the way in building a secure and thriving future for digital asset markets.

Ensuring Market Integrity and Protecting Customers

As the CFTC modernizes its regulatory framework and right-sizes its regulatory footprint, the Commission will maintain its unwavering commitment to market integrity and protecting customer assets. These responsibilities are paramount. The CFTC will become a streamlined regulator while also becoming a stronger regulator by de-emphasizing technical infractions unlikely to put customer assets at risk and ceasing to pursue untested legal theories against legitimate market participants. The Commission will refocus enforcement resources on their true purpose: preventing fraud, manipulation, and the theft of customer funds. This vision champions a regulatory approach that aggressively targets harmful actors while simultaneously promoting innovation and the principles that fortify vibrant financial markets.

A strong and effective enforcement strategy is central to this commitment. CFTC efforts will prioritize safeguarding customer assets, and policing for fraud and manipulation. The focus must remain on preserving confidence in the price discovery process by combating fraud,

spoofing, and the misappropriation of customer funds, each of which distorts market integrity. The Commission will limit itself to the authority explicitly provided through legislation and no longer seek to expand its authority through regulation by enforcement. And as the CFTC limits its enforcement actions to those rooted in established law, it will resist treating every industry participant as on the verge of violating Depression-era laws of questionable modern applicability.

Adapting Market Structures for 21st-Century Innovation

The rapid evolution of U.S. financial markets, driven by technological advancements, demands a flexible regulatory framework. Flexibility requires the CFTC evaluate innovations and solutions on a case-by-case basis, according to their specific merits, resisting the temptation to apply uniform approaches, or worse yet, merely rejecting potentially revolutionary products because they fail to conform to an outdated template. Recognizing that retail participation in the commodity markets is at an all-time high, the regulatory landscape must adapt to meet the needs of modern participants while preserving essential investor protections. This includes embracing new ideas and transformative technologies like decentralized finance or blockchain applications.

To support hedgers' ability to access essential risk-management tools, the CFTC must avoid the overregulation of the past. The Commission will replace overregulation with streamlined approval processes and reduced bureaucratic red tape to ensure new products and structures that meet CEA core principles can enter U.S. markets efficiently. Reducing the excessive bottlenecks from navigating burdensome regulatory hurdles will position the U.S. maintain and strengthen our position as the global leader for derivatives trading and innovation in the 21st century.

Performance Highlights

Verification and Validation of Performance Data – Key Results for Strategic Goals

The following are results with selected representative indicators from each Strategic Goal. The completeness and reliability of performance indicators are important to the Commission. The CFTC works to ensure performance indicators for public reporting demonstrate progress toward achieving the strategic objectives they support.

Strategic Goal 1: Strengthen the Resilience and Integrity of Our Derivatives Markets While Fostering Their Vibrancy

Public Benefit

Derivatives markets are designed to provide a means for market users to offset price risks inherent in their businesses and to act as a public price discovery platform from which prices are broadly disseminated for public use. The CFTC adds to the strength and resilience of derivatives markets through regular examinations, stress testing, capital requirements, financial reporting obligations, and ongoing risk monitoring.

Costs for Strategic Goal 1

In FY 2025, the Commission invested \$65.4 million.

Key Indicator Performance Results

Objective 1.1: Ensure our central counterparties remain among the soundest and most resilient in the world.

Performance Indicator: Aggregate cleared swaps, futures, and options positions into a comprehensive risk surveillance process and conduct analysis for each material market participant
Why this is relevant: The systemic nature of clearinghouses and the integral role DCOs have in promoting financial stability make robust DCO risk management and the Commission’s ongoing risk monitoring critical. CFTC risk monitoring includes system-wide reviews of market risks as well as the resources held by DCOs to protect against these risks. In addition to the Supervisory Stress Tests the Commission performs every few years (see pages 23 & 31), and weekly (or commonly daily) reviews of DCO/FCM exposures in key benchmark products, the CFTC also has a comprehensive annual program to assess how significant DCOs (in terms of size and trading volume) would respond to a variety of potential risk scenarios. This annual risk monitoring is the focus of this indicator and involves risk surveillance analysis of market participants’ aggregated futures and options positions. The Commission continues to improve procedures to aggregate swap positions across multiple DCOs and asset classes so that these annual analyses more closely resemble potential real-world scenarios. Once improvement of these procedures is complete, the Commission will be positioned to accurately assess systemic risk based on the aggregated risk of market participants’ futures, swaps, and options trades.
Data Source: For futures, options on futures, and swaps, the primary source of trader and exposure data is currently Part 39 margin and position data that the Commission receives daily from DCOs.

DCR has now worked with DCOs to ensure the transmission of account level data with their Part 39 transmissions. This work is now complete as all DCOs submit account level data. DCR also receives supplementary data, such as delta ladders for swaps, which is used for valuation and stress testing purposes

Verification and Validation: External tools can stress test futures position positions (e.g., Standard Portfolio Analysis of Risk application) and swaps positions (e.g., Bloomberg/Eikon) for validation purposes.

Target: DCR will continue to expand on tools analyzing the aggregate risk of market participants' interest rate swap & IR futures positions.

FY 2022	FY 2023	FY 2024	FY 2025
Aggregated the risk of thousands of accounts across multiple asset classes*	Aggregated the risk of thousands of accounts across multiple asset classes* and regularly estimated aggregate losses for major accounts under extreme market conditions.	Aggregated the risk of thousands of accounts across multiple asset classes, including portfolios with both futures and swaps positions, and regularly estimated aggregate losses for major accounts under extreme market conditions. This ongoing analysis was paired with a more substantial evaluation of risk across multiple asset classes in the fourth Supervisory Stress Test.	Aggregated the risk of thousands of accounts across multiple asset classes, including portfolios with futures, options, and swaps positions, and estimated aggregate losses for major accounts under extreme market conditions on at least a weekly basis.

*The Risk Surveillance Branch conducts stress tests of all material futures, options and swaps accounts on a regular basis. These stress tests are aggregated by market participants across DCO. Market participant risk is then monitored across asset classes and DCOs.

Strategic Goal 2: Regulate our Derivatives Markets to Promote the Interests of All Americans

Public Benefit

CFTC ensures that derivatives markets work in the best interest of all Americans, supporting a market-based system for price discovery and risk management. The U.S. derivatives markets continue to serve the needs of everyday Americans and touch all corners of the real economy – from farmers and ranchers who need to hedge grain and cattle prices, to manufacturers and exporters who need to manage exchange-rate fluctuations.

Costs for Strategic Goal 2

In FY 2025, the Commission invested \$61.6 million.

Key Indicator Performance Results

Objective 2.3: Increase protections for customer assets and information.

Performance Indicator: Examine compliance by exchanges, DCOs, and SDRs with the system safeguards and cybersecurity requirements of the CEA Core Principles and Commission regulations, prioritizing systematically important entities.

Why this is relevant: Using both risk-based and Core Principles-based approaches, the Commission conducts comprehensive examinations of system safeguards and cybersecurity programs at exchanges, DCOs, and SDRs, preparing examinations reports when deficiencies are identified.

Exchanges, DCOs, and SDRs are notified, and staff monitor their remediation efforts. A system safeguards examination (SSEs) has four main stages: 1) Initiating letter; 2) On-site exam, includes data review and interviews with both senior staff and technical expert staff; 3) Review of initial observations, follow up questions, followed by development of examination report with findings and recommendations and an overall rating; and 4) Presentation of findings/recommendations to Commission for Commission “acceptance,” followed by transmittal of report to entity.

Data Source: DMO and DCR maintain a list of SSEs commenced and completed each year.

Verification and Validation: Management record keeping.

FY 2022	FY 2023	FY 2024	FY 2025
<ul style="list-style-type: none"> • 2 systemically important DCO (SIDCO)SSEs • 1 SSE at another DCO • 1 DCO & 1 DMO application for entities that wish to clear or hold crypto products • 5 entity SSEs initiated, staff interviews conducted • 3 entity SSEs with staff interviews conducted and report issued • 8 entity Targeted Maturity Assessments initiated • 8 designation or registration reviews initiated, with 4 completed • 4 completed system safeguards portion of the checklist complete 	<ul style="list-style-type: none"> • 4 SSEs completed and issued (1 DCM, 5 SEFs, and 1 SDR) • 4 SSEs initiated and staff interviews completed (1 DCM and 4 SEFs) • 2 additional SSEs initiated, with staff interviews pending (1 DCM and 1 SEF) • 7 designation or registration reviews completed (7 DCMs) • 2 SIDCO SSEs • 2 data center reviews • 6 DCO application reviews 	<ul style="list-style-type: none"> • 6 SSEs completed and issued (2 DCMs, 3 SEFs, 1 SDR) • 2 SSEs initiated and staff interviews completed (3 DCMs, 1 SEF) • 2 designation reviews completed (2 DCMs) • 5 designation reviews in progress (5 DCMs) • 2 registration reviews in progress (2 SEFs) • 2 SIDCO SSEs • 3 DCO SSEs • 3 Operational Resiliency Reviews for cloud migration of clearing services • 1 Amended DCO Application SSE review • 1 New DCO application SSE review • 1 Continuation of a DCO application review from a previous reporting period 	<ul style="list-style-type: none"> • 3 SSEs completed and issued (2 DCMs, 1 SEF, 1 SDR) • 2 SSEs initiated and interviews held (1 DCM, 1 SEF) • 6 designation or registration reviews completed (5 DCMs, 1 SEF) • 5 designation or registration reviews initiated (4 DCMs, 1 SEF) • 2 SSE’s completed for SIDCOs • 3 SSE’s completed for DCOs • 2 DCO application reviews completed. • 2 Operational Resilience reviews for an amended DCO application and a major systems change for another DCO

Strategic Goal 3: Encourage Innovation and Enhance the Regulatory Experience for Market Participants at Home and Abroad

Public Benefit

CFTC will continue to encourage innovation and enhance the regulatory experience for market participants at home and abroad. Technological innovation is drastically changing financial markets, including the derivatives markets the CFTC regulates. The growing adoption of derivatives involving digital assets, and the use of distributed ledgers and other technologies present novel issues for applying and enforcing the CFTC’s regulations.

Costs for Strategic Goal 3

In FY 2025, the Commission invested \$49.0 million.

Key Indicator Performance Results

Objective 3.2 Ensure that the CFTC’s actions result from well-defined, transparent, and consistent processes, with regulatory development that complies with applicable laws and regulations and is consistent with standards agreed upon by international bodies.

Performance Indicator: Percentage of contract and rule submissions received by the CFTC through the organizations, products, events, rules, and actions (OPERA) portal.			
Why this is relevant: This indicator captures the efficiency with which staff can receive and process exchange submissions related to contracts and rules. Through the portal, exchanges can electronically file submissions directly with the Commission. This decreases the time it takes for the Commission to make information about new contracts and amendments available to the public. Portal submissions also increase data accuracy, as they reduce the need to manually add data elements into the Filings and Actions (FILAC) database. Finally, automatic routing of submissions to relevant staff increases operational efficiency and accuracy by reducing staff time spent on manual routing and improves ability to identify high impact contract and rule submissions in preparation for reviews of new or amended contracts and rule filings.			
Data Source: The FILAC database indicates whether a filing was made via email or the OPERA portal.			
Verification and Validation: The OPERA portal automatically assigns a submission number to all filings made through the portal. Filings made via email are not assigned a submission number.			
FY 2022	FY 2023	FY 2024	FY 2025
99%	99.7%	99%	99%

Strategic Goal 4: Be Tough on Those Who Break the Rules

Public Benefit

The CFTC remains vigilant against those who violate the CEA or CFTC regulations. The CFTC’s strong enforcement program emphasizes being tough on those who break the rules, but also being fair and consistent. A tough enforcement program is vital to maintaining public confidence in financial markets. The Commission uses its authority to deter fraudulent and manipulative conduct and to ensure that markets, firms, and participants subject to the Commission’s oversight meet their obligations.

Costs for Strategic Goal 4

In FY 2025, the Commission invested \$161.4 million.

Key Indicator Performance Results

Objective 4.2: Leverage the CFTC’s expertise and resources by coordinating with other criminal and civil enforcement authorities.

Performance Indicator: Leverage the impact of its enforcement program through coordination with SROs and active participation in domestic and international cooperative enforcement efforts.			
Why this is relevant: This indicator reflects the Commission’s continued participation in regular meetings with the SROs and with domestic and international cooperative partners. The Commission’s enforcement program regularly meets with the SROs to discuss matters of common interest; including investigations, enforcement actions, and the sanctioning of violative conduct. The Commission’s enforcement program also works cooperatively with both domestic and international authorities to maximize its ability to detect, deter, and bring sanctions against wrongdoers involving U.S. markets, registrants, and customers. These cooperative efforts bolster the effectiveness of the enforcement program by allowing it to investigate and litigate more efficiently, and seek penalties that provide the appropriate punitive and deterrent effect.			
Data Source: Meeting Records			
Verification and Validation: Management record keeping.			
FY 2022	FY 2023	FY 2024	FY 2025
Participated in 92 domestic and international cooperative enforcement meetings, task forces, etc.	Participated in 96 domestic and international cooperative enforcement meetings, task forces, etc.	Participated in 106 domestic and international cooperative enforcement meetings, task forces, etc.	Participated in 57 domestic and international cooperative enforcement meetings, task forces, etc.

Objective 4.3: Focus market surveillance on areas where fraud and manipulation are most likely.

Performance Indicator: Develop comprehensive communication strategy, geared for internal and external stakeholders, relating to role of whistleblowers and the function of the WBO.
Why this is relevant: The Commission participates in public forums and trade shows annually, including the national Futures Industry Association Conference. This measure reflects the need of the WBO to communicate effectively to external audiences. Outreach is an essential part of the

program. The WBO sends the message that the program is in place and emphasize in its message the rewards and protections offered by Section 23 of the CEA and the Commission regulations. Whistleblowers provide the Commission with the opportunity to receive timely information relating to potential violations of the CEA that may not otherwise be available.

Data Source: www.whistleblower.gov/news/events;
<https://www.whistleblower.gov/whistleblower-alerts>

Verification and Validation: Management record keeping

FY 2022	FY 2023	FY 2024	FY 2025
Presented at 4 public events, 3 virtual and 1 live	Presented or exhibited at 5 public events, attended 4 other public events, and posted two new “trending topic” alerts to WBO website: romance scams and manipulation in the carbon markets	Attended or presented at 5 public events	Attended or presented at 5 public events

Financial Highlights

Financial Overview

The following table presents an overview of the Commission’s financial position, net costs, and budgetary resources as of and for the fiscal years ending September 30, 2025.

2025	
CONDENSED BALANCE SHEET	
Fund Balance with Treasury	\$ 230,432,520
Investments	234,000,000
Accounts Receivable, Net	104,709
Custodial Fines and Interest Receivable, Net	19,710,196
General Property, Plant, and Equipment, Net	28,355,234
Advances and Prepayments	3,492,420
TOTAL ASSETS	\$ 516,095,079
Accounts Payable	\$ 13,608,469
Accrued Payroll and Unfunded Annual Leave	23,796,097
FECA and Unemployment Liabilities	487,637
Liability to the General Fund of the U.S. Government for Custodial Assets	19,710,196
Liability for Non-Fiduciary Deposit Funds	3,900
Deferred Lease Liabilities	2,518,484
Liability for Whistleblower Awards	399,675,304
Total Liabilities	\$ 459,800,087
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 187,326,921
Cumulative Results of Operations - Funds from Dedicated Collections	(142,331,082)
Cumulative Results of Operations - Funds from Other than Dedicated Collections	11,299,153
Total Net Position	\$ 56,294,992
TOTAL LIABILITIES AND NET POSITION	\$ 516,095,079
CONDENSED STATEMENT OF NET COST	
Gross Costs	\$ 731,584,104
Earned Revenue	(472)
TOTAL NET COST OF OPERATIONS	\$ 731,583,632
NET COST BY STRATEGIC GOAL	
Strategic Goal 1: Strengthen Derivatives Markets & Foster their Vibrancy	\$ 62,564,252
Strategic Goal 2: Regulate Derivatives Markets in Interest of All Americans	58,942,695
Strategic Goal 3: Encourage Innovation & Enhance Regulatory Experience of All	46,932,428
Strategic Goal 4: Be Tough on Those Who Break the Rules	463,994,884
Strategic Goal 5: Focus on Unique Mission & Improve Operational Effectiveness	99,149,373
TOTAL NET COST OF OPERATIONS	\$ 731,583,632
CONDENSED STATEMENT OF BUDGETARY RESOURCES	
Prior Year Budget Authority	\$ 291,231,767
New Budget Authority	375,208,825
TOTAL BUDGETARY RESOURCES	\$ 666,440,592
New Obligations and Upward Adjustments	\$ 365,969,180
Apportioned, Unexpired Accounts	282,474,966
Unapportioned, Unexpired Accounts	1,929,239
Expired Unobligated Balances	16,067,207
TOTAL BUDGETARY RESOURCES	\$ 666,440,592
Agency Outlays, Net	\$ 349,913,093

Financial Statements

The above overview is supplemented with brief descriptions of the nature of each required financial statement and its relevance. Readers are encouraged to gain a deeper understanding by reviewing the Commission’s financial statements and notes and the accompanying audit report presented in the Financial Section of this report, and the Customer Protection Fund “Annual Report on the Whistleblower Program and Customer Education Initiatives” report to Congress.

Financial Risks Occurring During the Reporting Period

The Commission may encounter the possible risk of time lag in making payments to whistleblowers if the balance of the Customer Protection Fund is not sufficient to cover current obligations to whistleblowers. For whistleblowers on non-related matters, the Commission minimizes this risk in that there is a level of due process involved in approving whistleblower claims that should provide the Commission with sufficient time to replenish the Customer Protection Fund, as necessary. However, for related matters, for which another agency collected the sanctions, there is a risk that the Customer Protection Fund would have to cease normal operations until such time that funds are made available to continue.

