

August 23, 2023, SEC adopted changes aimed primarily at non-registered and registered advisers (IAs) to private funds (Release Nos. IA-5955). New rules under the Investment Advisers Act of 1940 affect investment advisers depending on IA registration status and include, but not limited to:

- Registered IAs to provide more transparency to investors;
- Registered IAs to provide quarterly statements and an audit mandatory since not all advisers are subject to the custody rule and even then, not necessarily required to obtain an audit;
- Registered IAs and non-registered IAs (includes exempt reporting advisers) will be prohibited from engaging in certain sales practices, conflicts of interest, and compensation schemes contrary to protecting investors;
- All registered IAs and non-registered IAs (includes exempt reporting advisers) will be prohibited from providing preferential treatment to certain investors in a private fund unless the adviser discloses such treatment to other current and prospective investors

Proposed one year transition period to comply

Alternative Fund, PLLC, is a boutique legal and business matter advisory law firm specializing in fund managers across hedge funds, private equity and venture capital organizations, teams and people, C-suite executive and law firm experienced lawyers at well-known alternative asset management organizations with front to back-office legal and enterprise-wide business matter know-how collaborating with conventional to complex institutional fund manager organizations and the spectrum of strategies.

Contact

If you have any questions, please contact us:

www.afundc.com

+1 917464 3775, office@afundc.com

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