



Investment Regulations

The regulation of investment funds, investment managers and fund distributors is far reaching and complex. Our Investment Management practice combines breadth of knowledge across multiple statutes and regulations – principally, the Investment Company and Investment Advisers Acts, along with the Securities Exchange Act – with real, hands-on industry experience to give fund sponsors, managers and distributors timely guidance and assistance.

CAPABILITIES

DLA Piper has an integrated practice group primarily serving the needs of investment funds, investment advisers and fund distributors.

Specific Practice Areas:

- SEC Registered Funds and Other Pooled Investment Vehicles
- Registered Investment Advisers
- Broker-Dealers and Other Fund Distributors
- Ancillary Areas of Practice

EXPERIENCE

Funds and Pooled Investment Vehicles

Registered Investment Companies, including open-end (mutual) funds, exchange traded funds and closed-end funds, have attracted trillions of dollars of investor capital, and serve as bedrock investment options for individuals, institutions and retirement accounts. The Investment Company Act and numerous SEC regulations impose specific and stringent requirements on sponsors of and advisers to such funds. Industry members require genuine experience from their legal advisers to help them stay compliant and cutting edge. Our attorneys have deep legal and regulatory knowledge regarding the issues involved, and have direct experience operating and managing registered investment funds for retail and institutional investors. We can help sponsors, advisers and other service providers navigate the complex issues that they face, from formation and registration to portfolio management, compliance, distribution, marketing and governance.

Business Development Companies (or BDCs), are a specialized type of investment fund. They invest primarily in small to mid-sized US companies, and are an important source of growth and operating capital for a large and growing segment of the US economy. By

RELATED SERVICES

- Finance
- Derivatives
- Global Investment Funds
- Mergers and Acquisitions
- Real Estate Investment Trusts
- Investment Management and Funds

electing to be BDCs, these funds are relieved of some of the requirements imposed by the Investment Company Act, but are still subject to a host of legal and regulatory requirements under that Act as well as other laws and regulations. Our attorneys have in depth experience advising and managing these specialized vehicles and can help with all aspects of their formation and operation.

Interval Funds are closed-end funds that elect under SEC rules to make periodic repurchase offers to their shareholders at their current net asset value per share. Many of these funds are managed without an exchange listing, but their repurchase option feature can provide important liquidity benefits to shareholders while still employ management strategies that involve high levels of portfolio illiquidity. Our attorneys have hands on experience in forming, registering and advising these specialized investment vehicles, which continue to gain in popularity because they combine elements of traditional closed-end funds with heightened liquidity options.

Private funds and other investment vehicles are not required to register under the Investment Company Act for various reasons, either because of their investor base and offering mechanism, or because of the asset(s) they invest in. Our attorneys have broad-based experience in structuring private funds of various types, including hedge funds, private equity funds, venture capital funds, real estate funds and loan funds. The managers for these investment vehicles are often required to register as investment advisers; our attorneys can help these firms with the requirements of applicable state and Federal law, including assistance with formation, disclosure documents and compliance requirements.

Registered Investment Advisers

Firms that manage securities portfolios for clients, whether as separate accounts or in pooled form, are generally required to register under applicable state law or the Investment Advisers Act. Advisers are considered to be fiduciaries, and their businesses are held to the highest disclosure and conduct standards. Compliance with these standards requires preparing disclosure documents, creating and maintaining compliance policies and procedures and adhering to numerous substantive and procedural requirements. Where applicable, advisers that manage registered funds are required to comply with various provisions of the Investment Company Act. Our attorneys have experience with a host of different businesses and business models, ranging from retail advisory services to institutional and private fund portfolio management.

Fund Distributors

Firms that distribute securities issued by registered funds and other pooled vehicles are generally regulated as broker-dealers under the Securities Exchange Act and are members of the Financial Industry Regulatory Authority (FINRA). These firms face a wide variety of legal and regulatory challenges in managing their business, and our attorneys have experience with providing advice to broker-dealers under a host of circumstances, including capital raising, mergers & acquisitions, changes in operations and compliance.

Ancillary Practices

Our Investment Management practice group works closely with attorneys from across the firm, including those with experience in the following areas:

- Derivatives
- Real estate capital markets
- Taxation
- ERISA and related benefit plan issues
- Mergers and acquisitions
- Cross border issues

INSIGHTS

Publications

Commodities News and Trends

20 September 2021

COMMODITIES NEWS AND TRENDS

Brazil and Argentina lead the way in biofuels; CFTC: we will support transition to a low-carbon economy; is the end in sight for the shale-driven pipeline building boom?

By any standard? Meeting sustainability commitments through credible carbon markets

13 September 2021

Operating in today's evolving voluntary carbon trading ecosystem.

Biden Administration "Green Book" tax proposals would affect private investment funds if enacted

9 June 2021

The Green Book incorporates changes from the American Jobs Plan and American Families Plan.

Financial services in the cannabis industry: A compliance guide

31 March 2021

An overview of the guidance issued by federal law enforcement agencies to financial institutions addressing the provision of services to the cannabis industry consistent with their BSA obligations.