On July 6, 2021, Public Law (P.L.) 117-25 helped mitigate this risk by providing the Commission authority to set aside funds from the Customer Protection Fund in a separate account to fund non-whistleblower costs (e.g., payroll, contracts, etc.) when the available balance of the Fund is insufficient to pay non-awards expenses and expenses for customer education initiatives. As of September 30, 2025, the available balance to cover these costs was \$18,883,977.

There were no unanticipated financial risks occurring during the reporting period.

Limitations of Financial Statements

Management has prepared the accompanying financial statements to report the financial position and results of operations for the CFTC for FY 2025 consistent with the requirements of Title 31 of the U.S. Code, Section 3515 (b).

These statements have been prepared from the records of the Commission in accordance with GAAP for federal entities and the formats prescribed by OMB Circular A-136, *Financial Reporting Requirements*. Reports used to monitor and control budgetary resources are prepared from the same records.

The statements should be read with the understanding that they represent a component of the U.S. Federal government. One implication of this is that the liabilities presented herein cannot be liquidated without the enactment of appropriations, and ongoing operations are subject to the enactment of future appropriations.

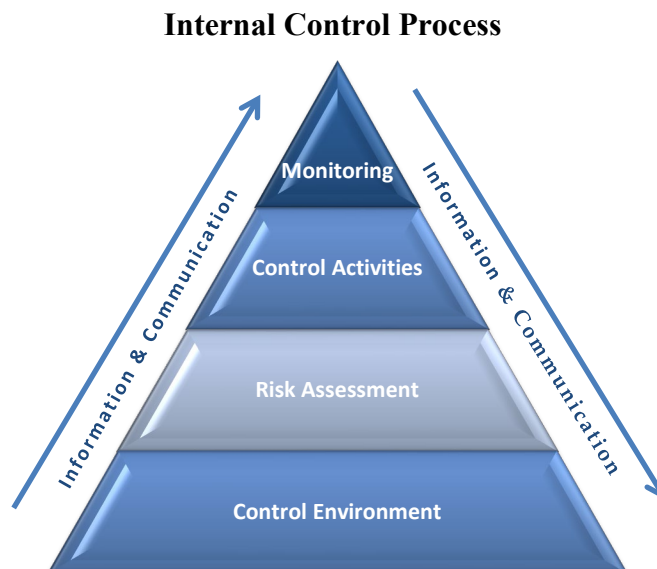
Management Assurances

Analysis of CFTC's Systems, Controls, and Legal Compliance

Management Overview

The CFTC is committed to management excellence and recognizes the importance of strong financial systems and internal controls to ensure accountability, integrity, and reliability. This operating philosophy has permitted the Commission to maintain a robust program documenting and testing its internal controls over reporting, as prescribed in OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The graph below depicts all five components of the internal control process that must be present in an organization to ensure an effective internal control process.

- **Control Environment** is the foundation for an internal control system. It represents management's commitment to encourage the highest level of integrity and personal/professional standards, and promotes internal control through our leadership philosophy and operational style.
- **Risk Assessment** is the identification and analysis of risks associated with business processes, financial reporting, financial systems, controls and legal compliance in the pursuit of agency goals and objectives.
- **Control Activities** are the actions supported by management policies and procedures to address risk, e.g. performance reviews, status of funds reporting, and asset management reviews.
- **Information and Communication** ensure the agency's control environment, risks, control activities, and performance results are communicated throughout the agency.
- **Monitoring** is the assessment of internal control performance to ensure the internal control processes are properly executed and operating effectively in compliance with agency policies and procedures.



The Commission relies on its performance management and internal control framework to ensure:

- divisions and mission support offices achieve the intended strategic objectives and performance goals efficiently and effectively;
- maintenance and use of reliable, complete, and timely data for decision-making at all levels; and,
- compliance with applicable laws and regulations.

Statement of Assurance

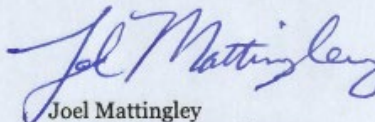
The Statement of Assurance is required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The assurance is for internal controls over operational effectiveness (we do the right things to accomplish our mission) and operational efficiency (we do things right).

Statement of Assurance

"CFTC management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). In accordance with OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, CFTC assessed the effectiveness of its internal controls and financial management systems to support reliable financial reporting, effective and efficient programmatic operations, and compliance with applicable laws and regulations and financial management systems requirements. Based on the results of this assessment, the CFTC can provide reasonable assurance that its internal controls and financial management systems met the objectives of FMFIA and were operating effectively as of September 30, 2025. No material weaknesses were found in the design or operation of CFTC's internal controls or financial management systems.

These reviews include an assessment of CFTC's safeguarding of assets, the use of budget authority, and other laws and regulations that could have a material effect on the financial statements, in accordance with the requirements of Appendix A to OMB Circular A-123, Management of Reporting and Data Integrity Risk. Based on the results of these reviews, the CFTC can provide reasonable assurance that its internal controls over reporting were operating effectively as of September 30, 2025. No material weaknesses were found in the design or operation of internal controls over reporting.

The CFTC also reviews the United States Department of Transportation Quality Control Review of Controls Over the Enterprise Services Center Report conducted in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE 18) provided by the shared service provider maintaining our financial management system. The report addresses requirements outlined in Appendix D of OMB Circular A-123, Compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA) and OMB Circular A-136. Based on the results of these reviews, the CFTC elects to provide reasonable assurance that its financial management systems comply with applicable provisions of the FFMIA as of September 30, 2025."



Joel Mattingley
Deputy Executive Director
January 15, 2026

Management's Assessment of Internal Control

The objectives of the Commission's internal controls are to provide reasonable assurance that:

- Obligations and costs comply with applicable laws;
- Assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- Revenues and expenditures applicable to Commission operations are properly recorded and accounted for to permit the preparation of accounts and reliable to financial and statistical reports and to maintain accountability over assets; and
- All programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

During FY 2025, the Commission reviewed key components of its internal controls and financial management systems, in accordance with FMFIA and OMB guidelines. As part of this review, the Commission evaluates information obtained from reviews conducted by the Government Accountability Office (GAO) and the Office of the Inspector General (OIG). These reviews are helpful in assessing whether the Commission's systems and controls comply with the standards established by FMFIA.

In addition, managers throughout the Commission are responsible for ensuring that effective controls are implemented in their areas of responsibility. Individual assurance statements from division and office heads serve as a primary basis for the Chairman's assurance that internal controls are adequate and operating effectively. The assurance statements are based upon each office's evaluation of progress made in correcting any previously reported problems, as well as new problems identified by the OIG, GAO, other management reports, and the management environment within each office. CFTC has worked vigorously to continually improve its controls program and assess its effectiveness at accomplishing the FMFIA requirements. Examples of some of the FY 2025 work performed to support the assessment of compliance with FMFIA and Internal Controls over Reporting (ICOR) include, but are not limited to, the following:

- Implementation of the Data Quality Plan (DQP) to ensure data quality, assessment, and reconciliation of quarterly spending data submitted in compliance with the Digital Accountability and Transparency Act of 2014 (Data Act);
- Continuous analysis of improper payment risk factors to identify and reduce the risk of improper payments based on the Payment Integrity Information Act of 2019;
- Pay and benefits assessment based on the authority of Section 10702 of the Public Law 107-171, Farm Security and Rural Investment Act of 2002;
- Management and internal control reviews conducted with the express purpose of assessing internal controls;
- Management control reviews conducted with the express purpose of assessing compliance with applicable laws, regulations, and government-wide policies; and
- Information security compliance as required by the Federal Information Security Modernization Act of 2014 (FISMA).

FMFIA Section 2, Management Control

The Commission has no declared material weaknesses under FMFIA for FY 2025 in the administrative controls and internal controls over reporting that prevented reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.

FMFIA Section 4, Financial Management Systems

The Commission declared no nonconformance within our financial systems under FMFIA during FY 2025. The independent auditors' reports for FY 2025 disclosed no instances of noncompliance or other matters within our financial systems that were required to be reported under Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin 24-02, *Audit Requirements for Federal Financial Statements*.

FFMIA, Financial Management Systems

As an agency reporting under the Accountability of Tax Dollars Act of 2002, the Commission is not subject to the requirements of FFMIA. However, based on the robust assessments that the Commission has conducted to ensure compliance with FMFIA, CFTC is able to elect to provide reasonable assurance that its financial management systems comply with:

- Federal financial management system requirements;
- Applicable Federal accounting standards; and
- The U.S. Standard General Ledger (USSGL) at the transaction level.

Summary of Current Financial System and Future Strategies

Since FY 2007, the CFTC has leveraged a financial management systems platform operated by the U.S. Department of Transportation's Enterprise Services Center (ESC), an OMB-designated financial management service provider. The Commission implemented an integrated end-to-end procurement management system through ESC, which provides a timely, efficient and consistent contract management process and facilitates required DATA Act reporting. As a result, the CFTC is able to accumulate, analyze, and present reliable financial information, provide timely information for managing current operations and reporting financial information to central agencies, and comply with government-wide requirements. The Commission's financial management systems strategy for FY 2026 includes the continued monitoring, evaluation and oversight of the financial management system operated by its shared services provider.

FINANCIAL SECTION

A LETTER FROM THE CHIEF FINANCIAL OFFICER

PRINCIPAL FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT AUDITOR

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

A Letter from the Chief Financial Officer

On behalf of the CFTC, it is an honor to present the Commission's FY 2025 Agency Financial Report (AFR). The AFR provides essential financial, organizational, and performance information to the Congress and the American public about the CFTC's stewardship using, tracking, and managing public funds.

As in years past, the ability to authorize spending, oversee the execution of the budget, and ensure timely and accurate recording of financial events required strict adherence to federal reporting requirements and to agency policy and procedures.

I am pleased to report that the OIG's independent auditor has issued an unmodified opinion on our FY 2025 financial statements. The audit result represents the Commission's nineteenth unmodified opinion. I am also pleased to announce that the auditor's review of our internal controls revealed no material weaknesses or significant deficiencies in our controls' design or operations.

In closing, I would like to thank the Commission's Leadership, the Financial Management team, and key staff across the agency for their diligence and dedication to public service. Their efforts, along with the committed work of CFTC staff, have left the agency to improved financial management and greater accountability.



David Frederickson
Acting Chief Financial Officer
January 16, 2026

Principal Financial Statements
Commodity Futures Trading Commission
BALANCE SHEET
As of September 30, 2025

	2025
ASSETS	
Intragovernmental:	
Fund Balance With Treasury (Note 2)	\$ 230,432,520
Federal Investments (Note 3)	234,000,000
Accounts Receivable, Net (Note 4)	153
Advances and Prepayments (Note 1H)	931,187
Total Intragovernmental	\$ 465,363,860
Other than Intragovernmental:	
Accounts Receivable, Net:	
Custodial Fines and Interest Receivable, Net (Note 4)	\$ 19,710,196
Accounts Receivable, Net (Note 4)	104,556
General Property, Plant, and Equipment, Net (Note 5)	28,355,234
Advances and Prepayments (Note 1H)	2,561,233
Total Other than Intragovernmental	\$ 50,731,219
TOTAL ASSETS	\$ 516,095,079
LIABILITIES	
Intragovernmental:	
Accounts Payable	\$ 3,614,190
Other Liabilities:	
Employer Contributions and Payroll Taxes Payable	1,035,701
Social Security and Medicare Taxes Payable	211,929
Unfunded FECA and Unemployment Liability (Note 1N)	109,781
Deferred Lease Liabilities (Note 7)	2,518,485
Liability to the General Fund of the U.S. Government for Custodial Assets	19,710,196
Total Intragovernmental	\$ 27,200,282
Other than Intragovernmental:	
Accounts Payable	\$ 9,994,279
Federal Employee Salary, Leave, and Benefits Payable:	
Accrued Funded Payroll	7,899,961
Unfunded Annual Leave	14,452,073
Funded Employee Benefits	196,432
Actuarial FECA Liabilities (Note 1N)	377,856
Other Liabilities:	
Liability for Non-Fiduciary Deposit Funds (Note 1P)	3,900
Liability for Whistleblower Awards (Note 8)	399,675,304
Total Other than Intragovernmental	\$ 432,599,805
Total Liabilities	\$ 459,800,087
<i>Contingent Liabilities (Note 9)</i>	
NET POSITION	
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 187,326,921
Total Unexpended Appropriations	\$ 187,326,921
Cumulative Results of Operations - Funds from Dedicated Collections	\$ (142,331,082)
Cumulative Results of Operations - Funds from Other than Dedicated Collections	11,299,153
Total Cumulative Results of Operations	\$ (131,031,929)
Total Net Position	\$ 56,294,992
TOTAL LIABILITIES AND NET POSITION	\$ 516,095,079

The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET COST

For the Year Ended September 30, 2025

		2025
NET COST BY STRATEGIC GOAL		
STRATEGIC GOAL 1: STRENGTHEN DERIVATIVES MARKETS & FOSTER THEIR VIBRANCY		
Gross Costs	\$	62,564,332
Less: Earned Revenue		(80)
NET COST OF OPERATIONS -- STRATEGIC GOAL 1	\$	62,564,252
STRATEGIC GOAL 2: REGULATE DERIVATIVES MARKETS IN INTEREST OF ALL AMERICANS		
Gross Costs	\$	58,942,770
Less: Earned Revenue		(75)
NET COST OF OPERATIONS -- STRATEGIC GOAL 2	\$	58,942,695
STRATEGIC GOAL 3: ENCOURAGE INNOVATION & ENHANCE REGULATORY EXPERIENCE OF ALL		
Gross Costs	\$	46,932,488
Less: Earned Revenue		(60)
NET COST OF OPERATIONS -- STRATEGIC GOAL 3	\$	46,932,428
STRATEGIC GOAL 4: BE TOUGH ON THOSE WHO BREAK THE RULES		
Gross Costs	\$	463,995,014
Less: Earned Revenue		(130)
NET COST OF OPERATIONS -- STRATEGIC GOAL 4	\$	463,994,884
STRATEGIC GOAL 5: FOCUS ON UNIQUE MISSION & IMPROVE OPERATIONAL EFFECTIVENESS		
Gross Costs	\$	99,149,500
Less: Earned Revenue		(127)
NET COST OF OPERATIONS -- STRATEGIC GOAL 5	\$	99,149,373
GRAND TOTAL		
Gross Costs	\$	731,584,104
Less: Earned Revenue		(472)
TOTAL NET COST OF OPERATIONS	\$	731,583,632

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET POSITION

For the Year Ended September 30, 2025

2025	Dedicated Collections	All Other Funds	Consolidated Total
UNEXPENDED APPROPRIATIONS:			
BEGINNING BALANCES	\$ -	\$ 171,667,251	\$ 171,667,251
Appropriations Received	-	365,000,000	365,000,000
Appropriations Used	-	(345,550,221)	(345,550,221)
Net Change in Unexpended Appropriations	-	15,659,670	15,659,670
TOTAL UNEXPENDED APPROPRIATIONS, ENDING	\$ -	\$ 187,326,921	\$ 187,326,921
CUMULATIVE RESULTS OF OPERATIONS:			
BEGINNING BALANCES	\$ 216,716,950	\$ 8,995,353	\$ 225,712,303
Appropriations Used	-	345,550,221	345,550,221
Nonexchange Interest Revenue (Note 3)	10,825,401	-	10,825,401
Imputed Financing Sources (Note 1M)	-	18,463,778	18,463,778
Net Cost of Operations	(369,873,433)	(361,710,199)	(731,583,632)
Net Change in Cumulative Results of Operations	(359,048,032)	2,303,800	(356,744,232)
TOTAL CUMULATIVE RESULTS OF OPERATIONS, ENDING	\$ (142,331,082)	\$ 11,299,153	\$ (131,031,929)
NET POSITION	\$ (142,331,082)	\$ 198,626,074	\$ 56,294,992

The accompanying notes are an integral part of these financial statements.

STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2025

	2025
BUDGETARY RESOURCES	
Unobligated Balance from Prior Year Budget Authority, Net (Note 10A)	\$ 291,231,767
Appropriations	365,000,000
Spending Authority from Offsetting Collections	10,208,825
TOTAL BUDGETARY RESOURCES	\$ 666,440,592
STATUS OF BUDGETARY RESOURCES	
New Obligations and Upward Adjustments	\$ 365,969,180
Unobligated Balance, End of Year	
Apportioned, Unexpired Accounts	283,214,560
Unapportioned, Unexpired Accounts	1,189,645
Unexpired Unobligated Balance, End of Year	284,404,205
Expired Unobligated Balance, End of Year	16,067,207
Unobligated Balance, End of Year (Total)	300,471,412
TOTAL BUDGETARY RESOURCES	\$ 666,440,592
OUTLAYS, NET	
Outlays, Net	\$ 349,913,784
Distributed Offsetting Receipts	(691)
AGENCY OUTLAYS, NET	\$ 349,913,093

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CUSTODIAL ACTIVITY

For the Year Ended September 30, 2025

		2025
TOTAL CUSTODIAL REVENUE		
SOURCES OF CASH COLLECTIONS:		
Registration and Filing Fees	\$	132,661
Fines, Penalties, and Forfeitures		910,633,340
General Proprietary Receipts		691
Total Cash Collections		910,766,692
Change in Custodial Receivables		(929,692,458)
TOTAL CUSTODIAL REVENUE	\$	(18,925,766)
DISPOSITION OF COLLECTIONS		
AMOUNTS TRANSFERRED TO:		
Department of the Treasury	\$	(910,766,692)
Total Disposition of Collections		(910,766,692)
Change in Custodial Liabilities		929,692,458
CUSTODIAL REVENUE LESS DISPOSITION OF COLLECTIONS	\$	-

Notes to the Financial Statements

As of and for the Year Ended September 30, 2025

Note 1 Reporting Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The Commodity Futures Trading Commission (CFTC or Commission) is an independent agency of the executive branch of the Federal government. Congress created the CFTC in 1974 under the authorization of the Commodity Exchange Act (CEA) with the mandate to regulate commodity futures and option markets in the United States. The agency's mandate was renewed and expanded under the Futures Trading Acts of 1978, 1982, and 1986; the Futures Trading Practices Act of 1992; the CFTC Reauthorization Act of 1995; the Commodity Futures Modernization Act of 2000; and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act, or the Act). Congress passed the Food, Conservation, and Energy Act of 2008, which reauthorized the Commission through FY 2013. In the absence of formal reauthorization, since 2013, the CFTC has continued to operate through annual appropriations.

