



May 8, 2023

SEC Adopts New Rules to Enhance Private Fund Advisor Reporting

On May 3, 2023, the U.S. Securities and Exchange Commission ("SEC") adopted new rules modifying confidential Form PF to require event reporting for large hedge fund and private equity fund advisors and amend existing reporting requirements for private equity fund advisors. The new rules can be found [Here](#).

The new rules and amendments:

- Require current (within 72 hours) reporting by large hedge fund advisors (those with at least \$1.5 billion in assets under management) of events such as extraordinary investment losses, margin, default and operations events, prime broker terminations, withdrawals and redemptions that indicate significant stress in a fund that could harm investors or pose systemic risk to the broader financial system;
- Require reporting within 60 days of the end of each fiscal quarter by all private equity fund advisors with at least \$150 million in assets under management of events that could harm investors, such as removal of a general partner and fund termination events; and
- Require enhanced reporting by large private equity funds (those with at least \$2 billion in assets under management) to aid the Financial Stability Oversight Council ("FSOC") and the SEC to identify and respond to potential systemic risk, such as annual reporting of any general partner or limited partner clawbacks in the preceding year.

The Form PF amendments become effective six months after publication in the Federal Register for current and quarterly reporting

and one year after publication for the remaining amendments.

We gave a general overview of Private Fund formation requirements and issues in February in our "Forming Exempt Private Investment Funds" and reported on other Private Fund proposed new rules and amendments in "SEC Proposes New Rules to Protect Private Fund Investors" in February 2022, both available at [Kurtin PLLC Venture Capital & Private Equity](#). The new rules adopted by the SEC are of a piece with enhanced investor protection in the Private Fund world.

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