Top employee benefits issues to watch

31 March 2021

The top 10 issues likely to impact plan sponsors in 2021 and beyond.

SEC Division of Examinations announces 2021 exam priorities

9 March 2021

The priorities provide insight into the Division's risk-based approach to examinations and the areas it believes present potential risks to investors and the US capital markets.

Expectations for white collar enforcement under the Biden Administration

18 February 2021

Six key areas where the Biden Administration may focus its enforcement efforts.

Climate activism: Status check and opportunities for public companies

14 December 2020

The systemic risk of climate change is being discussed and managed in board rooms around the world.

Nasdaq proposes board diversity listing standards

8 December 2020

The proposal is the first of its kind among US exchanges and, if approved by the SEC, would mark an important step toward mandated diversity requirements for the boards of US-listed public companies.

SEC 2021 and beyond: What to expect

7 December 2020

Some likely areas of SEC focus, from both the regulatory and enforcement perspectives, in 2021 and beyond.

SEC streamlines and modernizes financial disclosure

1 December 2020

A detailed summary of the final rules.

SEC issues risk alert on investment adviser compliance program issues

24 November 2020

Deficiencies in the areas identified by OCIE increase the risk of enforcement actions.

SEC roundtable highlights exam observations on Regulation Best Interest and Form CRS compliance

29 October 2020

Key guidance discussed during the roundtable.

Assessing ESG factors in the energy sector

27 October 2020

[ESG HANDBOOKS AND GUIDES](#)

A reference tool for energy companies as they discuss and refine their ESG programs.

California enacts consumer financial protection legislation and establishes the Department of Financial Protection and Innovation

5 October 2020

Along with the creation of California's financial services regulator, this new legislation will greatly expand regulation of consumer financial services providers in California.

Shareholder Proposal Rule modernized – now what?

1 October 2020

A brief background of the Shareholder Proposal Rule, plus some action items for boards to consider as companies head into the 2021 proxy season.

Regulator strategies for encouraging innovation may be more relevant as firms move to digital offerings

30 September 2020

Seeking to promote innovation by giving financial firms more opportunities and compliance flexibility to try new technologies, practices and methods.

SEC revises rules governing quotations for OTC securities

29 September 2020

The Rule was adopted in 1971 and has not been amended substantively since 1991, nearly 30 years ago.

FINRA extends deadlines for Principal and Operations Professional exams until December 31, 2020

18 September 2020

The rule change was effective immediately upon its filing with the SEC.

Key Reg S-K disclosure rules amended: Fundamental issues to consider in your next SEC filing

9 September 2020

The overarching theme of the amendments is the SEC's focus on issuer responsibility.

SEC adopts changes to "accredited investor" definition

1 September 2020

Notable changes and practical considerations.

US moves forward on enhanced securities regulations focusing on Chinese companies

17 August 2020

Latest developments in US efforts to address the financial risks posed by emerging market companies.

SEC proposes updating Form 13F requirements

30 July 2020

Seeking to raise the reporting threshold from \$100 million to \$3.5 billion to reflect changes in the size and structure of the US equities market.

SEC virtual roundtable provides insight on future direction of regulation for emerging market companies listed on US exchanges – continued focus on China

16 July 2020

The roundtable gathered the views of investors, market participants, regulators and industry experts to continue raising investor awareness about the risks of investing in emerging markets, especially where regulatory oversight is limited.

FINRA issues guidance on private placement retail communications

10 July 2020

RN 20-21 addresses third-party prepared materials, balanced presentations of risks and benefits and more.

SEC announces agenda and panelists for July 9 roundtable on emerging markets and China

2 July 2020

The roundtable will gather the views of investors, market participants, regulators and industry experts to continue raising investor awareness about the risks of investing in emerging markets.

FINRA proposes new rule requiring approval for registered persons holding positions of trust for non-family member customers

29 June 2020

Key details of FINRA's proposed rule.

SEC approves conforming changes to FINRA's suitability and non-cash compensation rules in response to SEC Regulation Best Interest

25 June 2020

The amendment clarifies that FINRA intends its non-cash compensation rules to align with Reg BI in all respects.

The place of private equity in a 401(k) plan's investment lineup

12 June 2020

The Letter offers a potential framework for private equity fund sponsors and defined contribution plan fiduciaries seeking to meet the diversified investment needs of plan participants.

FINRA updates and supplements frequently asked questions related to regulatory relief due to the COVID-19

pandemic

8 June 2020

FINRA updated certain FAQs and adds others to provide further guidance to broker-dealers.

Launching a Real Estate Fund: Key Strategies, Structures and Terms (Part One) and Important Tax, Regulatory and Securities Law Considerations (Part Two)

29 May 2020

Key features of real estate funds and considerations for fund managers considering pursuing the strategy anew.

SEC adopts amendments to required financial disclosures for acquisitions and dispositions of business

29 May 2020

Public companies can utilize the new rules on a voluntary basis effective immediately, so long as they adopt the amendments in their entirety.