The CFTC is responsible for ensuring the economic utility of futures markets by encouraging their competitiveness and efficiency, ensuring their integrity, and protecting market participants against manipulation, abusive trade practices, and fraud.

The Dodd-Frank Act significantly expanded the powers and responsibilities of the CFTC. According to Section 748 of the Act, there is established in the U.S. Department of the Treasury (Treasury) a revolving fund known as the CFTC Customer Protection Fund. The Customer Protection Fund shall be available to the Commission, without further appropriation or fiscal year limitation, for the payment of awards to whistleblowers; and the funding of customer education initiatives designed to help customers protect themselves against fraud or other violations of this Act or the rules and regulations thereunder.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations for the CFTC, as required by the Accountability of Tax Dollars Act of 2002. They are presented in accordance with the form and content requirements contained in OMB Circular A- 136, *Financial Reporting Requirements*.

The financial statements have been prepared in all material respects in conformity with U.S. generally accepted accounting principles (GAAP), as prescribed for the Federal government by the Federal Accounting Standards Advisory Board (FASAB). The application and methods for applying these principles are appropriate for fairly presenting the entity's assets, liabilities, financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

The books and records of the agency served as the source of information for preparing the financial statements in the prescribed formats. All agency financial statements and reports used to monitor and control budgetary resources are prepared from the same books and records. The statements should be read with the understanding that they are for a component of the U.S. government.

The Balance Sheets present the financial position of the agency. The Statements of Net Cost present the agency's operating results and the Statements of Changes in Net Position display the changes in the agency's net position. The Statements of Budgetary Resources present the sources, status, and uses of the agency's resources and follow the rules for the Budget of the U.S. government. The Statements of Custodial Activity present the sources and disposition of collections for which the CFTC is the fiscal agent, or custodian, for the Treasury General Fund Miscellaneous Receipt accounts.

Throughout these financial statements, assets, liabilities, revenues and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other federal entities. Intragovernmental earned revenues are collections or accruals of revenue from other federal entities, and intragovernmental costs are payments or accruals to other federal entities for goods and/or services provided. The CFTC does not transact business among its own operating units, and therefore, intra-entity eliminations were not needed.

C. Budgetary Resources and Status

The CFTC is funded through congressionally approved appropriations. The CFTC is responsible for administering the salaries and expenses of the agency through the execution of these appropriations.

Congress annually enacts appropriations that provide the CFTC with the authority to obligate funds within the respective fiscal year for necessary expenses to carry out program activities. All appropriations are subject to quarterly apportionment as well as Congressional restrictions.

The CFTC's budgetary resources for FY 2025 consist of:

- Unobligated balances of resources brought forward from the prior year,
- Recoveries of obligations made in prior years, and
- New resources in the form of appropriations and spending authority from offsetting collections.

Unobligated balances associated with resources expiring at the end of the fiscal year remain available for five years after expiration only for upward adjustments of prior year obligations, after which they are canceled and may not be used. All unused monies related to canceled appropriations are returned to Treasury and the canceled authority is reported on the Statements of Budgetary Resources and the Statements of Changes in Net Position.

D. Entity and Non-Entity Assets

Assets consist of entity and non-entity assets. Entity assets are those assets that the CFTC has authority to use for its operations. Non-entity assets are those held by the CFTC that are not available for use in its operations, such as deposit fund balances and custodial fines, interest, penalties, and administrative fees receivable.

E. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of the CFTC's funds with Treasury in general, receipt, revolving, and deposit fund accounts. Appropriated funds recorded in general fund expenditure accounts are available to pay current liabilities and finance authorized purchases. Custodial collections recorded in the deposit fund and miscellaneous receipts accounts of the Treasury are not available for agency use. At fiscal year-end, receipt account balances that have not been transferred to the Customer Protection Fund are returned to Treasury.

The CFTC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Treasury disburses funds for the agency on demand. Spending authority from offsetting collections is recorded in the agency's expenditure account and is available for agency use subject to certain limitations. Additional information regarding the CFTC's Fund Balance with Treasury is provided in Note 2, *Fund Balance with Treasury*.

F. Investments

The CFTC is authorized to invest the portion of the Customer Protection Fund that is not, in the Commission's judgment, required to meet the current needs of the Fund. The Commission invests available funds through the U.S. Department of the Treasury's Bureau of the Fiscal Service.

Investments are carried at their historical cost basis which approximates fair value due to their short-term nature.

Interest earned on the investments is a component of the Fund and is available to be used for expenses of the Customer Protection Fund. Additional information regarding Customer Protection Fund investments are provided in Note 3, *Investments*.

G. Accounts Receivable, Net

The CFTC's accounts receivable generally consists of amounts due from the public. The bulk of the CFTC's accounts receivable arise from the Civil Monetary Sanctions program and are reported on the Balance Sheet as "Custodial Fines and Interest Receivable, Net." The CFTC is responsible for collection, and recognizes a receivable, when an order of the Commission or a federal court directs payment to the CFTC. See Note 1T for additional information on the CFTC's custodial activity.

The remainder of the CFTC's accounts receivable, reported on the Balance Sheet as "Accounts Receivable, Net," consists of amounts owed to the CFTC by other federal agencies and employees. The CFTC's accounts receivable is valued net of an allowance for uncollectible amounts that is based on past experience in the collection of receivables and

analysis of the outstanding balances. Additional information is provided in Note 4, *Accounts Receivable, Net*.

H. Advances and Prepayments

Advances and Prepayments consist of payments to federal and non-federal sources in advance of the receipt of goods and services. These payments are recorded as prepayments and recognized as expenses when the related goods and services are received. Intragovernmental prepayments reported on the Balance Sheet were made primarily to the U.S. Department of Interior for contract support. Prepayments to the public were primarily for software maintenance and subscription services.

I. General Property, Plant, and Equipment, Net

Furniture, fixtures, equipment, information technology hardware and software, and leasehold improvements are capitalized and depreciated or amortized over their useful lives. The CFTC capitalizes assets annually if they have useful lives of at least two years and an individual value of \$25,000 or more. Bulk or aggregate purchases are capitalized when the individual useful lives are at least two years and the purchase is a value of \$25,000 or more. Property, plant, and equipment that do not meet the capitalization criteria are expensed when acquired. Depreciation for equipment and amortization for software is computed on a straight-line basis using a 5-year life. Leasehold improvements are amortized over the remaining life of the lease. The Commission's assets are valued net of accumulated depreciation or amortization. Additional information is provided in Note 5, *General Property, Plant, and Equipment, Net*.

J. Liabilities

The CFTC's liabilities include actual and estimated amounts that are likely to be paid as a result of transactions covered by budgetary resources for which Congress has appropriated funds or are otherwise available from reimbursable transactions to pay amounts due.

In addition to those liabilities covered by budgetary resources in existing legislation, the CFTC's liabilities also include those not requiring budgetary resources, and those not yet covered by budgetary resources. The CFTC liabilities not requiring budgetary resources include deferred lease liabilities, deposit funds, and custodial revenue deemed collectible but not yet collected at fiscal year-end. Liabilities that are not yet covered by budgetary resources but will require budgetary resources in the future include:

- Intragovernmental Federal Employees' Compensation Act (FECA) liabilities,
- Annual leave benefits that will be funded by annual appropriations as leave is taken,
- Actuarial FECA liabilities,
- Liability for whistleblower awards,
- Contingent liabilities, and
- Advances received for reimbursable services yet to be provided.

Additional information is provided in Note 6, *Liabilities not Covered by Budgetary Resources*.

K. Accounts Payable

Accounts payable consists primarily of liabilities for amounts due for goods and services received as of the end of the reporting period but not yet paid and whistleblower awards finalized by the Commission but not yet paid.

L. Accrued Payroll and Benefits and Annual Leave Liability

The accrued payroll liability represents amounts for salaries and benefits owed for the time since the payroll was last paid through the end of the reporting period. Total accrued payroll is composed of amounts to be paid to CFTC employees as well as the related intragovernmental payable for employer contributions and payroll taxes. The annual leave liability is the amount owed to employees for unused annual leave as of the end of the reporting period. At the end of each quarter, the balance in the accrued annual leave account is adjusted to reflect current balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken.

The agency's employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, the CFTC contributes an amount equal to one percent of the employee's basic pay to the tax-deferred Thrift Savings Plan and matches employee contributions up to an additional four percent of pay. FERS and CSRS employees can contribute a portion of their gross earnings to the plan up to Internal Revenue Service limits; however, CSRS employees receive no matching agency contribution.

M. Retirement Plans and Other Employee Benefits

The CFTC imputes costs and the related financing sources for its share of retirement benefits accruing to its employees that are in excess of the amount of contributions and withholdings from the CFTC and its employees, which are mandated by law. The Office of Personnel Management (OPM), which administers federal civilian retirement programs, provides the cost information to the CFTC. The CFTC recognizes the government's portion of the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by Statement of Federal Financial Accounting Standards (SFFAS) 5, *Accounting for Liabilities of the Federal Government*.

Full costs include pension and ORB contributions paid out of the CFTC's appropriations as well as costs financed by OPM. The amount financed by OPM is recognized as an imputed financing source. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program are reported by OPM rather than CFTC.

N. FECA and Unemployment Liabilities

FECA provides income and medical cost protections to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which pays valid claims against the CFTC and subsequently seeks reimbursement from the CFTC for these paid claims. DOL's Unemployment Compensation For Federal Employees (UCFE) program provides unemployment compensation for Federal employees who lost their employment through no fault of their own. Accrued FECA and unemployment liabilities represent amounts due to DOL for claims paid on behalf of the agency.

In addition, the Commission's actuarial FECA liability represents the liability for future workers compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved cases. The Commission records an estimate for the FECA actuarial liability using the DOL's FECA model. The model considers the average amount of benefit payments incurred by the Commission for the past three fiscal years, multiplied by the medical and compensation liability to benefits paid ratio for the whole FECA program.

O. Leases

CFTC's leases consist of commercial property for the CFTC's headquarters that had 24 months remaining as of October 1, 2023, thereby meeting the definition of short-term lease under SFFAS 54, Leases, and interagency agreements with the U.S. General Services Administration (GSA) for CFTC's regional offices and the U.S. Government Publishing Office (GPO) for multifunction devices. Lease expenses for these short-term and intragovernmental leases are recognized in the period incurred.

For contracts that meet the definition of lease under SFFAS 54, agencies are required to record a right-to-use lease asset and a lease liability for the present value of the full cost over the lease term (including all option periods deemed probable). The Commission has reviewed its current contracts and agreements and has not identified any that would meet the definition of a lease under SFFAS 54 beyond its agreements with GSA and GPO for office space and printers (intragovernmental) or its last remaining non-federal lease for office space in Washington, D.C. that ended September 30, 2025 (short-term). Under SFFAS 62, Transitional Amendment to SFFAS 54, entities have until October 1, 2026, to implement paragraph 73 of SFFAS 54 regarding embedded leases. During the transitional period, entities may elect to account for contracts that include lease components, but are primarily attributable to non-lease components, as non-lease contracts. As disclosed in FY 2024, the Commission has elected to use the transitional period through October 1, 2026, to continue to review new and existing contracts and agreements to determine if there are any that have a lease component that needs to be recorded as a right-to-use lease asset in accordance with SFFAS 54.

Additional information is provided in Note 7, Leases.

P. Deposit Funds

Deposit funds are expenditure accounts used to record monies that do not belong to the Federal government. They are held awaiting distribution based on a legal determination or investigation. The CFTC Deposit Fund is primarily used to collect and later distribute collections of monetary awards to the appropriate victims as restitution. In September 2024, CFTC transferred \$151,500,000 in collections from civil monetary sanctions into the Deposit Fund as the result of a joint stipulation, which requires the Commission hold onto certain amounts collected, pending a future legal determination. The cash collections recorded in this fund are offset by a Deposit Fund liability. Activities in this fund are not fiduciary in nature because they are not legally enforceable against the government.

Q. Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations are appropriations that have not yet been used to acquire goods and services or provide benefits. Appropriations are considered expended, or used, when goods and services have been acquired by the CFTC or benefits have been provided using the appropriation authority, regardless of whether monies have been paid or payables for the goods, services, or benefits have been established.

Cumulative results of operations represent the excess of financing sources over expenses since inception. Cumulative results of operations are derived from the net effect of capitalized assets, expenses, and revenue and the balance can be negative when unfunded expenses exceed appropriations and other financing sources received as of the end of the reporting period.

R. Revenues

The CFTC receives reimbursement and earns revenue for the following activities:

- Reimbursement for travel, subsistence, and related expenses from non-federal sources for attendance at meetings or similar functions that an employee has been authorized to attend in an official capacity on behalf of the Commission;
- Reimbursement for Intergovernmental Personnel Act Mobility Program assignments from state and local governments, institutions of higher education, and other eligible organizations for basic pay, supplemental pay, fringe benefits, and travel and relocation expenses; and
- Reimbursement from non-federal sources for registration fees to cover the cost of expenses related to the CFTC's annual International Regulators Conference.

S. Net Cost of Operations

Net cost of operations is the difference between the CFTC's expenses and its earned revenue. The presentation of program results by strategic goal is based on the CFTC's current Strategic Plan established pursuant to the Government Performance and Results Act of 1993 (GPRA).

The mission of the CFTC is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation. For FY 2025, this mission was accomplished

through the following five strategic goals, each focusing on a vital area of regulatory responsibility:

- Strategic Goal 1: Strengthen Derivatives Markets & Foster Their Vibrancy
- Strategic Goal 2: Regulate Derivatives Markets in Interest of All Americans
- Strategic Goal 3: Encourage Innovation and Enhance Regulatory Experience of All
- Strategic Goal 4: Be Tough on Those Who Break the Rules
- Strategic Goal 5: Focus on Unique Mission and Improve Operational Effectiveness

T. Custodial Activity

The CFTC collects penalties and fines levied against firms for violation of laws as described in the CEA as codified at 7 U.S.C. § 1, *et seq*, and the Commodities Futures Modernization Act of 2000, Appendix E of Public Law 106-554, 114 Stat. 2763. Unpaid fines, penalties and accrued interest are reported as custodial receivables, with an offsetting custodial liability, and therefore do not affect CFTC's net cost or net position. The receivables and the liability are reduced by amounts determined to be uncollectible. Revenues earned and the losses from uncollectible accounts are reported to Treasury.

Collections made by the CFTC during the year are deposited and reported into designated Treasury miscellaneous receipt accounts for:

- Registration and filing fees,
- Fines, penalties and forfeitures, and
- General proprietary receipts.

At fiscal year-end, custodial collections made by the CFTC that were not transferred to the Customer Protection Fund are returned to Treasury. The CFTC does not retain any portion of custodial collections including reimbursement of the cost of collection.

U. Use of Management Estimates

The preparation of the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, expenses, and custodial activities. Actual results could differ from these estimates.

V. Reconciliation of Net Outlays and Net Cost of Operations

In accordance with OMB Circular A-136, the Commission reconciles its budgetary outlays with its net cost of operations (see Note 11).

W. Funds from Dedicated Collections

The Customer Protection Fund was established to operate a whistleblower program and support customer education initiatives. See Note 1A for a description of the purpose of the Customer Protection Fund and its authority to use applicable financing sources. Deposits into the Customer Protection Fund are credited from monetary sanctions collected by the Commission in a covered judicial or administrative action where the full judgment is in excess of \$1,000,000 and the collection is not otherwise distributed to victims of a violation

of the Dodd-Frank Act or the underlying rules and regulations, unless the balance of the Customer Protection Fund at the time the monetary judgment is collected exceeds \$100,000,000.

No new legislation was enacted as of September 30, 2025, that significantly changed the purpose of the Customer Protection Fund or redirected a material portion of the accumulated balance.

Additional information is provided in Note 2, *Fund Balance with Treasury*, and Note 12, *Funds from Dedicated Collections*.

Note 2 Fund Balance with Treasury

A. Reconciliation to Treasury

There are no differences between the fund balances reflected in the CFTC Balance Sheet and the balances in the Treasury accounts.

B. Fund Balance with Treasury

Fund Balance with Treasury as of September 30, 2025, consisted of the following:

	2025
Unobligated Balance	\$ 92,154,576
Obligated Balance Not Yet Disbursed	138,274,044
Non-Budgetary Fund Balance with Treasury (Note 1P)	3,900
TOTAL FUND BALANCE WITH TREASURY	\$ 230,432,520

Obligated and unobligated balances reported for the status of Fund Balance with Treasury differ from the amounts reported in the Statement of Budgetary Resources due to the fact that budgetary balances are supported by amounts other than Fund Balance with Treasury. These amounts include Customer Protection Fund investments, uncollected payments from federal sources, and unfunded lease obligations.

The unobligated balance includes amounts available against which no claims have been recorded, balances in expired/canceled accounts, amounts restricted to future use, and amounts not apportioned for current use.

Non-Budgetary Fund Balance with Treasury includes receipt accounts and deposit funds, that do not have budgetary authority.

Note 3 Investments

The CFTC invests amounts deposited in the Customer Protection Fund in Treasury one-day certificates of indebtedness that are issued with a stated rate of interest to be applied to their par amount, mature on the business day immediately following their issue date, are redeemed at their par amount at maturity, and have interest payable at maturity.

The interest rates or prices of the one-day certificates of indebtedness are calculated based on market yields of Treasury financial instruments issued and trading in the Secondary

Market (exchanges and over-the-counter markets where securities are bought and sold subsequent to original issuance). The Commission may invest in other short-term or long-term Treasury securities at management's discretion.

The Commission's investment balance as of September 30, 2025, was \$234,000,000. Related nonexchange interest revenue for the period ended September 30, 2025, was \$10,825,401.

