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SEC adopts amendments to bolster private fund reporting

May 4, 2023 | Client Update | 2-minute read

The SEC's amendments to Form PF include new event reporting requirements for large hedge fund advisers within 72 hours of the occurrence of certain events, and for private equity fund advisers within 60 days of the fiscal quarter end; and revised reporting requirements for large private equity fund advisers.

On May 3, 2023, the Securities and Exchange Commission (SEC) adopted certain amendments to Form PF designed to facilitate the SEC's oversight of private fund advisers and bolster its investor protection efforts. The proposed amendments are also designed to enhance the Financial Stability Oversight Council's ability to monitor and assess systemic risks presented by the private fund industry.

Previously proposed amendments to Form PF regarding large liquidity fund advisers were not adopted at this time, as the SEC is still considering the related comments. Primary changes to Form PF that were adopted under the amendments include the following.

- **New event reporting obligations for large hedge fund advisers and advisers to private equity funds**
  Under the current regime, advisers are required to file Form PF on either a quarterly or annual basis depending on the size and type of private funds they advise. Under the amendments, large hedge fund advisers will be required to file a current report as soon as practicable, but no later than 72 hours, after the occurrence of one of several reporting events at a qualifying hedge fund that they advise, including certain extraordinary investment losses, significant margin and default events, terminations or material restrictions of prime broker relationships, operations events and certain events associated with withdrawals and redemptions. In addition, under the amendments, all private equity fund advisers will be required to file a report, within 60 days of each fiscal quarter end, with respect to certain events, including adviser-led secondary transactions, general partner removals and investor elections to terminate a fund or its investment period. Large hedge fund advisers and all private equity advisers would file event reports on new section 5 and new section 6 of Form PF, respectively.
- **Large private equity fund adviser reporting change**
  The amendments expand the information gathered from large private equity fund advisers by amending section 4 of Form PF to require disclosure of information regarding fund strategies and use of leverage. In addition, the amendments require annual reporting with respect to general partner or limited partner clawback for large private equity fund advisers.

The compliance date for the current and quarterly event reporting requirements in new sections 5 and 6 is six months after publication of the adopting release in the Federal Register, and the compliance date for the remaining amendments is one year after such publication.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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