Chinese and other emerging market companies listed in the US face increased scrutiny from Congress and Nasdaq

27 May 2020

Within a span of two days, the US Senate, House and Nasdaq each took steps to safeguard investors in the US capital markets.

SEC announces July 9, 2020 date for roundtable on emerging markets and China

20 May 2020

The SEC's next steps in raising investor awareness about the risks of investing in emerging markets.

FINRA publishes effective practices for broker-dealers' senior investor protection programs and Securities Helpline-related enforcement and referral data

11 May 2020

FINRA's efforts to protect senior investors are wide ranging and continue to grow.

SEC Chairman announces roundtable on emerging markets and China

7 May 2020

This continuing focus on investor protection is consistent with other key regulatory initiatives.

SEC's proposed new rule on valuation practices turns focus of funds and investment advisers to compliance programs

6 May 2020

Although new from a regulatory standpoint, the requirements of the SEC's proposed Fair Value Rule are not entirely novel.

FINRA proposes to tighten rules for brokers with history of misconduct

27 April 2020

The proposal may impact broker-dealer hiring and retention decisions and who can invest in or otherwise control a broker-dealer.

Investment adviser compliance in the COVID-19 pandemic – pay attention to valuation and strategy deviation issues

17 April 2020

Investment advisers still must comply with their obligations to maintain and implement fair pricing policies and procedures and follow their disclosed investment strategies.

SEC and FINRA issue examination guidance on Regulation Best Interest and Form CRS

14 April 2020

A summary of four recent publications from SEC and FINRA on Reg BI and Form CRS.

COVID-19: Issues affecting closed-end private investment funds

8 April 2020

Issues that private investors in closed-end private investment funds may want to consider.

SEC extends relief and provides guidance for investment advisers affected by COVID-19

3 April 2020

Registered investment advisers (and exempt reporting advisers, as applicable) are still required to comply with their filing and delivery obligations.

SEC will not change June 30, 2020 Regulation Best Interest compliance date; FINRA proposes conforming rule changes (update from 31 March 2020)

3 April 2020

The SEC is reportedly considering a delay in the compliance date for Regulation Best Interest due to COVID-19.

Coronavirus: strategic considerations for US investment advisers considering whether to apply for temporary relief from filing obligations due to COVID-19

27 March 2020

While this relief may be welcome for many, before applying for relief, investment advisers should consider whether the extension is advisable in light of the conditions placed on advisers seeking to rely on the relief and the implications of seeking an extension.

COVID-19 update for private fund managers (United States)

24 March 2020

On March 13, 2020, the Securities and Exchange Commission issued an order providing investment advisers, whose operations may be impacted by the coronavirus disease 2019 (COVID-19), temporary relief from certain filing requirements under the Investment Advisers Act of 1940.

ISIA requires every Illinois "public agency" and "governmental unit" to implement ESG policies in their investments: action steps for private-sector actors

2 March 2020

Most market observers expect this trend to continue incrementally, with ever more institutional actors, whether public or private, considering ESG factors when investing.

Agencies propose amendments to Volcker Rule's coverage over covered funds

3 February 2020

The proposed rule represents a significant opportunity for banks and their affiliates to shape and define new exclusions and exemptions from the Volcker Rule's prohibitions.

Events

Previous

Annual compliance requirements and cash repatriation considerations

9 December 2021 | 12:00 - 1:00 ET

Incorporating and operating subsidiaries in China: Corporate and tax issues in China inbound investment Webinar

Transfer pricing and intercompany transactions in China

29 September 2021 | 12:00 EST

Incorporating and operating subsidiaries in China: Corporate and tax issues in China inbound investment Webinar

China – foreign exchange control and funding considerations

2 June 2021 | 12:00 - 1:00 EST

Incorporating and operating subsidiaries in China: Corporate and tax issues in China inbound investment Webinar

Entity set-up and choice of holding company

21 April 2021 | 12:00 - 1:00 ET

Incorporating and operating subsidiaries in China: Corporate and tax issues in China inbound investment Webinar

Overview of foreign investment into China and taxation

24 March 2021 | 2:00 - 3:00 ET

Incorporating and operating subsidiaries in China: Corporate and tax issues in China inbound investment Webinar

NEWS

Ken Muller joins DLA Piper's global Investment Funds practice

8 November 2021

DLA Piper announced today that Ken Muller has joined the firm as a partner in the global Investment Funds practice.

DLA Piper advises Rastegar in launch of Rastegar Opportunity REIT and US\$200 million share offering

26 January 2021

DLA Piper represented Rastegar Property Company, LLC, a technology-enabled private real estate investment firm, in its launch of the Rastegar Opportunity REIT, Inc. ("the REIT"), a US\$200 million private real estate investment trust offering shares pursuant to Rule 506(c) of Regulation D.

DLA Piper advises APA in investment from Ron Burkle's Yucaipa Companies

9 September 2020

DLA Piper represented Beverly Hills-based talent agency APA in a major non-equity financial investment from The Yucaipa Companies firm.