Intragovernmental Investments in Treasury Securities

The Federal government does not set aside assets to pay future claims or other expenditures associated with funds from dedicated collections deposited into the Customer Protection Fund. The dedicated cash receipts collected by the Commission as a result of monetary sanctions are deposited in the Treasury, which uses the cash for general government purposes. As discussed above and in Note 1F, the Commission invests the majority of funds not needed for current operations of the Customer Protection Fund in Treasury securities. These Treasury securities are an asset of the Commission and a liability of the Treasury. Because the Commission and the Treasury are both components of the government, these assets and liabilities offset each other from the standpoint of the government as a whole. For this reason, the investments presented by the Commission do not represent an asset or a liability in the U.S. government-wide financial statements.

Treasury securities provide the Commission with authority to draw upon the Treasury to pay future claims or other expenditures. When the Commission requires redemption of these securities to make expenditures, the government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same manner in which the government finances all expenditures.

Note 4 Accounts Receivable, Net

Accounts receivable consist of amounts owed the CFTC by other Federal agencies and the public. Accounts receivable are valued at their net collectible values. Non-custodial accounts receivable (entity assets) primarily arise from unused advances to other agencies and repayment of employee benefits. Historical experience has indicated that most of the non-custodial receivables are collectible and that there are no material uncollectible amounts.

Custodial receivables (non-entity assets) are those for which fines and penalties have been assessed and levied against businesses or individuals for violations of the CEA or Commission regulations. Violators may be subject to a variety of sanctions including fines, injunctive orders, bars or suspensions, rescissions of illegal contracts, and disgorgements.

An allowance for uncollectible accounts has been established and included in accounts receivable on the balance sheets. Although historical experience has indicated that a high percentage of custodial receivables prove uncollectible, the Commission determines the collectability of each individual judgment based on knowledge of the financial profile of the debtor obtained through the course of the investigation and litigation of each case,

including efforts to identify and freeze assets at the beginning of cases, when any remaining assets are most likely to be recoverable. Accounts are re-estimated quarterly based on account reviews and the agency's determination that changes to the net realizable value are needed.

Accounts receivable, net consisted of the following as of September 30, 2025:

	2025
Custodial Receivables, Net	
Civil Monetary Penalties, Fines, and Administrative Fees	\$ 3,249,258,573
Civil Monetary Penalty Interest	133,803,990
Registration and Filing Fees	3,766,171
Less: Allowance for Loss on Penalties, Fines, and Administrative Fees	(3,233,732,530)
Less: Allowance for Loss on Interest	(133,386,008)
Less: Allowance for Loss on Registration and Filing Fees	-
TOTAL CUSTODIAL RECEIVABLES, NET	\$ 19,710,196
Other Accounts Receivable	104,709
TOTAL ACCOUNTS RECEIVABLE, NET	\$ 19,814,905

Note 5 General Property, Plant, and Equipment, Net

Property, Plant, and Equipment as of September 30, 2025, consisted of the following:

2025					
Major Class	Service Life and Method	Cost	Accumulated Amortization/Depreciation	Net Book Value	
Equipment	5 Years/Straight Line	\$ 21,403,526	\$ (17,362,241)	\$ 4,041,285	
IT Software	5 Years/Straight Line	34,579,116	(29,812,821)	4,766,295	
Software in Development	Not Applicable	7,934,907	-	7,934,907	
Leasehold Improvements	Remaining Life of Lease/Straight Line	35,544,113	(25,509,788)	10,034,325	
Construction in Progress	Not Applicable	1,578,422	-	1,578,422	
TOTAL GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET		\$ 101,040,084	\$ (72,684,850)	\$ 28,355,234	

Note 6 Liabilities not Covered by Budgetary Resources

As of September 30, 2025, the following liabilities were not covered by budgetary resources:

	2025
Intragovernmental Liabilities:	
Liability to the General Fund of the U.S. Government for Custodial Assets	\$ 19,710,196
Deferred Lease Liabilities	2,518,484
Unfunded FECA and Unemployment Liability	109,781
Total Intragovernmental Liabilities	\$ 173,838,461

Other than Intragovernmental Liabilities:	
Unfunded Annual Leave	14,452,074
Actuarial FECA Liabilities	377,856
Liability for Whistleblower Awards	399,675,304
Total Other than Intragovernmental Liabilities	\$ 263,009,134
Total Liabilities Not Covered by Budgetary Resources	\$ 414,615,015
Total Liabilities Not Requiring Budgetary Resources	22,232,580
Total Liabilities Covered by Budgetary Resources	22,952,492
Total Liabilities	\$ 459,800,087

Liabilities not covered by or not requiring budgetary resources of \$436,847,595 represent 95.01 percent of the Commission’s total liabilities of \$459,800,087 as of September 30, 2025.

Note 7 Leases

The CFTC has short-term and intragovernmental leases for its office space in Washington D.C., Chicago, Kansas City, and New York, as well as multi-function devices. Future estimated minimum lease payments for short-term and intragovernmental leases are not accrued as liabilities and rental increases, decreases, incentives, and concessions are expensed as incurred.

As of September 30, 2025, future estimated minimum lease payments for short-term and intragovernmental leases are as follows:

Fiscal Year	Federal (Non-Cancellable)	Federal (Cancellable)	Total
2026	\$ 19,899,255	\$ 2,666,392	\$ 22,565,647
2027	-	2,652,649	2,652,649
2028	-	2,501,481	2,501,481
2029	-	2,501,481	2,501,481
2030	-	2,501,481	2,501,481
2031 - 2036	-	4,102,246	4,102,246
Total Future Scheduled Lease Payments	\$ 19,899,255	\$ 16,925,730	\$ 36,824,985
Future Lease-Related Operating Costs <i>(Estimated)</i>	-	6,610,634	6,610,634
TOTAL FUTURE MINIMUM LEASE PAYMENTS	\$ 19,899,255	\$ 23,536,364	\$ 43,435,619

The amounts in the table above include the future minimum lease payments for the Commission’s existing lease arrangements described by location on the following page. In 2016, the Commission executed a memorandum of understanding with GSA to address all future space needs. In its FY 2020 and 2022 appropriations, the Commission received an additional \$31,000,000 and \$62,000,000, respectively, for move, replication, and related costs associated with replacement leases for the Commission’s facilities. As of September 30, 2025, the Commission has entered into occupancy agreements with GSA for space in Kansas City, Chicago, and New York (cancellable with 120 days’ notice), and Washington, D.C. (non-cancellable).

In accordance with SFFAS 54, the Commission recognizes rental increases and decreases, incentives, and concessions for short-term and intragovernmental leases when incurred as increases/reductions to lease rental expense.

The Commission also recognizes deferred lease liabilities for tenant improvements that were either financed through the occupancy agreements with GSA (intragovernmental) or provided by the landlord (with the public). Federal deferred lease liabilities as of September 30, 2025, were \$2,518,485. Non-federal deferred lease liabilities as of September 30, 2025, were \$0. Non-federal deferred lease liabilities were completely amortized as of September 30, 2025, the expiration date of the Commission’s last remaining non-federal lease.

The following table describes the Commission’s existing lease arrangements for buildings and multifunction devices, including major asset categories by location and associated lease terms.

NON-FEDERAL BUILDING LEASES (SHORT-TERM, NON-CANCELLABLE)	
<u>Location</u>	<u>Lease Terms</u>
Washington, D.C.	Lease of office space from October 1, 2025, through September 30, 2026, with the tenant having the option to extend for one additional year.
FEDERAL BUILDING LEASES (CANCELLABLE)	
Kansas City	Occupancy Agreement with GSA for office space from February 1, 2021, through January 31, 2036.
New York	Occupancy Agreement with GSA for office space from February 28, 2022, through February 27, 2032.
Chicago	Occupancy Agreement with GSA for office space from March 1, 2022, through February 28, 2032.
FEDERAL MULTIFUNCTION DEVICES (CANCELLABLE)	
<u>Location</u>	<u>Lease Terms</u>
Washington, D.C., New York, Chicago, and Kansas City	One-year rental of multifunction printers through GPO with four one-year options to renew ending August 31, 2027.

Note 8 Liability for Whistleblower Awards

As mentioned in Note 1A, the Customer Protection Fund will be used to pay awards to whistleblowers if they voluntarily provide original information to the CFTC that leads to the successful enforcement by the CFTC of a covered judicial or administrative action in which monetary sanctions exceeding \$1,000,000 are imposed. Whistleblowers are entitled to appeal any decisions by the Commission in regards to claims made against the Fund.

At the time the whistleblower voluntarily provides information to CFTC, they have no guarantee or promise that the Commission will exchange funds in return for that information. In accordance with federal accounting standards, the Commission records liabilities for these nonexchange transactions when they are due and payable. The

Commission therefore records a liability for pending whistleblower payment after the whistleblower has been formally notified of an award and the related sanction, or some portion thereof, has been collected. The liability will be paid when the appeal period has ended, the whistleblower has provided necessary banking information, and, in cases where the related sanction was collected in a prior year and subsequently swept by Treasury, or collected by a third party, the award will be paid as future collections become available.

As of September 30, 2025, the Commission recorded liabilities for pending payments to whistleblowers of approximately \$399,675,304. During FY 2025, the Commission disbursed \$14,347,545 in whistleblower awards, which primarily consisted of \$4,618,643 from open and pending payments and \$9,728,902 from accounts payable at the end of FY 2024. Accounts payable as of September 30, 2025, includes \$1,502,521, for awards that have been finalized as of the end of the reporting period.

As of September 30, 2025, the Commission has awards in payable or paid status for which the full collections have not been received. While additional collections on these matters are considered remote, the Commission would be required to pay whistleblowers an additional \$30,277,233 if all collections were received on these matters. In addition to the pending and potential payments to whistleblowers, the Commission had additional whistleblower claims currently under review as of September 30, 2025. These additional claims, depending on whether the whistleblowers are determined to be eligible for an award and the related sanctions have been collected, could result in total future payments ranging from \$0 to \$997,651,224.

Note 9 Contingent Liabilities

The CFTC records contingent liabilities for legal cases in which payment has been deemed probable and for which the amount of potential liability has been estimated, including judgments that have been issued against the agency and which have been appealed. Additionally, the Commission discloses legal matters in which an unfavorable outcome is reasonably possible. As of September 30, 2025, the Commission was involved in two (2) matters where an unfavorable outcome is deemed reasonably possible, and the potential loss is estimated to range from \$250,000 to \$280,000 each.

Note 10 Statement of Budgetary Resources

The Commission corrected a violation of the recording statute in FY 2016 by recording its obligations for all future building lease payments in accordance with OMB Circular A-11. The recording of these previously unrecorded obligations resulted in negative unobligated balances in its salaries and expenses general expenditure funds because budgetary resources have not been made available to the Commission to fund these multi-year leases (see the Combining Statements of Budgetary Resources in the Required Supplementary Information section immediately following the notes). The effect on the status of the Commission's budgetary resources and reconciliation to the U.S. Budget is detailed in the note disclosures below.

A. Net Adjustments to Unobligated Balance Brought Forward, October 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2025, consisted of the following:

	2025
Unobligated Balance Brought Forward, October 1	\$ 277,036,640
Recoveries of Prior Year Obligations	17,985,237
Other Changes in Unobligated Balance	(3,790,110)
UNOBLIGATED BALANCE FROM PRIOR YEAR BUDGET AUTHORITY, NET	\$ 291,231,767

B. Undelivered Orders

The amount of budgetary resources obligated for undelivered orders as of September 30, 2025, consisted of the following:

	2025
Undelivered Orders - Federal	
Paid	\$ 931,187
Unpaid	55,296,549
Total Undelivered Orders - Federal	\$ 56,227,736
Undelivered Orders - Non-Federal	
Paid	\$ 2,561,233
Unpaid	60,054,265
Total Undelivered Orders - Non-Federal	\$ 62,615,498
TOTAL UNDELIVERED ORDERS	\$ 118,843,234

Undelivered orders represent the outstanding balance of all paid and unpaid obligations, including obligations that were originally recorded in a prior fiscal year. Non-federal unpaid undelivered orders as of September 30, 2025, include the Commission's unfunded future lease payments, as follows:

	2025
Unfunded Lease Obligations Brought Forward, October 1	\$ 19,719,573
Change in Unfunded Lease Obligations	(19,719,573)
TOTAL REMAINING UNFUNDED LEASE OBLIGATIONS	-

The Commission's non-federal lease obligations were fully funded as of September 30, 2025.

C. Explanations of Differences between the Statement of Budgetary Resources and Budget of the United States Government

The CFTC had no material differences between the amounts reported in the Statement of Budgetary Resources dated September 30, 2024, and the actual amounts reported in the Budget of the U.S. Government for FY 2024. The Budget of the U.S. Government with actual numbers for FY 2025 has not yet been published; the expected publish date is February 2026. A copy of the Budget may be obtained from OMB's website.

D. Distributed Offsetting Receipts

Distributed offsetting receipts are amounts that an agency collects from the public or from other Government agencies that are used to offset or reduce an agency's budget outlays. The Commission's distributed offsetting receipts generally consist of miscellaneous collections for such items as Freedom of Information Act requests, vendor refunds, and lost or damaged property that cannot be applied to other funds.

Note 11 Reconciliation of Total Net Cost of Operations to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. This reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The schedule presented in this note reconciles the Total Net Cost of Operations reported in the Statements of Net Cost (accrual basis) with Net Outlays reported in the Statements of Budgetary Resources (budgetary basis). Differences between net costs and net outlays are primarily the result of timing differences and paying for assets that are used over more than one reporting period.

TOTAL NET COST OF OPERATIONS	\$	731,583,632
Components of Net Cost That Are Not Part of Net Outlays:		
Depreciation and Amortization of Property, Plant, and Equipment	\$	(6,925,987)
Amortization of Deferred Lease Liabilities		1,034,702
Gain/(Loss) on Disposal		(1,149,934)
Increase/(Decrease) in Assets:		
Accounts Receivable		81,141
Decrease in Advances and Prepayments		(368,877)
(Increase)/Decrease in Liabilities:		
Accounts Payable		5,715,779
Salaries and Benefits		(4,140,246)
Liability for Whistleblower Awards		(355,915,793)
Other Liabilities (Unfunded Leave, Unfunded FECA, Actuarial FECA)		3,229,466
Other Financing Sources:		
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to CFTC		(18,463,778)
Total Components of Net Cost That Are Not Part of Net Outlays	\$	(376,903,527)
Components of Net Outlays That Are Not Part of Net Cost:		
Acquisition of Capital Assets	\$	6,059,080
Nonexchange Interest Revenue (Excluding Interest Receivable)		(10,825,401)
Total Components of Net Outlays That Are Not Part of Net Cost	\$	(4,766,321)
Outlays, Net	\$	349,913,784
Distributed Offsetting Receipts		(691)
AGENCY OUTLAYS, NET	\$	349,913,093

Note 12 Funds from Dedicated Collections

Funds from dedicated collections arise from disgorgement and penalty collections and are transferred to the Customer Protection Fund, established by the Dodd-Frank Act. The collections are transferred from the custodial receipt account if they are found to be eligible before the end of each fiscal year. In cases where the collection has been returned to Treasury in error, the Commission can recover the funds. The collections will fund the Commission's whistleblower awards program and customer education initiatives.

The Dodd-Frank Act provides that whistleblower awards shall be paid under regulations prescribed by the Commission. The Commission most recently issued revised regulations effective July 31, 2017.

No eligible collections were transferred into the Fund during FY 2025 because the available balance of the Fund did not fall below \$100,000,000. The following table presents the Fund's balance sheet, statement of net costs, and statement of changes in net position as of and for the period ended September 30, 2025:

2025	
BALANCE SHEET	
Fund Balance with Treasury	\$ 26,482,720
Investments	234,000,000
Advances and Prepayments	16,309
TOTAL ASSETS	\$ 260,546,777
Accounts Payable	\$ 2,621,178
Accrued Funded Payroll	236,224
Unfunded Annual Leave	345,153
Liability for Whistleblower Awards	399,675,304
Total Liabilities	\$ 402,877,859
Cumulative Results of Operations - Funds from Dedicated Collections	(142,331,082)
Total Net Position	\$ (142,331,082)
TOTAL LIABILITIES AND NET POSITION	\$ 260,546,777
STATEMENT OF NET COST	
Gross Costs	\$ 369,873,433
TOTAL NET COST OF OPERATIONS	\$ 369,873,433
STATEMENT OF CHANGES IN NET POSITION	
Beginning Cumulative Results of Operations	\$ 216,716,950
Nonexchange Interest Revenue	10,825,401
Net Cost of Operations	(369,873,433)
Net Change in Cumulative Results of Operations	\$ (359,048,032)
TOTAL NET POSITION, ENDING	\$ (142,331,082)

Report of the Independent Auditor



Independent Auditor's Report

Chairman
U.S. Commodity Futures Trading Commission

Inspector General
U.S. Commodity Futures Trading Commission

In our audit of the fiscal year 2025 financial statements of the U.S. Commodity Futures Trading Commission (CFTC), we found:

- CFTC's financial statements as of and for the fiscal year ended September 30, 2025, is presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses¹ in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes an emphasis-of-matter paragraph related to unfunded liability, required supplementary information (RSI)² and other information³ included with the financial statements; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, we have audited CFTC's financial statements. CFTC's financial statements comprise the balance sheet as of September 30, 2025; the related statements of net cost, changes in net position, budgetary resources,

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

² The RSI consists of the "Management's Discussion and Analysis" and the "Combined Statement of Budgetary Resources", which are included with the financial statements.

³ Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

and custodial activity for the fiscal year then ended; and the related notes to the financial statements. In our opinion, CFTC's financial statements are presented fairly, in all material respects, CFTC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, budgetary resources, and custodial activity for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the U.S. and the U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CFTC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

CFTC management is responsible for:

- the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in CFTC's Agency Financial Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFTC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CFTC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CFTC's Agency Financial Report. The other information comprises the Inspector General's Assessment, Summary of Audit and Management Assurances, and Civil Monetary Penalty Adjustment for Inflation but does not include the financial statements and our auditor's report

thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of CFTC's financial statements, we considered CFTC's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies⁴ or to express an opinion on the effectiveness of CFTC's internal control over financial reporting. Given these limitations, during our 2025 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CFTC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget⁵ audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

CFTC management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CFTC's financial statements as of and for the fiscal year ended September 30, 2025, in accordance with U.S. generally accepted government auditing standards, we considered CFTC's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFTC's internal control over financial reporting. Accordingly, we do not express an opinion on CFTC's internal control over financial reporting. We are required to report all

⁴ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

⁵ Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, issued on July 29, 2024. According to the guidance, for those controls that have been suitably designed and implemented, the auditor should perform sufficient tests of such controls to conclude on whether the controls are operating effectively (i.e., sufficient tests of controls to support a low level of assessed control risk). OMB audit guidance does not require the auditor to express an opinion on the effectiveness of internal control.

deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that:

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CFTC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CFTC's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of CFTC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CFTC. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CFTC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CFTC.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CFTC that have a direct effect on the determination of material amounts and disclosures in CFTC's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CFTC. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Williams, Adley & Company - DC, LLP

Washington, District of Columbia
January 15, 2026

Required Supplementary Information (Unaudited)

COMBINING STATEMENT OF BUDGETARY RESOURCES BY MAJOR ACCOUNT For the Year Ended September 30, 2025

2025	Customer Protection Fund	Salaries and Expense	Information Technology	Combined
BUDGETARY RESOURCES				
Unobligated Balance from Prior Year Budget Authority, Net (Note 10A)	\$ 234,948,566	\$ 56,283,201	\$ -	\$ 291,231,767
Appropriations	-	365,000,000	-	365,000,000
Spending Authority from Offsetting Collections	10,208,353	472	-	10,208,825
TOTAL BUDGETARY RESOURCES	\$ 245,156,919	\$ 421,283,673	\$ -	\$ 666,440,592
STATUS OF BUDGETARY RESOURCES				
New Obligations and Upward Adjustments	\$ 13,595,823	\$ 352,373,357	\$ -	\$ 365,969,180
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts	231,480,563	51,733,997	-	283,214,560
Unapportioned, Unexpired Accounts	80,533	1,109,112	-	1,189,645
Unexpired Unobligated Balance, End of Year	231,561,096	52,843,109	-	284,404,205
Expired Unobligated Balance, End of Year	-	16,067,207	-	16,067,207
Unobligated Balance, End of Year (Total)	231,561,096	68,910,316	-	300,471,412
TOTAL BUDGETARY RESOURCES	\$ 245,156,919	\$ 421,283,673	\$ -	\$ 666,440,592
OUTLAYS, NET				
Outlays, Net	\$ 11,028,126	\$ 338,880,658	\$ 5,000	\$ 349,913,784
Distributed Offsetting Receipts	-	(691)	-	(691)
AGENCY OUTLAYS, NET	\$ 11,028,126	\$ 338,879,967	\$ 5,000	\$ 349,913,093

OTHER INFORMATION

INSPECTOR GENERAL'S FY 2025 ASSESSMENT

SUMMARY OF AUDIT AND MANAGEMENT ASSURANCES

PAYMENT INTEGRITY INFORMATION ACT REPORTING

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

Inspector General 's FY 2025 Assessment



U.S. Commodity Futures Trading Commission
OFFICE OF INSPECTOR GENERAL

MANAGEMENT AND PERFORMANCE CHALLENGES

Fiscal Year 2026

DECEMBER 3, 2025





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A MESSAGE FROM THE INSPECTOR GENERAL



In accordance with the Reports Consolidation Act of 2000, the Commodity Futures Trading Commission (the “CFTC” or “Commission”) Office of Inspector General (“OIG”) identifies the most serious management and performance challenges facing the Commission and provides a brief assessment of the Commission’s progress in addressing those challenges. By statute, this report is required to be included in the CFTC’s Agency Financial Report.

The Government Performance and Results Modernization Act of 2010 defines major management challenges as programs or management functions that are vulnerable to waste, fraud, abuse, or mismanagement, and where a performance failure could seriously undermine agency mission objectives. Each challenge is related to the agency’s mission and reflects both continuing vulnerabilities and emerging issues. The OIG identified the following top management and performance challenges facing the Commission for FY 2026:

- Pending Legislation: Regulation of Digital Assets
- Expiration of Customer Protection Fund Expense Account (Whistleblower Program)
- CFTC Headquarters Relocation
- Human Capital Management
- Maturing Enterprise Risk Management and Maintaining a Proactive Cybersecurity Posture

We identified the Commission’s major management and performance challenges by recognizing and assessing key themes from OIG audits, evaluations, hotline complaints, investigations, and an internal risk assessment, as well as reports published by external oversight bodies, such as the Office of Personnel Management and the Government Accountability Office. Additionally, we reviewed previous management challenge reports to determine if those challenges remain significant for this submission. Finally, we considered publicly available information and internal Commission records.

In addition to the management challenges, we are providing management’s statements regarding prior and planned actions to address each challenge. The resulting product provides greater transparency to achieve improved agency performance.

The CFTC OIG remains committed to ensuring that CFTC and OIG programs evince high levels of efficiency and integrity. I look forward to continuing to work with the Commission, members of Congress, and my IG colleagues to provide oversight to the CFTC on behalf of the American taxpayers.

Christopher Skinner
Inspector General



CFTC MISSION

The Commodity Futures Trading Commission (CFTC) is the primary regulator of the U.S. futures, swaps, and options markets. CFTC's stated mission is "to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation." Through execution of its mission, CFTC supports the economic purpose of the derivatives markets, namely price discovery and risk transfer.

The CFTC maintains offices in Washington, D.C.; New York, NY; Chicago, IL; and Kansas City, MO. The CFTC organization consists of the offices of the Chairman and Commissioners as well as the following 13 operating divisions and offices (not including OIG):

- Division of Clearing and Risk (DCR)
- Division of Enforcement, including the Whistleblower Office (DOE)
- Division of Market Oversight (DMO)
- Market Participants Division (MPD)
- Division of Data (DOD)
- Office of the General Counsel (OGC)
- Division of Administration (DA)
- Office of the Chief Economist (OCE)
- Office of International Affairs (OIA)
- Office of Public Affairs (OPA)
- Office of Technology Innovation (OTI)
- Office of Legislative and Intergovernmental Affairs (OLIA)
- Office of Customer and Education Outreach (OCEO)

The CFTC consists of five Commissioners appointed by the President with the advice and consent of the Senate, to serve staggered five-year terms. The President, with the consent of the Senate, designates one of the Commissioners to serve as Chairman. Currently, the CFTC is led by Acting Chairman Caroline D. Pham and the remaining four commissioner appointments are vacant.



OIG MISSION AND AUTHORITY

The Office of the Inspector General (OIG) mission is to detect fraud, waste, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. As such it is authorized to review all of the Commission's programs, activities, and records. Specifically, the CFTC OIG was created in 1989 in accordance with the 1988 amendments to the Inspector General Act of 1978. The OIG was established to:

- Promote economy, efficiency, and effectiveness in the administration of CFTC programs and operations, and detect and prevent fraud, waste, and abuse in such programs and operations;
- Conduct and supervise audits, evaluations, and investigations relating to the administration of CFTC programs and operations;
- Review existing and proposed legislation and regulations, and make recommendations concerning their impact on the economy and efficiency of CFTC programs and operations or the prevention and detection of fraud and abuse;
- Recommend policies for, and conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations; and
- Keep the Commission and Congress fully informed about any problems or deficiencies in the administration of CFTC programs and operations and provide recommendations for correction of these problems or deficiencies.

Why Do We Publish This Report?

In accordance with the Reports Consolidation Act of 2000, the CFTC OIG identifies the most serious management and performance challenges facing the Commission and provides a brief assessment of the Commission's progress in addressing those challenges. By statute, this report is required to be included in the CFTC Agency Financial Report.

What Are Management and Performance Challenges?

The Government Performance and Results Modernization Act of 2010 identifies major management and performance challenges as programs or management functions that are vulnerable to waste, fraud, abuse, and mismanagement, and where a failure to perform well could seriously affect the ability of the agency to achieve its mission objectives. Each challenge area is related to the agency's mission and reflects both continuing vulnerabilities and emerging issues.

CFTC Management and Performance Challenges for Fiscal Year (FY) 2026

The CFTC faces several management challenges that potentially impact its ability to fulfill its mission effectively. Each challenge is related to the agency's mission and reflects both continuing vulnerabilities and emerging issues. For FY 2026, we have identified the top five management and performance challenges facing the Commission as the following:

- Pending Legislation: Regulation of Digital Assets
- Expiration of Customer Protection Fund Expense Account (Whistleblower Program)
- CFTC Headquarters Relocation
- Human Capital Management
- Maturing Enterprise Risk Management and Maintaining a Proactive Cybersecurity Posture

How Did We Identify These Challenges?

We identified the CFTC's management and performance challenges by recognizing and assessing key themes from OIG audits, evaluations, special reviews, hotline complaints, investigations, and an internal risk assessment, as well as reports published by external oversight bodies, such as the Office of Personnel Management and the Government Accountability Office.

Additionally, we reviewed previous management challenge reports to determine if those challenges remain significant for this submission. Finally, we considered publicly available information and internal Commission records. As a result, we identified five key management and performance challenges, which are detailed herein.





Challenge

PENDING LEGISLATION: REGULATION OF DIGITAL ASSETS

Legislation pending before Congress would delegate varying degrees of regulation of cryptocurrencies and other digital assets to the CFTC. The Digital Asset Market Clarity Act of 2025 (CLARITY Act or CLARITY)¹ proposes a division of digital asset market jurisdiction between the Securities and Exchange Commission (SEC) and CFTC. It protects the right of Americans to self-custody their digital assets. CLARITY also recognizes decentralized governance systems, which are an innovation in how individuals collectively reach agreement on development and administration of blockchain systems, and impacts banking institutions' treatment of digital assets.

Proposed Title IV under CLARITY sets out a comprehensive regulatory scheme for digital asset markets under CFTC jurisdiction. Under CFTC jurisdiction and responsibility, CLARITY requires (among other things):

- Futures commission merchants to use qualified digital asset custodians, trading certifications and approvals for digital commodities
- Registration of digital commodity exchanges, brokers and dealers, associated persons, commodity pool operators and commodity trading advisers in digital commodities
- Qualified digital asset custodians to be regulated by a federal, state, or foreign authority and subject to adequate supervision and regulation for digital asset custodial activities, and subject to standards set by the CFTC and – for CFTC registrants – subject to CFTC rules to custody digital assets
- Comprehensive customer fund segregation requirements and commingling restrictions

In addition, CLARITY exempts certain decentralized finance activities related to blockchain networks from CFTC regulation, but not from CFTC's anti-fraud or anti-manipulation enforcement authority; and requires the trading of other types of tradable digital assets (which are not digital commodities) on or through a person registered with the CFTC as though the asset was a digital commodity.

With regard to estimated costs to regulate the digital asset industry within CFTC jurisdiction,² CLARITY would authorize CFTC to charge and collect initial and annual filing fees from any entity registered with the CFTC as a digital commodity exchange, a digital commodity broker, or a digital commodity dealer, as authorized in advance through Congressional appropriations.³ Further, CFTC would be permitted

¹ H.R. 3633, 119th Congress. The Senate is considering the bill and has issued a bipartisan discussion draft.

² The agency's FY 2026 President's Budget request does not appear to estimate or include funds necessary to regulate the digital asset marketplace. See, CFTC, FY 2026 President's Budget (May 2025) (https://www.cftc.gov/sites/default/files/CFTC_FY2026_Presidents_Budget.pdf).

³ Last year the Congressional Budget Office estimated that a similar funding mechanism proposed in legislation (H.R. 4763 or FIT21) to regulate digital asset markets would (as appropriated) "roughly offset the costs for the CFTC to implement H.R. 4763." https://www.cbo.gov/system/files/2024-05/hr4763_house.pdf.

expedited hiring authority to fill positions related to carrying out CLARITY. Both authorities would sunset after four fiscal years. In addition, on November 10, 2025, Chairman John Boozman and Senator Cory Booker released a bipartisan [discussion draft](#) of legislation regulating crypto markets in the United States. Like the CLARITY Act, it seeks to concentrate federal oversight over cryptocurrency markets with the CFTC.

Anticipated passage of legislation expanding CFTC jurisdiction and authority related to cryptocurrency and other digital assets may present a significant management challenge. CFTC may be required to implement new registrant categories, complete necessary rulemakings, and implement mandated cooperative regulatory efforts. Challenges include obtaining additional qualified staff, developing institutional knowledge and expertise, launching and maintaining necessary additional data systems and analytics, and management of additional budgetary resources.



Challenge

EXPIRATION OF CUSTOMER PROTECTION FUND EXPENSE ACCOUNT (WHISTLEBLOWER PROGRAM)

Section 748 of the Dodd-Frank Act⁴ established the CFTC Whistleblower Program and the CFTC Customer Protection Fund (“CPF” or “Fund”), which is available to pay awards to eligible whistleblowers and to fund customer education initiatives. Following the Dodd-Frank Act, the CFTC established the Whistleblower Office (WBO) and the Office of Customer Education and Outreach (OCEO) and issued regulations. Since issuing its first award in 2014, the CFTC has granted whistleblower awards amounting to approximately \$390 million. Those awards are associated with enforcement actions that have resulted in monetary sanctions totaling nearly \$3.2 billion. The CFTC issues awards related to the agency’s enforcement actions, as well as in connection with related actions brought by other domestic or foreign regulators, if certain conditions are met.

In accordance with Dodd-Frank, the Commission deposits certain collected monetary sanctions into the Fund whenever the balance of the Fund at the time the monetary sanction is collected is less than \$100 million, and this applies even when the deposit of a monetary sanction causes the balance of the Fund to exceed \$100 million. The existing mechanism to fund the CPF is not tied to anticipated or potential award payouts and instead is dependent on the timing of penalty collections. If a large penalty is collected when the CPF is below \$100 million, the fund can appear to be hoarding large amounts.

The CPF may be used to pay WBO and OCEO administrative expenses; however, CFTC must prioritize awards over administrative expenses. This prioritization risks depletion of the CPF, forcing a shutdown of the programs. To alleviate this risk, Congress established a CFTC CPF Fund Expenses Account, which consists of up to \$10 million transferred by the CFTC from the CPF to a Fund established in the Treasury, with the amounts available “for the sole purpose of” paying WBO and OCEO administrative costs. This funding, established in 2021, expired on September 30, 2025.

The expiration of separate funding for administrative expenses potentially presents significant management challenges for the WBO and OCEO. The administrative funds reverted to the CPF upon expiration, but if the CPF is thereafter depleted through the payment of awards, the OCEO and WBO programs will cease operations completely. Delays in processing and receiving awards could damage OCEO and WBO operations and reputations. The time to reestablish OCEO and WBO operations once funding is available could be substantial. In addition, the possibility of a program shutdown potentially contributes to WBO and OCEO employee turnover. Moreover, if penalties are not available to fund the CPF when whistleblower awards are due and owing, awards will be delayed. A better solution might involve funding the CPF for anticipated need based on pending WBO activity.

⁴ Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, 124 Stat. 1376 (2010).



Challenge

CFTC HEADQUARTERS RELOCATION

In FY 2023 the CFTC spent over \$25 million dollars to occupy facilities in four cities. In 2022, the CFTC's three regional offices relocated to new facilities managed by the U.S. General Services Administration (GSA), leaving headquarters in Washington, D.C. as the remaining CFTC office facility managed by a private sector entity. In FY 2026, the CFTC plans to transition its headquarters from northwest Washington, D.C. (Lafayette Center) to southwest Washington, D.C. (Patriots Plaza complex).

The Patriots Plaza complex is comprised of three adjoining buildings, Patriots Plaza I, II and III, of which CFTC will occupy office space on six floors within Patriots Plaza III. Although Patriots Plaza III is only three miles from Lafayette Center, vacating the current headquarters after more than 30 years poses significant challenges to the agency. The move, along with new telework and work schedule policies, will substantially change the working environment for the CFTC.

Existing and Planned CFTC Headquarters Locations



Initially, the CFTC had planned for a gap period of approximately six months between facilities that would have required negotiation of temporary office spaces. However, the agency subsequently negotiated a one-year extension of the existing lease at Lafayette Center at a meaningfully reduced rate. The one-year extension represents a 4.5 percent reduction in rental expenses, totaling nearly \$1 million. With this extension CFTC will no longer require swing space or have a gap period. The swing space would have required two moves costing millions to relocate staff and equipment to and from the temporary space as well as the setting up and decommissioning those spaces.

The CFTC will still face numerous challenges in the headquarters physical relocation efforts, including decommissioning the current space, resources, and planning and allocating new workspaces.

- 1. Decommissioning Current Space:** Decommissioning the current space will entail determinations regarding physical records, IT equipment, and office furniture, among other considerations. This will require that physical records are properly disposed of or stored prior to the move-out date. The CFTC will need to determine which items have exceeded their record lifecycles and which have not. Spacing requirements will change dramatically from Lafayette Center with reduced in-office employee presence required. The Division of Administration and Office of General Counsel continue to develop decommission plans to overcome the foregoing challenges.
- 2. Resources:** The physical relocation efforts will require numerous employees to dedicate time and effort to planning and effecting the move. These ancillary duties come with opportunity cost, as they may take time away from normal mission-related duties, which could impact the performance of other CFTC functions. CFTC management will need to balance the assignment of adequate staff to this effort with its impact on the CFTC's mission and functions.
- 3. Planning and Allocating New Workspaces:** The CFTC is committed to complying with President Trump's return-to-office executive orders, just like other Americans who go to work every day without special treatment. This will require detailed planning and allocation of employee workspaces to ensure they are adequate to meet workforce needs. Effective implementation of such policies will require careful coordination among agency managers to allocate sufficient workspaces and manage them once the move is complete.



