

EXTENSION OF INVESTMENT ADVISERS
ACT REGISTRATION DEADLINE FOR CERTAIN
PRIVATE EQUITY AND HEDGE FUND ADVISERS

April 11, 2011

To Our Clients and Friends:

The staff of the Division of Investment Management of the Securities and Exchange Commission, in a letter dated April 8, 2011, has advised that it is likely that the SEC will extend until the first quarter of 2012 the date by which investment advisers (including many private equity and hedge fund advisers) who currently rely on the private adviser exemption in Section 203(b)(3) of the Investment Advisers Act (the “fewer than 15 clients” exemption) must register with the SEC. A copy of the letter is available at:

<http://www.sec.gov/rules/proposed/2010/ia-3110-letter-to-nasaa.pdf>. While the SEC has not yet formally issued the 2012 extension, it is reasonable to expect, based on the staff letter, that it will do so.

The letter states that the SEC intends to adopt, by the initial registration deadline of July 21, 2011, rules implementing the Dodd-Frank Act provisions that require many private fund advisers previously exempt from registration to register with the SEC under the Investment Advisers Act. However, the letter goes on to acknowledge that, given the time needed for advisers to register and come fully into compliance with these new rules (and existing rules), a delay in the implementation date is appropriate.

The Dodd-Frank Act also provides new exemptions from registration for advisers to venture capital funds and advisers to private funds with less than \$150 million in assets under management in the United States, but requires them to report certain information to the SEC on Form ADV, Part 1. While the April 8th letter does not refer to these other advisers or their August 21, 2011 reporting deadline, we expect that such advisers’ reporting obligations on Form ADV, Part 1 will also be delayed until the first quarter of 2012.

The April 8th letter does not address the status of Form PF, the proposed form that will require registered investment advisers to file detailed reports on the private funds they manage.¹

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Please give us a call if you have any questions.

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¹ Our memo concerning Form PF is available at: <http://www.debevoise.com/newseventspubs/publications/detail.aspx?id=82a0053c-137c-4efb-a25a-e6b00c54965e>.