

SEC ADOPTS PRIVATE FUND REPORTING RULES AND FORM PF

On October 26, 2011, the Securities and Exchange Commission adopted a new rule requiring certain private fund advisers to report information for use by the Financial Stability Oversight Council in monitoring risks to the U.S. financial system. All SEC-registered private fund advisers with at least \$150 million in assets under management (“AUM”) will be required to file a new reporting form, Form PF. Form PF is to be jointly promulgated by the SEC and Commodity Futures Trading Commission. The CFTC is expected to vote on Form PF and related forms, as they pertain to registered commodity pool operators and commodity trading advisers, within the next week, and a release will be published shortly thereafter that includes Form PF in its final form.

Private fund advisers who have at least \$150 million in AUM but do not fall within any of the categories of large private fund adviser noted below will be required to file Form PF on an annual basis, within 120 days of the end of the fiscal year. The filing requirements for the three categories of large private funds are as follows:

Type of Large Private Fund Adviser:	Filing Frequency:
Hedge fund adviser with at least \$1.5 billion in AUM	Quarterly: within 60 days of the end of each fiscal quarter
Liquidity fund ¹ adviser with at least \$1 billion in AUM	Quarterly: within 15 days of the end of each quarter
Private equity fund adviser with at least \$2 billion in AUM	Annually: within 120 days of the end of the fiscal year

As contemplated by the proposed rule, all information reported on Form PF is to be afforded confidential treatment.

Initial Filing Deadlines for Form PF

The SEC has adopted a tiered phase-in period for initial filings. The majority of private fund advisers will be required to file Form PF within the time frames noted in the table above after the first fiscal year or fiscal quarter, as applicable, ending on or after December 15, 2012. Private fund advisers with at least \$5 billion in AUM, however, must file their initial Form PF after the fiscal year or fiscal quarter, as applicable, ending on or after June 15, 2012. Thus, while most private fund advisers will be required to file their first Form PF in 2013, some advisers will have to file in the latter part of 2012.

¹ “Liquidity fund” means any private fund that seeks to generate income by investing in a portfolio of short-term obligations in order to maintain a stable net asset value per unit or minimize principal volatility for investors. See Instructions to Form ADV Part 1A at page 12.

We will be circulating another Client Alert with a more detailed analysis of Form PF and any material changes to the Form from that first proposed shortly after the final Form becomes available.

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