Challenge

HUMAN CAPITAL MANAGEMENT

As CFTC exercises existing authority to foster new markets for certain spot digital asset products,⁵ it anticipates expanded authority over a broader array of digital assets,⁶ and plans its compliance with artificial intelligence initiatives,⁷ it has simultaneously experienced a decline in its staffing levels. As such, the agency faces challenges in aligning human capital with emerging growth, goals and objectives.

Agency personnel management is outlined in 5 CFR Part 250, which defines strategic human capital management responsibilities for agency heads and provides standards for human capital planning, implementation, and evaluation which includes:

- Strategic planning and alignment⁸
- Talent management⁹
- Performance culture¹⁰

While 5 CFR Part 250 does not apply to CFTC, the agency does comply with aspects of Part 250, such as the establishment of a Chief Human Capital Officer. With anticipated increases in regulatory responsibility and complexity in mission-critical skills, strategic human capital management is, if not a requirement, a highly worthy endeavor.

The Government Accountability Office (GAO) first identified strategic human capital management as a high-risk area in 2001, outlining four *pervasive human capital challenges*:

- Leadership, continuity, and succession planning
- Strategic human capital planning and organizational alignment
- Acquiring and developing staffs whose size, skills, and deployment meet agency needs

⁵ See, CFTC and SEC Staff Issue Joint Statement on Trading of Certain Spot Crypto Asset Products, Release No. 9112-25 (Sept. 2, 2025).

⁶ See, HR See, Clarity Act, H.R. 3633, 119th Congress (2025-2026).

⁷ See, EO 14179, *Removing Barriers to American Leadership in Artificial Intelligence* (Jan. 23, 2025); OMB M-25-21 (Apr. 3, 2025).

⁸ Strategic planning and alignment require an agency to ensure their human capital management strategies, plans, and practices— (1) Integrate strategic plans, annual performance plans and goals, and other relevant budget, finance, and acquisition plans; (2) Contain measurable and observable performance targets; and (3) Communicate in an open and transparent manner to facilitate cross-agency collaboration to achieve mission objectives.

⁹ Talent management requires an agency to— (1) Plan for and manage current and future workforce needs; (2) Design, develop, and implement proven strategies and techniques and practices to attract, hire, develop, and retain talent; and (3) Make progress toward closing any knowledge, skill, and competency gaps throughout the agency.

¹⁰ Performance culture requires an agency to have—(1) Strategies and processes to foster a culture of engagement and collaboration.

- Creating results-oriented organizational cultures.¹¹

Strategic human capital management continues to be a high-risk area today. In 2025 GAO opined that human capital management is on the High-Risk List in part “due to skills gaps or an inadequate number of staff,” and noted that OPM has established “a pooled hiring strategy that saves time and resources through a centralized coordination of federal government hiring to address skills gaps within the Information Technology (IT) and human capital management workforces.”¹²

Agencies often experience skills gaps because of a shortfall in talent management activity, such as workforce planning or training. Skills gaps can also occur due to increased retirements—a distinct possibility with the recent number of Deferred Resignation Program (DRP) options, agency separations, and recent reductions-in-force (RIFs).

CFTC shares these government-wide challenges. The number of CFTC Full Time Equivalents (FTEs) on payroll at the end of Fiscal Year 2024 was approximately 708. In comparison, the number of FTEs on payroll at the end of Fiscal Year 2025 was approximately 556. Accordingly, CFTC experienced an approximate 21.5% reduction of FTEs on payroll. The CFTC’s focus on strategic planning and alignment may serve as beneficial as pending legislative updates to CFTC mission objectives materialize.

Accordingly, the CFTC should consider human capital management as a top priority and adopt best practices utilized by other federal agencies to strengthen their own policies and procedures for recruiting, hiring, developing, and retaining an effective workforce to ensure the agency has the appropriate talent and skill sets to meet an expanding regulatory landscape.

¹¹ GAO, *High Risk Update*, GAO-01-263 (Jan. 2001), page 71. See also, GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO-25-107743 (Feb. 2025), page 38 (Table 6).

¹² GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO-25-107743 (Feb. 2025), page 21.



Challenge

MATURING ENTERPRISE RISK MANAGEMENT AND MAINTAINING A PROACTIVE CYBERSECURITY POSTURE

The CFTC continues to face challenges managing enterprise risks and maintaining a proactive cybersecurity posture. Enterprise risk governance is a shared responsibility at the highest levels of executive leadership. At the CFTC, Enterprise Risk Management (ERM) is a Commission-wide strategy to identify and prepare for risks to business objectives. More specifically, ERM provides a framework for risk management, which typically involves identifying particular events or circumstances relevant to the CFTC's objectives (threats and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring process. A robust ERM program enhances the CFTC's posture to better anticipate, prioritize, and respond to agency risk and is most effective when risks are addressed as an inter-related portfolio rather than from divisional silos.

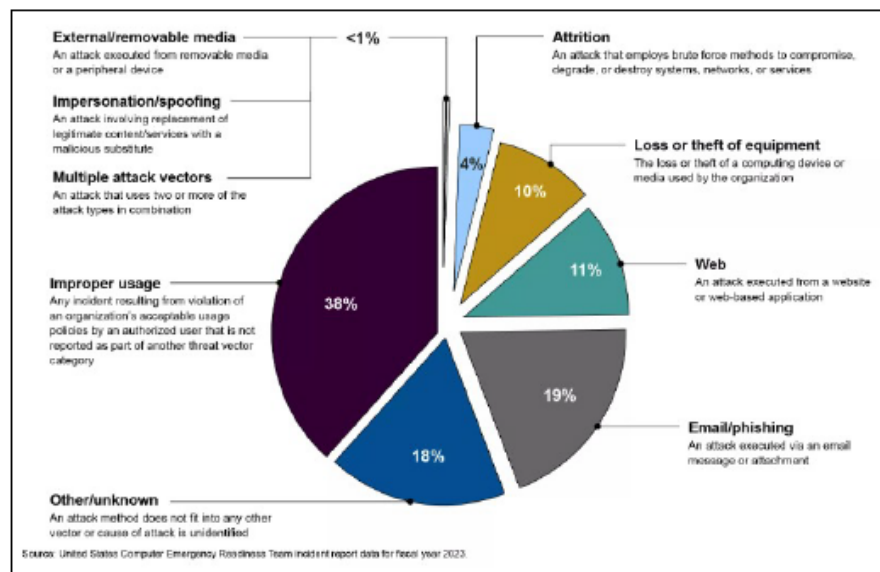
The CFTC's current Strategic Plan recognizes that "[a] robust and mature ERM program is central to achieving the CFTC mission. It further provides that the agency's ERM program vision "integrates risk identification, risk management, strategic planning, and performance monitoring so that risks that potentially threaten achievement of the CFTC mission are anticipated, analyzed, and systematically addressed." However, the CFTC's Chief Risk Officer departed in March 2023 and currently only one CFTC employee is tasked with risk management oversight. On September 30, 2024, the CFTC Division of Administration announced (internally) a temporary detail vacancy for the Chief Risk Officer position. Some additional notable events that have impacted the agency's mission include:

- Geopolitical risks disrupting supply chains;
- Extreme weather events;
- Technological disruptions; and
- The growth of digital currencies.

Two high risk factors include proposed legislation impacting the scope of CFTC's mission (i.e., regulation of digital assets) and the maturity of the agency's ERM program due to the limited resources dedicated to its programs' success. Accordingly, the OIG conducted an audit that assessed the Commission's ERM program. That [audit](#) found CFTC's ERM program requires substantial enhancements because of lack of proper governance and communication, lack of comprehensive policies and procedures, and lack of sufficient resources and processes for implementation of the program within the organization.

A technological area of success for the CFTC has been the growth and effectiveness of cyber security operations. Current security operations monitor and respond to threats in real-time. In addition, the CFTC has successfully migrated to a cloud environment, and its information security posture is effective. However, the agency must devote vigilance and resources to maintaining talent and leading-edge tools to remain effective in its cloud environments. Cloud-conscious adversaries, who exploit cloud-specific features to achieve their goals, pose significant risk to cloud environments. Cyberattacks against federal agencies continue to occur at high rates thus the agency must maintain a proactive cybersecurity posture to protect all stakeholders.

Federal Agencies Reported 32,211 Information Security Incidents in Fiscal Year 2023



Source: Government Accountability Office



TO REPORT FRAUD, WASTE, OR ABUSE

The OIG conducts and supervises audits, evaluations, and investigations of programs and operations of the CFTC and recommends policies to promote economy, efficiency and effectiveness in CFTC programs and operations in order to prevent and detect fraud, waste or abuse.

Employees, contractors and members of the public may report any instance of fraud, waste, or abuse at CFTC by contacting:

- OIG Hotline at (202) 418-5510
- File a complaint: www.cftc.gov/OIG
- US. Mail or hand delivery to:
Commodity Futures Trading Commission
Office of the Inspector General
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
- Fax to the CFTC OIG at 202-418-5522





Summary of Audit and Management Assurances

Summary of FY 2025 Financial Statement Audit

Audit Opinion:		Unmodified			
Restatement:		No			
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	ENDING BALANCE
Total Material Weaknesses	0				0

Summary of Management Assurances

EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (FMFIA § 2)						
Statement of Assurance:		Unmodified				
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
Total Material Weaknesses	0					0
EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA § 2)						
Statement of Assurance:		Unmodified				
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
Total Material Weaknesses	0					0
CONFORMANCE WITH FEDERAL FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS (FMFL)						
Statement of Assurance:		Federal systems conform to financial management system requirements				
NON-CONFORMANCES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
Total Non-Conformances	0					0
COMPLIANCE WITH SECTION 803(A) OF THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA)						
			Agency		Auditor	
1. Federal Financial Management System Requirements			No lack of substantial compliance noted			
2. Applicable Federal Accounting Standards			No lack of substantial compliance noted			
3. USSGL at Transaction Level			No lack of substantial compliance noted			

Definition of Terms

Beginning Balance: The beginning balance must agree with the ending balance from the prior year.

New: The total number of material weaknesses/non-conformances identified during the current year.

Resolved: The total number of material weaknesses/non-conformances that dropped below the level of materiality in the current year.

Consolidated: The combining of two or more findings.

Reassessed: The removal of any finding not attributable to corrective actions (e.g., management has reevaluated and determined that a finding does not meet the criteria for materiality or is redefined as more correctly classified under another heading (e.g., Section 2 to a Section 4 and vice versa)).

Ending Balance: The year-end balance that will be the beginning balance of next year.

Payment Integrity Information Act Reporting

The Payment Integrity Information Act of 2019 (PIIA) updated government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, the Improper Payments Elimination and Recovery Act of 2012, and the Fraud Reduction and Data Analytics Act of 2015. PIIA is comprehensive payment integrity legislation that incorporates all prior payment integrity legislation into one Act. The PIIA-related OMB guidance provided in Circular A-136, *Financial Reporting Requirements*, and Appendix C, *Requirements for Payment Integrity Improvement*, of Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, requires agencies report detailed information related to the Commission's efforts to eliminate improper payments, which is summarized below. Additional information about the Commission's payment integrity reporting may be found at [paymentaccuracy.gov](https://www.paymentaccuracy.gov).

Payment Integrity Reporting

The Commission does not administer grant, benefit or loan programs. For FY 2025, CFTC's most significant payments were for payroll and benefits for its employees, which are administered by the U.S. Department of Agriculture's National Finance Center (NFC) and the Office of Personnel Management (OPM), and payments to vendors for goods and services used during normal operations. CFTC's other most significant payments are for monetary awards to eligible whistleblowers who voluntarily provided the CFTC with original information about violations of the CEA that led the CFTC to bring enforcement actions that resulted in monetary sanctions exceeding \$1 million.

Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 1.5 percent, or \$100 million of total annual program payments. Although the Commission disbursed \$14.3 million in whistleblower payments during FY 2025, the review of each individual award by the Commission's Claims Review Staff as well as multiple approval levels limits the likelihood that the whistleblower award program would be susceptible to significant improper payments. In addition, based on the results of transaction testing applied to a sample of FY 2025 vendor payments, consideration of risk factors, and reliance on the internal controls in place over the payment and disbursement processes, the Commission has determined that its programs and activities carried out in the normal course of business have a low risk of being susceptible to significant improper payments at or above the threshold levels set by OMB.

Appendix C of Circular A-123 states that the Commission is not required to determine a statistically valid estimate of erroneous payments or develop a corrective action plan if the program is not susceptible to significant improper payments. Appendix C also states that if a low-risk program experiences a

significant change in legislation and/or a significant increase in its funding level, agencies are required to re-assess the program's risk susceptibility during the next annual cycle, even if it is less than three years from the last risk assessment. The Commission regularly reviews any changes to its programs in between preparing formal risk assessments to identify whether a new risk assessment should be conducted.

Recapture of Improper Payments

As stated previously, the Commission does not administer grant, benefit or loan programs. Implementation of recapture auditing, if determined to be cost-effective, would apply to the Commission's contract payments because payments to vendors total more than \$10 million annually. The Commission determined that implementing a payment recapture audit program for contract payments is not cost-effective. In making this determination, the Commission considered its low improper payment rate based on testing conducted over the previous three years and determined that the costs of implementing and overseeing a payment recapture audit program, including staff time and payments to contractors, would exceed any benefits or recaptured amounts that might result.

The Commission utilizes cost-efficient matching techniques to review all vendor payments to identify significant overpayments at a low cost per overpayment. The Commission has not identified a significant number or amount of improper payments since it began its analysis.

In addition to contract payments, recapture auditing may also be considered for the Commission's monetary awards to whistleblowers, if determined to be cost-effective, when payments to whistleblowers total more than \$10 million annually. The amount of whistleblower awards will vary depending on the number and amount of covered enforcement actions in a given year, as well as the extent of original information provided by whistleblowers that led to the actions. However, the Commission has determined that implementing a payment recapture audit program for monetary awards to whistleblowers would not be cost-effective due to the effective design and operation of the internal controls in place for the program. As noted previously, the review of each individual award by the Commission's Claims Review Staff and multiple approval levels limit the likelihood that the whistleblower award program would be susceptible to significant improper payments or that payment recapture audits would be beneficial.

The Commission will continue to monitor the potential for improper payments across all programs and activities it administers and assess whether implementing payment recapture audits for each program would be cost-effective.

Governmentwide Do Not Pay Initiative

The Do Not Pay (DNP) solution is a governmentwide initiative to screen payment recipients before a contract award or payment is made to eliminate payment errors before they occur. The Commission has integrated the solution into existing processes as part of its efforts to identify and prevent improper payments. The

Commission’s shared services provider utilizes the DNP Business Center, on the Commission’s behalf, to perform online searches and screen payments against the DNP databases to augment data analytics capabilities.

All non-payroll payments disbursed by the Commission are processed through the DNP portal, including payments to whistleblowers and travel reimbursements to Commission employees (see Table 1 for the number and dollar amount of payments processed through the DNP portal in FY 2025 and FY 2024, respectively). Based on the results of the reviews to date, the DNP initiative has not identified any improper payments for the Commission.

Table 1. Results of the Do Not Pay Initiative in Preventing Improper Payments (\$ thousands)						
FY	NUMBER (#) OF PAYMENTS REVIEWED FOR POSSIBLE IMPROPER PAYMENTS	DOLLARS (\$) OF PAYMENTS REVIEWED FOR POSSIBLE IMPROPER PAYMENTS	NUMBER (#) OF PAYMENTS STOPPED	DOLLARS (\$) OF PAYMENTS STOPPED	NUMBER (#) OF POTENTIAL IMPROPER PAYMENTS REVIEWED AND DETERMINED ACCURATE	DOLLARS (\$) OF POTENTIAL IMPROPER PAYMENTS REVIEWED AND DETERMINED ACCURATE
2025 ⁵	2,790	\$120,228	0	\$0	0	\$0
2024	3,597	\$160,636	0	\$0	0	\$0

⁵ FY 2025 DNP amounts reported on [paymentaccuracy.gov](https://www.paymentaccuracy.gov) are based on a preliminary report available as of November 13, 2025; FY 2025 DNP amounts reported in the table above are from the final report as of December 10, 2025.

Civil Monetary Penalty Adjustment for Inflation

The FCPIA of 1990 requires agencies to periodically adjust civil penalties for inflation if either the amount of the penalty or the maximum penalty is set by law. The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act) amended the FCPIA and required the Commission to: make an initial “catch-up” inflation adjustment in FY 2016, and adjust for inflation going forward under guidance of the OMB, potentially on an annual basis.

The Commission administers the following sections of the CEA that provide for civil monetary penalties:

- Section 6(c) of the CEA, 7 U.S.C. 9—*Prohibition Regarding Manipulation and False Information*;
- Section 6b of the CEA, 7 U.S.C. 13a—*Non-Enforcement of Rules of Government or Other Violations; Cease and Desist Orders, Fines and Penalties, Imprisonment, Misdemeanor, Separate Offenses*; and
- Section 6c of the CEA, 7 U.S.C. 13a-1—*Enjoining or Restraining Violations*.

Pursuant to this authority, the Commission seeks penalties against person(s) or entity(s) for a host of violations, including: fraud, false statements to the Commission, misappropriation, price manipulation, use of a manipulative or deceptive device, disruptive trading practices, false reporting, accounting violations, registration and fitness violations, failure to maintain or produce required records, failure to make required reports, a registrant’s failure to supervise, failure to comply with business conduct standards, and illegal off-exchange activity. The CEA provides for heightened sanctions in two circumstances: (1) when the violation involves manipulation or attempted manipulation; and (2) when the defendant/respondent is a registered entity (e.g., an exchange, clearing organization, or SDR) or any director, officer, agent, or employee of any registered entity.

In addition, in May 2020 the CFTC issued new guidance outlining factors the DOE considers in recommending CMPs to the Commission to be imposed in CFTC enforcement actions. The guidance memorializes the existing practice within DOE and has been incorporated into the DOE Enforcement Manual. This was the first DOE CMP guidance issued publicly since the Commission published its penalty guidelines in 1994. The full CFTC press release on this significant action can be found at <https://www.cftc.gov/PressRoom/PressReleases/8165-20>.

