

E-ALERT | Private Funds

December 2011

TOP TEN QUESTIONS FOR FUND MANAGERS AS THEY APPROACH THE END OF 2011

- 1 Is your firm required to register under the Investment Advisers Act and, if so, have you taken the appropriate steps to register by the deadline in early 2012?
- 2 If your firm is, or will be, a registered investment adviser, does your firm have adequate policies and procedures, and appropriate personnel and systems, in place to ensure ongoing compliance? Is your firm prepared for periodic SEC compliance inspections?
- 3 If your firm is exempt from registration under the Advisers Act because of the amount of capital it manages, the nature of its investment activities or otherwise, are you aware of the reporting and other obligations your firm may still have under the Advisers Act, as well as possible state law registration requirements?
- 4 Have you evaluated the impact the new AIFM Directive may have on your firm's future fund raising activities in the EU?
- 5 Is your firm planning on raising capital from US state and local governmental plan investors? If so, have you familiarized yourself with federal and state play-to-play laws, rules and regulations, state law lobbyist registration requirements, and state and local bans on the use of placement agents? Are you evaluating the political contribution histories of your new hires?
- 6 Does your firm have U.S. or foreign banks or bank affiliates as part of its investor base? If so, have you considered the impact the new Volcker Rule may have on their investments in your funds and their ability to invest in new fund products being sponsored by your firm? For secondary fund managers, have you evaluated the possible buying opportunities for your firm presented by this new rule?
- 7 Have you reviewed the ILPA "Private Equity Principles Version 2.0" and compared your current fund terms against these principles? Are there areas where you think your fund terms should be more ILPA-friendly as you move into your next fund raising cycle?
- 8 Are you aware of the new UK Bribery Act 2010 and the implications it, and the existing US Foreign Corrupt Practices Act, may have on your firm's global investing, commercial and fund raising activities?
- 9 Will your firm be required to be a reporting entity under Form PF? Are you familiar with what you may need to report?
- 10 How will new regulatory requirements impact the content of your PPM, pitch book and other marketing materials, and your periodic reports and disclosures to your investors?

If you have any questions concerning the material discussed in this client alert, please contact the following members of our firm:

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