Details about the current penalty level and the date of the most recent inflationary adjustment for each civil monetary penalty within the jurisdiction of the Commission are reflected in the following tables.⁶

⁶ Criminal authorities may also seek fines for criminal violations of the CEA (See Sections 6(d), 9, 7 U.S.C. 13, 13(c),13(d),13(e), and 13(b)). The FCPIA does not affect criminal penalties.

Penalty (Name of Penalty)	Authority (Statute)	Date of Previous Adjustment	Date of Current Adjustment	Current Penalty Level (\$ Amount) ⁷	Location for Penalty Update Details
CMPs IMPOSED BY THE COMMISSION IN AN ADMINISTRATIVE ENFORCEMENT ACTION					
For a civil penalty against any person (other than a registered entity, as that term is defined in Section 1a (4) of the CEA)	Section 6(c) of the CEA (7 U.S.C. 9)	1/24/2024	1/24/2025	For penalties imposed by the Commission to administrative enforcement proceedings for violations from November 2015 to present, not more than the greater of \$206,244 (for non-manipulation violations) or \$1,487,712 (for manipulation or attempted manipulation violations) or triple the monetary gain to such person for each such violation.	Federal Register Vol. 90, Page 8111, 8113 (January 24, 2025) https://www.cftc.gov/sites/default/files/2025/01/2025-01724a.pdf
For a civil monetary penalty against any registered entity or any director, officer, agent, or employee of any registered entity, as that term is defined in Section 1a (40) of the CEA	Section 6b of the CEA (7 U.S.C. 13a)	1/24/2024	1/24/2025	For penalties imposed by the Commission in administrative enforcement proceedings for violations from November 2015 to present, not more than the greater of \$1,136,100 (for non-manipulation violations) or \$1,487,712 (for manipulation or attempted manipulation violations) or triple the monetary gain to such person for each such violation.	Federal Register Vol. 90, Page 8111, 8113 (January 24, 2025) https://www.cftc.gov/sites/default/files/2025/01/2025-01724a.pdf
CMPs IMPOSED BY A DISTRICT COURT IN A CIVIL INJUNCTIVE ENFORCEMENT ACTION					
For a civil monetary penalty assessed against any person	Section 6c of the CEA (7 U.S.C. 13a-1)	1/24/2024	1/24/2025	For penalties imposed by a District Court in civil injunctive enforcement proceedings for violations from November 2015 to present, not more than the greater of \$227,220 (for non-manipulation violations) or \$1,487,712 (for manipulation or attempted violations) or triple the monetary gain to such person for each such violation.	Federal Register Vol. 90, Page 8111, 8112 (January 24, 2025) https://www.cftc.gov/sites/default/files/2025/01/2025-01724a.pdf

Additional information regarding inflation adjusted CMPs is available on the Commission's website:
<https://www.cftc.gov/LawRegulation/Enforcement/InflationAdjustedCivilMonetaryPenalties/index.htm>

⁷ These adjusted penalties apply only with respect to violations occurring on or after November 2, 2015, the effective date of the 2015 Act.

APPENDIX

CFTC CUSTOMER PROTECTION FUND

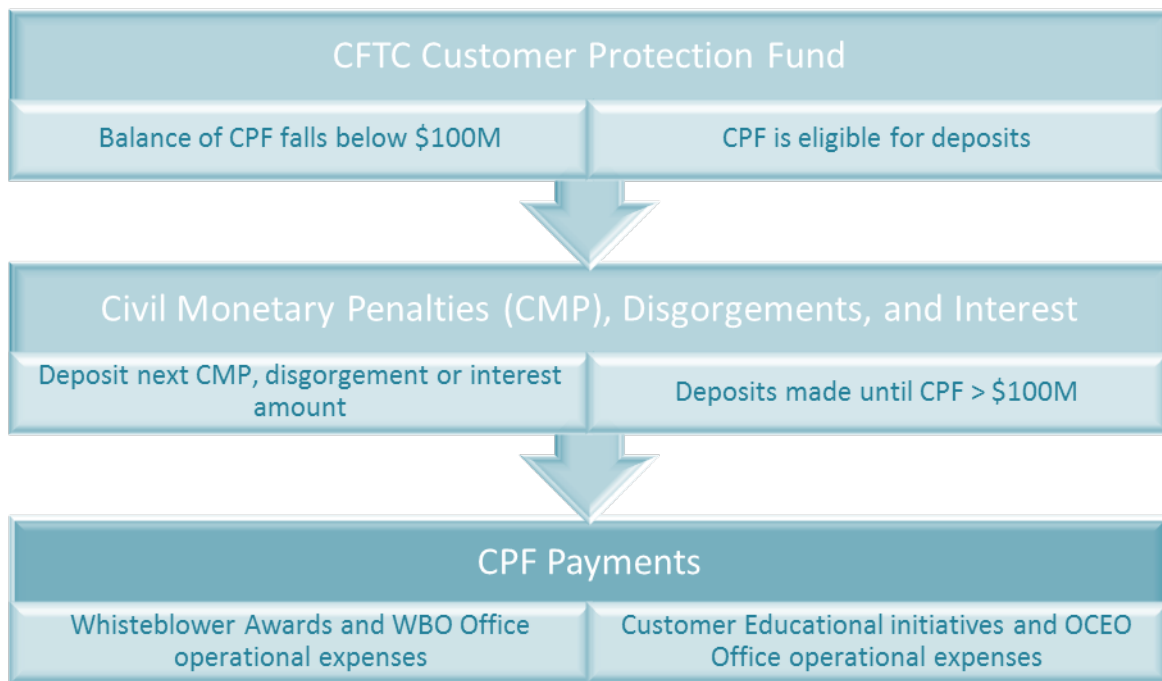
WHY ARE THE MARKETS IMPORTANT TO ME?

CFTC OVERSIGHT OF REGULATED ENTITIES

CFTC GLOSSARY

CFTC Customer Protection Fund

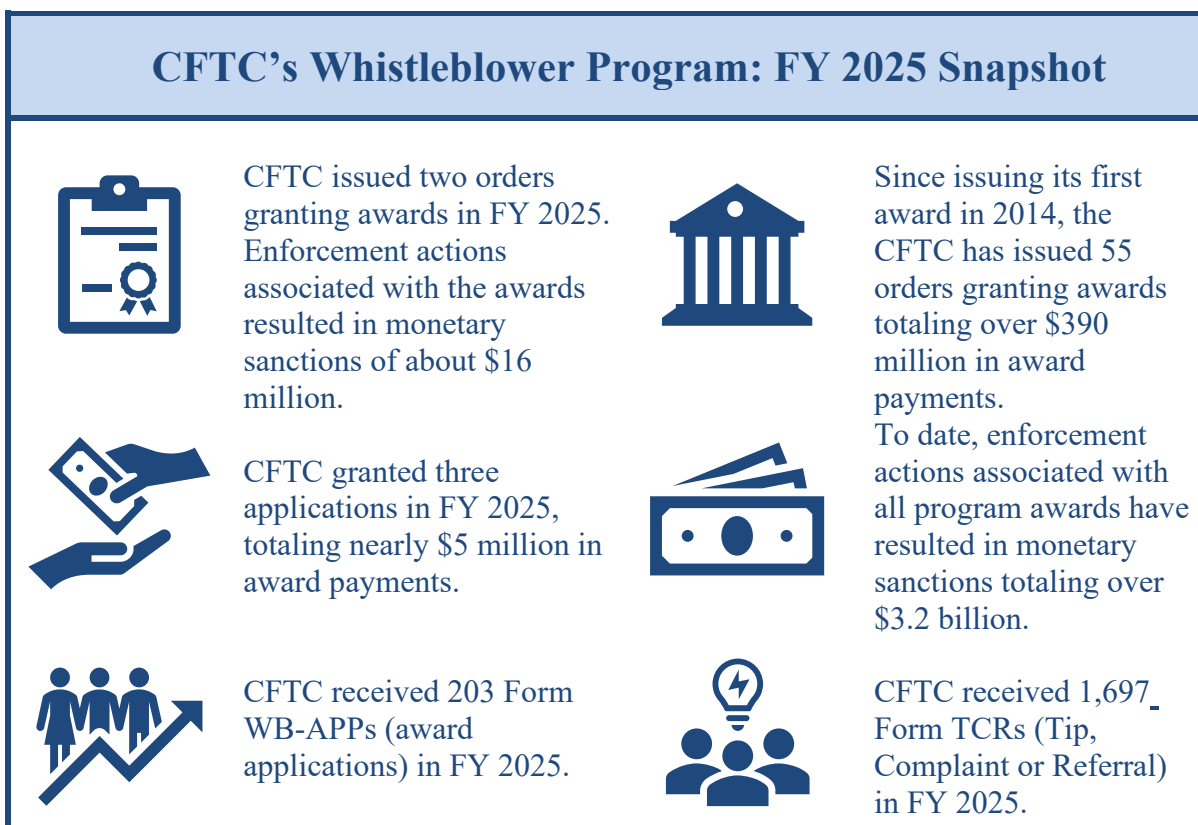
Section 748 of the Dodd-Frank Act established the CFTC CPF. The CPF is a permanent appropriation but must be apportioned annually by OMB. Customer Protection Funds are available for the payment of whistleblower awards and education efforts that focus on helping the public to protect themselves against fraud and other violations of the CEA. The CFTC is authorized to deposit CMPs, disgorgements, and interest it collects in covered administrative or judicial enforcement actions into the CPF, whenever the balance in the fund at the time of the deposit is less than or equal to \$100 million.



In 2012, the Commission established the WBO and the OCEO to administer the Whistleblower and Customer Education Programs.

FY 2025 Highlights of the Whistleblower Program

During the Period, the whistleblower program continued to work as Congress intended. The program helps the Commission identify wrongdoers, encourages disclosure of violations of the CEA, and rewards whistleblowers for taking risks in coming forward. Many different types of whistleblowers have participated in the program, including victims, witnesses, insiders, market participants, employees, and compliance professionals.



In FY 2025, the CFTC received 1,697 Form TCRs (Tip, Complaint or Referral) and 203 Form WB-APPs (award applications). The CFTC issued two award orders granting three applications. The awards totaled about \$5 million in payments. Enforcement actions associated with these awards resulted in a collection of \$16 million in sanctions. The CFTC also issued 120 denials this Period to claimants who submitted applications that failed to meet requirements under 7 U.S.C. § 26 and 17 C.F.R. pt. 165. Since making its first award in 2014, the CFTC has issued 55 orders granting awards totaling nearly \$390 million in payments. As indicated on the WBO's website, enforcement actions associated with all program awards have resulted in monetary sanctions totaling over \$3.2 billion.

The WBO's constituencies include whistleblowers and their counsel, industry groups, other government agencies, SROs, and academics. In FY 2025, the WBO raised awareness about the program by speaking on panels, updating the WBO website, answering questions from the public, and attending conferences and industry events. WBO staff also continued to explain the program's eligibility rules and requirements to potential whistleblowers. Several notable events WBO staff attended include National Whistleblower Appreciation Day,

Anti-Fraud Coalition’s Annual Financial Frauds Conference, and Practising Law Institute’s Government Regulator and Whistleblower Law Update. In addition, in FY 2025 WBO staff continued to improve its website, respond to questions internally and externally, and take actions to protect whistleblowers’ identities in investigations. WBO staff also improved internal policies and procedures and participated in bimonthly meetings with other federal agencies with whistleblower programs.

Customer Education and Outreach

Housed within the DMO, staff from the OCEO are responsible for developing and implementing “customer education initiatives designed to help customers protect themselves against fraud or other violations of (the CEA), or the rules and regulations thereunder.”⁸

OCEO continues to accomplish this mission by prioritizing:

- **Outreach:** Efforts focus on regular digital engagement, in-person and virtual events, interacting with stakeholders and customers, and responding to customer questions.
- **Education:** The office produces customer advisories, social media posts, videos, presentations to the public and key stakeholders, and responds to media inquiries.
- **Partnerships:** OCEO amplifies its anti-fraud messages and collaboratively identifies new scam trends through partnerships with federal, state, and nonprofit organizations.

Outreach

OCEO partners with federal, state, and non-governmental actors on scam awareness educational events. These efforts included community outreach events with federal regulators, such as the SEC, Federal Bureau of Investigation (FBI), U.S. Secret Service, and DOJ, state regulators, local law enforcement, and non-profits. OCEO also educated banking organizations about the red flags of fraud, promoted fraud awareness by exhibiting at conferences and trade shows, and responded to more than 300 customer emails.

One highlight of OCEO’s 2025 outreach efforts was the “Dating or Defrauding” campaign to raise awareness of relationship investment scams.⁹ The February campaign centered on the combined efforts of nearly 20 nonprofit, state, and federal partners¹⁰ that published warnings

⁸ See 7 U.S. Code § 26(g)(2)(b).

⁹ In relationship investment scams, commonly referred to as “pig butchering” scams by the perpetrators, fraudsters build online relationships with unsuspecting individuals before convincing them to trade crypto assets or foreign currency on fake trading platforms. Approximately \$5.8 billion in relationship investment scam losses were reported to the FBI in 2024. Actual losses are expected to be much higher due to underreporting. See https://www.ic3.gov/AnnualReport/Reports/2024_IC3Report.pdf.

¹⁰ In addition to the CFTC, participating organizations included AARP Fraud Watch Network; Arizona Corporation Commission, Securities Division; Colorado Department of Regulatory Agencies; FBI; Federal Deposit Insurance Corp., OIG; Federal Trade Commission; Financial Crimes Enforcement Network; FINRA; National Futures Association; Oregon Dept. of Consumer and Business Services, Division of Financial Regulation; Secret Service; SEC; Social Security Administration IG; U.S. District Court, Washington, D.C.; U.S. Postal Inspection Service; Virgin Islands, Office of the Lt. Governor; Washington Department of Financial Institutions; and Wisconsin Department of Financial Institutions.

and other fraud awareness messages through their social media channels. Combined, the initiative's partners, and nearly 400 others who spontaneously joined the effort, generated 565 posts using the #DatingOrDefrauding hashtag. These posts resulted in more than 12.65 million impressions across Facebook, Instagram, LinkedIn, and X, and more than 4,000 engagements, including likes, shares, comments, and clicks to related educational information.

The effort also received nationwide, earned-media coverage with a potential viewership of an additional 10.7 million Americans. This earned media included an interview on network TV as well as a 30-second syndicated report that aired on 327 local affiliate stations across the United States.

Education

Throughout the year, OCEO also posted information through newly released advisories and related fraud-avoidance information across the CFTC's social media channels — Facebook, X, and LinkedIn. In total, these efforts yielded more than 105,000 impressions. Beyond social media engagement, OCEO staff interacted with approximately 8,000 people through 28 in-person and virtual events in communities, military bases, corporate gatherings, conferences, and trade shows.

OCEO published five customer advisories and one investor education article co-released with the Financial Industry Regulatory Authority (FINRA), the North American Securities Administrators Association, and the SEC in FY 2025. OCEO's collection of advisories and articles serves as an ongoing resource for the public and was recently recognized in a *Bloomberg News* article as a resource for information about avoiding cryptocurrency scams.⁸ Total views of articles and advisories in FY 2025 exceeded 449,000. A complete list of OCEO educational content can be found at cftc.gov/learnandprotect/learningresources.

Additionally, OCEO hosted an educational event focused on identifying the red flags of relationship investment scams. The event featured federal speakers from the CFTC, DOJ, FBI, and the Department of Treasury as well as University of Texas Professor John Griffin. Dr. Griffin explained how he used blockchain analytics to estimate that victims have lost as much as \$75 billion to relationship investment scams.⁷

Partnerships

OCEO's stakeholder engagement includes outreach to federal, state, and local regulators, private-sector, and non-profit groups. Collaborating with other organizations allows OCEO to deliver its messages to new audiences and collect information from external sources and geographically diverse communities. Examples of these partnerships include joint military outreach with the SEC and participating in AARP webinars with the SEC, Secret Service, and the FBI.

In addition, OCEO maintains relationships with organizations such as the Financial Literacy and Education Commission and the IOSCO. As part of its IOSCO work, CFTC is co-leading a project to support a relationship investment scam sub-campaign during IOSCO's 2025 World Investor Week.

Why Are the Markets Important to Me?

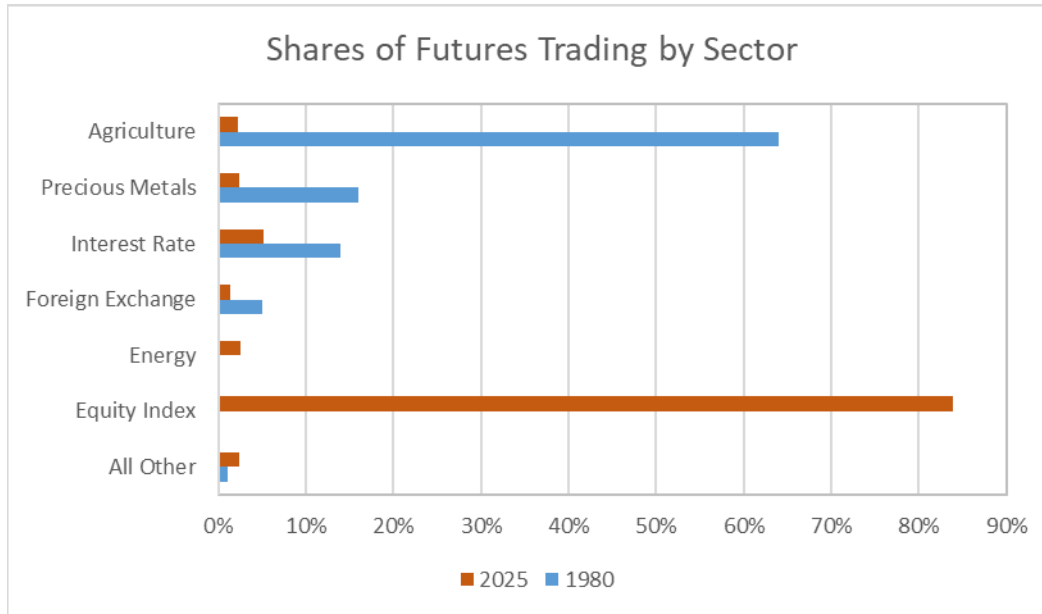
A Primer in Futures Markets

A futures contract is an agreement to purchase or sell a commodity for delivery in the future: 1) at a price that is determined at initiation of the contract; 2) that obligates each party to the contract to fulfill the contract at the specified price; 3) that is used to assume or shift price risk; and 4) that may be satisfied by delivery or offset. The CEA generally requires futures contracts to be traded on regulated exchanges, with futures trades cleared and settled through clearinghouses, referred to as DCOs. To that end, futures contracts are standardized to facilitate exchange trading and clearing.

Although a futures contract agreement is set today, the person selling (for example, a farmer marketing bushels of wheat) will not receive payment and the buyer (in this case, a bakery) will not receive goods purchased until the predetermined delivery date agreed to in the contract, which in this example, is December 1. The farmer benefits from this agreement because he is certain as to the amount of money he will earn from the farming operation, even if the price of wheat changes between today and December 1. Similarly, the bakery buying the wheat also benefits by knowing how much the wheat will cost on December 1 and it will be better positioned to estimate its baking costs and set prices for its products. Finally, even though the actual price of wheat on December 1 (when the contract is fulfilled) may be greater or less than the price agreed upon in the December 1 contract, the contract price is fixed and both the farmer and the bakery are bound by their agreement. Most futures contracts are not settled with the actual physical delivery of the commodity, but by entering into opposite (offsetting) futures contracts, which serve to close out the original positions, with profits or losses dependent on the direction in which the price of the contracts have moved relative to those positions.

Speculators may also buy or sell such futures contracts. The speculator buying a futures contract for December wheat believes the value of the wheat in December will be higher than the price he or she is paying for the contract today. As time passes, and December draws closer, traders may try to predict whether the cost of December wheat will rise or fall, and this may cause the value of that futures contract to fluctuate. For example, if traders expect an especially bad harvest, then the price of December wheat will rise, and the speculator can sell that futures contract for December wheat for more than they paid.

Over the years, the futures markets have become increasingly diversified from their agricultural beginnings. Futures based on other physical commodities, such as metals, beginning in the 1970s, and energy products, during the 1980s, were developed. Since being introduced in the 1970s, financial futures contracts based on interest rates, foreign currencies, Treasury bonds, security indexes, and other products have far outgrown the agricultural contracts in trading volume.



Source: *Futures Industry Association; 2025 data as of September 2025*

Since 1980, the share of on-exchange commodity futures trading activity in the agricultural sector decreased from 64 percent of trading activity to 2 percent in 2025. The share of the equity index, energy, foreign exchange and other contract activity increased from less than 6 percent of trading activity in 1980 to 95 percent in 2025.

A Primer in Swaps Markets

Generally speaking, a swap is an exchange of one set of cash flows for another, typically netted. Swaps can be used to hedge risks arising from changing commodity prices, interest rates, credit spreads, foreign exchange rates, and other economic quantities.

For example, a company that manufactures metal bottles plans to buy 50 metric tons of aluminum from its regular suppliers in six months, but wants to hedge against the risk of rising aluminum prices. It can enter into a one-year swap, agreeing in six months to pay \$2,000 per metric ton for 50 tons of aluminum, or \$100,000, in exchange for receiving the price of 50 metric tons of aluminum that prevails in 6 months. This swap, which is separate from the purchase of aluminum, locks in a cost of \$100,000 for the aluminum needs of this manufacturer in six months.

If the price of aluminum at the end of the six months happens to be \$2,500 per ton, the manufacturer will buy the 50 tons from its suppliers at that prevailing price, for a total of \$125,000. At the same time, as specified by the swap, the manufacturer will pay the agreed upon \$100,000 and receive the price of 50 tons at the prevailing price, that is, \$125,000. Because the swap payments are netted, the manufacturer receives \$25,000. The \$25,000 proceeds from the swap offset the price increase in aluminum, so the manufacturer's total cost of obtaining the aluminum is \$100,000.

If, on the other hand, the price of aluminum at the end of the six months happened to fall to \$1,500 per ton, then the manufacturer buys 50 tons from its suppliers at that price, for a

total of \$75,000. The manufacturer then settles the swap by paying \$25,000, which is the difference between \$100,000 (fixed by the terms of the swap) and receiving the market price of \$1,500 on 50 tons, or \$75,000. Once again, the total cost of obtaining the aluminum is \$100,000. Hence, because of the swap, whether the price of aluminum rises or falls, the manufacturer's realized cost is \$100,000. Note that, in the case when the price turns out to be \$1,500 per ton, it appears that the manufacturer loses money on the swap—it pays the difference between \$100,000 and \$75,000—but that is just part of the hedging strategy that locks in a cost of \$100,000.

	Terms of the Swap Contract	Two Possible Outcomes of the Swap Transaction	
Tons of Aluminum:	50	50	50
Price/ Metric Ton:	\$2,000	\$2,500	\$1,500
Contract Price:	\$100,000		
Manufacturer Pays Fixed Price:		\$100,000	\$100,000
Manufacturer Receives Floating Price:		\$125,000	\$75,000
Manufacturer's Net Receipt or Payment Depending on Prevailing Price on Agreed Upon Date of Swap:		\$25,000	(\$25,000)

Before the Dodd-Frank Act, swaps were traded OTC and were mostly bilateral, that is, strictly between the two counterparties to the swap. Since then, as envisioned by the Dodd-Frank Act, much of the swaps market trades on regulated execution facilities; is reported to regulators; and -particularly in the case of interest rate swaps and credit default swaps - is centrally cleared, that is, the two counterparties to a swap legally face a clearinghouse. These changes have greatly enhanced the Commission's ability to monitor trading activity and risk in swap markets. Considerable effort is expended at the CFTC to improve its ability to process, understand, and analyze the swaps market data it receives.

CFTC Oversight of Regulated Entities

Which Entities does CFTC regulate?

Associated Person—A natural person who is associated in certain capacities with a FCM, RFED, introducing broker, CPO, CTA, leverage transaction merchant, or SD or MSP and who engages in the solicitation or acceptance of orders, funds/property, or swaps; or the supervision of any person or persons so engaged.

CPO—A person engaged in a business in the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who solicits or accepts funds, securities, or property for the purpose of trading commodity futures contracts or commodity options. The CPO either itself makes trading decisions on behalf of the pool or engages a CTA to do so.

CTA—A person who, for compensation or profit, engages in the business of advising others as to the value or advisability of commodity futures or options, security futures products, swaps, retail foreign exchange contracts, or leverage transactions; or who, for compensation or profit, and as part of a regular business, issues or promulgates analyses or reports concerning any of the foregoing, subject to certain exclusions.

DCO—An entity that, in respect to a contract (1) enables each party to the contract to substitute, through novation or otherwise, the credit of the DCO for the credit of the parties; (2) arranges or provides, on a multilateral basis, for the settlement or netting of obligations resulting from such contracts; or (3) otherwise provides clearing services or arrangements that mutualize or transfer among participants in the DCO the credit risk arising from such contracts. Also called a clearing house, clearing organization, or central counterparty.

DCM—A board of trade or exchange designated by the CFTC to trade futures, options or swaps under the CEA.

Exempt DCO—A DCO that has been exempted by the Commission from registration for the clearing of swaps because the Commission has determined that the DCO is subject to comparable, comprehensive supervision and regulation by appropriate government authorities in the DCOs home country, as permitted by the CEA.

Floor Broker—A person who, in any pit, ring, post, or other place provided by an exchange for the meeting of persons similarly engaged, purchases or sells for another person any futures contract, commodity option, security futures product or swap.

Floor Trader—A person who, in any pit, ring, post, or other place provided by an exchange for the meeting of persons similarly engaged, purchases or sells for their own account, any futures contract, commodity option, security futures product or swap.

FBOT—A foreign board of trade means a board of trade, exchange or market located outside the U.S., its territories or possessions, whether incorporated or unincorporated, where foreign futures or foreign options transactions are entered into.

FCM—An individual, association, partnership, corporation, or trust that solicits or accepts orders for the purchase or sale of any futures contract, commodity option contract, security futures contract, commodity option contract, security futures contract, swap, retail foreign exchange transaction, or leverage transaction (or who acts as a counterparty to a retail foreign

exchange transaction), and who accepts payment from or extends credit to margin, guarantee or secure any trades resulting from the activity.

Introducing Broker—A person (except any of the following, acting in their capacity as such: FCMs, floor brokers, associated persons, CPOs, or CTAs) who, for compensation or profit, is engaged in soliciting or accepting orders for the purchase or sale of any futures contract, commodity option contract, security futures product, retail foreign exchange transaction, leverage transaction, or swap, and who does not accept any money, securities, or property to margin, guarantee, or secure any trades or contracts that result.

MSP— An individual, association, partnership, corporation, or trust that solicits or accepts orders for the purchase or sale of any futures contract, commodity option contract, security futures contract, commodity option contract, security futures contract, swap, retail foreign exchange transaction, or leverage transaction (or who acts as a counterparty to a retail foreign exchange transaction), and who accepts payment from or extends credit to margin, guarantee or secure any trades resulting from the activity.

RFED— A person that is, or that offers to be, the counterparty to a retail forex transaction, except for a counterparty, or person offering to be a counterparty, that is a U.S. financial institution, a broker or dealer registered with the SEC, an associated person of a broker or dealer registered with the SEC, an FCM registered with the CFTC, or a financial holding company.

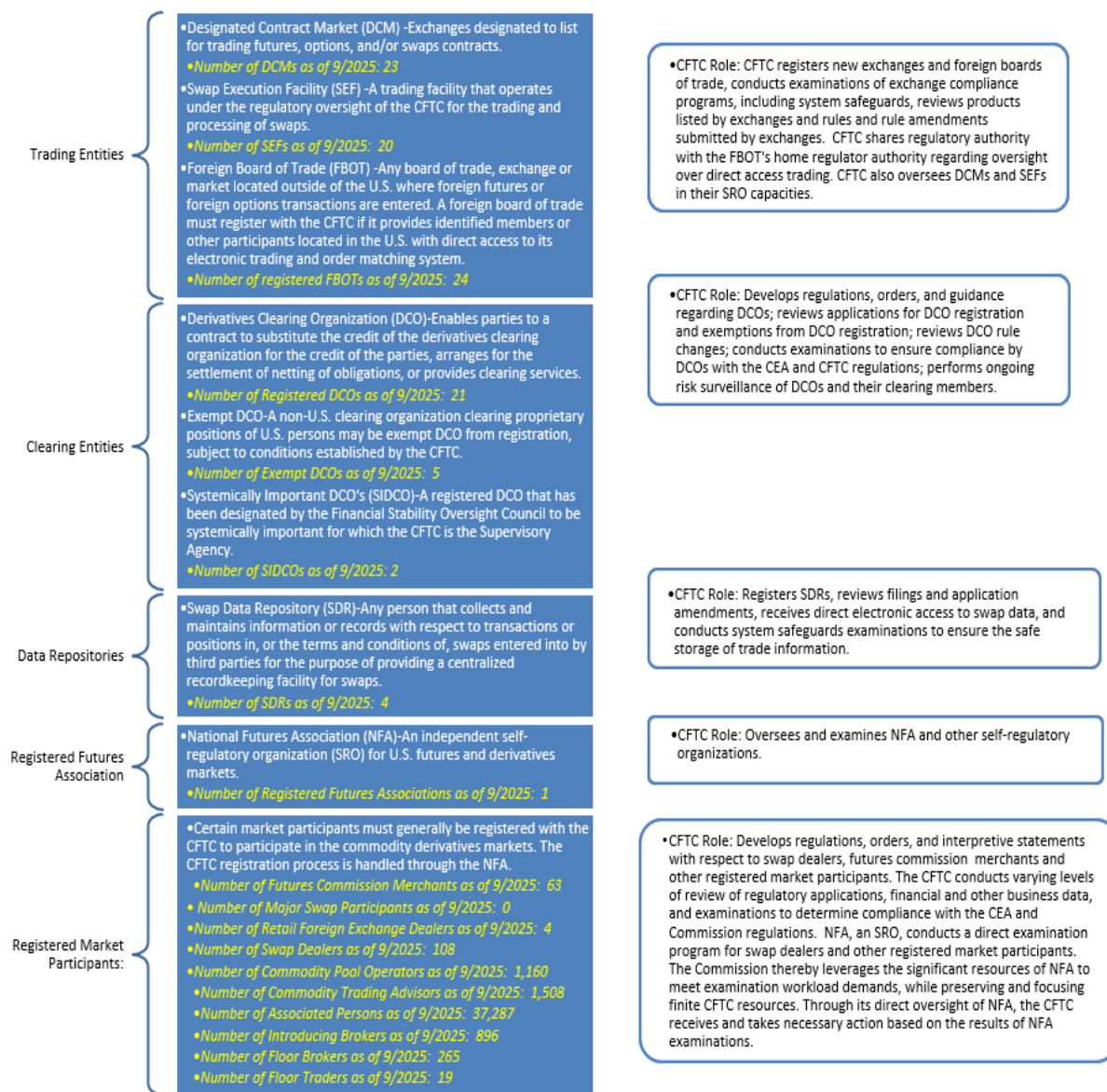
SDR—Entities created by Dodd-Frank to provide a central facility for swap data reporting and recordkeeping.

SD— Any person who holds itself out as a dealer in swaps; makes a market in swaps; regularly enters into swaps with counterparties as an ordinary course of business for its own account; or engages in any activity causing it to be commonly known in the trade as a dealer or market maker in swaps, unless that person only engages in a *de minimis* amount of swap dealing activity.

SEF—A trading facility that operates under the regulatory oversight of the CFTC for the trading and processing of swaps.

Systemically Important Derivatives Clearing Organization—A DCO registered with the CFTC that has been designated as systematically important by the FSOC and for which the CFTC acts as the Supervisory Agency pursuant to Title VIII of the Dodd-Frank Act.

Entities Under CFTC Regulation



CFTC List of Abbreviations and Acronyms

Because the acronyms of many words and phrases used throughout the futures and swaps industries are not readily available in standard references, the Commission's OPA compiled a glossary to assist members of the public. A guide to the language of the futures and swaps industry is located online at:

https://www.cftc.gov/ConsumerProtection/EducationCenter/CFTCGlossary/glossary_uv.html

Please note that List of Abbreviations and Acronyms included below and the CFTC's online glossary are not all-inclusive, nor are general definitions intended to state or suggest the views of the Commission concerning the legal significance, or meaning of any word or term. Moreover, no definition is intended to state or suggest the Commission's views concerning any trading strategy or economic theory.

U.S. Federal Laws

CEA: Commodity Exchange Act

Data Act: Digital Accountability and Transparency Act of 2014

Dodd-Frank: Dodd-Frank Wall Street Reform and Consumer Protection Act

FCPIA: Federal Civil Penalties Inflation Adjustment Act

FECA: Federal Employees' Compensation Act

FISMA: Federal Information Security Management Act

FFMIA: Federal Financial Management Improvement Act

FMFIA: Federal Managers' Financial Integrity Act

GPRA: Government Performance and Results Act

CFTC Divisions and Offices

DCR: Division of Clearing and Risk

DMO: Division of Market Oversight

DOD: Division of Data

DOE: Division of Enforcement

MPD: Market Participants Division

OCEO: Office of Customer Education and Outreach

DA: Division of Administration

OGC: Office of the General Counsel

OIA: Office of International Affairs

OIG: Office of the Inspector General

OLIA: Office of Legislative and Intergovernmental Affairs

OPA: Office of Public Affairs

OTI: Office of Technology Innovation

WBO: Whistleblower Office

U.S. Federal Departments and Agencies

CFTC: Commodity Futures Trading Commission

DOJ: Department of Justice

DOL: U.S. Department of Labor

ESC: U.S. Department of Transportation's Enterprise Services Center

FBI: Federal Bureau of Investigation

GAO: Government Accountability Office

GPO: U.S. Government Publishing Office

GSA: U.S. General Services Administration

NFC: U.S. Department of Agriculture's National Finance Center

OMB: Office of Management and Budget

OPM: Office of Personnel Management

SEC: Securities and Exchange Commission

Treasury: U.S. Department of the Treasury

Other Abbreviations and Industry Terms

CMP: Civil Monetary Penalties

CPF: Customer Protection Fund

CPO: Commodity Pool Operator

CSRS: Civil Service Retirement System

CTA: Commodity Trading Advisor

DCM: Designated Contract Market

DCO: Derivatives Clearing Organization

DQP: Data Quality Plan

FASAB: Federal Accounting Standards Advisory Board

FBOT: Foreign Board of Trade

FCM: Futures Commission Merchant

FERS: Federal Employees Retirement System

FILAC: Filings and Actions Database

FTE: Full-time Equivalent

GAAP: U.S. Generally Accepted Accounting Principles

GAGAS: Generally Accepted Government Auditing Standards

ICE: Intercontinental Exchange

ICOR: Internal Controls over Reporting

IOSCO: International Organization of Securities Commissions

IR: Interest Rate

MSP: Major Swap Participant

ORB: Other Retirement Benefits

OTC: Over-the-Counter

RFED: Retail Foreign Exchange Dealer

SD: Swap Dealer

SDR: Swap Data Repository

SEF: Swap Execution Facility

SFFAS: Statement of Federal Financial Accounting Standards

SIDCO: Systemically Important DCO

SRO: Self-Regulatory Organization

SSE: System Safeguards Examination

TCR: Tip, Complaint, or Referral Form

USSGL: U.S. Standard General Ledger

WBO APP: Whistleblower Application Form

We Welcome Your Comments

Thank you for your interest in the CFTC's FY 2025 Agency Financial Report. We welcome your comments on how we can make the report more informative for our readers. Please send feedback to dfrederickson@cftc.gov or to:

CFTC

Financial Management Branch 1155 21st St, NW
Room 4408
Washington, DC 20581

This FY 2025 Agency Financial Report and prior year documents are available on the CFTC website at:

<https://www.cftc.gov/About/CFTCReports/index.htm>

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