CLIFFORD CHANCE PRIVATE FUNDS UPDATE: FEBRUARY 2019

Welcome to the February 2019 edition of our private funds update. This briefing is intended to give you a short update on key legal, tax and regulatory developments relevant to private fund managers, drawing on expertise from across our Global Funds & Investment Management practice. If you would like to know more about a particular development, please get in touch with any of the contacts listed at the end of this update.

DELEGATION BY ALTERNATIVE INVESTMENT FUND MANAGERS (AIFMS): ESMA AND EU SECURITIES REGULATORS AGREE NO-DEAL BREXIT MoUS WITH UK FCA

The European Securities and Markets Authority (ESMA) and EU securities regulators have agreed Memoranda of Understanding (MoUs) with the UK Financial Conduct Authority (FCA).

The MoUs form part of authorities' preparations should the UK leave the EU without a withdrawal agreement (the "no-deal" Brexit scenario). The MoUs will therefore only take effect in the event of a no-deal Brexit. The MoUs are similar to those already concluded on the exchange of information with many third country supervisory authorities.

The MoUs are:

- a multilateral MoU between EU/EEA securities regulators and the FCA covering supervisory cooperation, enforcement and information exchange between individual regulators and the FCA, and will allow them to share information relating to, amongst others, market surveillance, investment services and asset management activities. This, in turn, will allow certain activities, such as fund manager outsourcing and delegation, to continue to be carried out by UK based entities on behalf of counterparties based in the EEA; and
- an MoU between ESMA and the FCA concerning the exchange of information in relation to the supervision of credit rating agencies (CRAs) and trade repositories (TRs). The MoU will allow ESMA to continue to discharge its mission and meet its mandate regarding investor protection, orderly markets and financial stability in the EU.

The multilateral MoU referred to above will be of most relevance to private fund managers wishing to delegate functions from an AIFM located in the EEA back to the UK.

THE UK TEMPORARY PERMISSIONS REGIME: MARKETING EEA FUNDS IN THE UK POST-BREXIT

The UK Government has legislated for a Temporary Permissions Regime (TPR) enabling EEA managers who are currently marketing funds in the UK using a passport to continue marketing those funds for a limited period after 29 March 2019 in the event of no-deal Brexit. The TPR will come into force on 29 March 2019 and will last for a maximum of 3 years.

AIFs (including EuVECAs, EuSEFs, ELTIFs and AIFs authorised as MMFs), as well as UCITS, which immediately prior to exit day were marketed into the UK under a passport, can use the TPR, provided they have given notice to the FCA via the Connect system before the end of 28 March 2019 and have been advised by the FCA not to wait for confirmation of whether there is a transitional period before submitting their notifications. There is no fee for notifying.

Once the notification window closes, EEA managers that have not submitted a notification for a fund will be unable to use the TPR for that fund and will not be able to continue marketing that fund in the UK. Further information on how funds will exit the TPR will be available from the FCA shortly.

In order to prepare for the new regime, EEA managers wanting to use the TPR should:

- Register for the FCA Connect System
- Check which funds they are actively marketing in the UK under a passport and notify the FCA of any changes via their national competent authorities.
- Notify the FCA before 28 March 2019.
- Notifications must be made using the Connect System. A guide to doing this is available from the FCA website.
- Update their UK selling legends to refer to the TPR.

LUXEMBOURG SIGNALS 21-MONTH TRANSITIONAL PERIOD IN EVENT OF A NO-DEAL BREXIT

The Luxembourg legislator has proposed a 21-month transitional period for UK based firms in the event that the UK leaves the EU on 29 March 2019 without a deal.

Under draft legislation released on 31 January 2019, the Luxembourg regulators would have temporary powers to apply the legal provisions on EU passports to UK firms carrying out licensable activities in the Luxembourg financial sector, investment fund sector and insurance sector under free provision of services or through a branch or a tied agent. These powers relate only to contractual relationships that were entered into by UK firms before a no deal Brexit, or to contracts concluded afterwards, where they are closely linked to these pre-existing contractual relationships.

The draft legislation is still at an early stage of the legislative procedure and may be further amended before being definitively passed into law. However, these developments are significant for UK based authorised managers managing Luxembourg funds, as they would allow them to operate as they currently do under the EU passport for 21 months after exit date, given them time to adjust to the post-Brexit regulatory landscape.

UK LIMITED PARTNERSHIP LAW REFORM

On 10 December 2018, the Department for Business, Energy & Industrial Strategy (BEIS) published the Government's response to the consultation on the Reform of UK Limited Partnership Law. The consultation stemmed from concerns around the improper use of limited partnerships for criminal activity. A copy of the response can be found here and a summary of the proposals are below.

Reform of Registration Requirements

The government intends to make it mandatory for anyone registering a new limited partnership to demonstrate they are registered with an AML supervisory body.

Principal Place of Business (PPoP)

On application for registration a limited partnership must provide a PPoB in the UK. Limited partnerships will be required to evidence a demonstrable link with the UK both at registration and on an ongoing basis. To do this, a limited partnership will be required to:

- retain a PPoB in the UK; or
- demonstrate they are continuing some legitimate business activity at an address in the UK; or
- demonstrate that they continue to engage the services of an agent that is registered with a UK AML supervisory body which has agreed to provide its address as a service address for that LP.

Where a limited partnership does not retain a PPoB in the UK, the limited partnership will be required to notify the Registrar.

The Government has not confirmed if the above changes will apply to existing limited partnerships and is still considering this, with the possibility of transitional arrangements. We, along with certain industry bodies and other advisors, are strongly resisting this and are engaged with the Goverment on any proposals in this regard.

Reporting and Transparency

All limited partnerships will be required to file a confirmation statement with the Registrar at least every twelve months. This is in line with existing requirements for Scottish limited partnerships, and is essentially a confirmation/update of any information provided at registration.

Accounts

The Government does not consider that limited partnerships should be required to file accounts in line with requirements applicable to UK companies. However the response states that "where there are any gaps in the requirements for partnerships to file basic accounts with the UK government, the Government will close those gaps in a way that is not burdensome or duplicative". It is not clear what this means, but BEIS is currently engaged with stakeholders on these proposals.

Information required to be filed at registration will be expanded to include:

- Contact details for all limited partners (and general partners).
- Date of birth and nationality of any limited partners that are natural persons.
- Standard industrial classification codes to identify the nature of the LP's business.

The Government intends to undertake further work to explore whether to require beneficial ownership information from corporate partners that do not already hold a PSC (persons of significant control) register. Again we, and other stakeholders, continue to be involved in discussions with Government regarding the problems involved in requiring certain personal details from LPs in private funds structured as English or Scottish limited partnerships.

Strike-Off Provisions

The Government intends to grant the Registrar the power to strike off limited partnerships that are dissolved or which the Registrar concludes are not carrying on business or in operation. The response states that the new powers will be "subject to following a robust notification procedure… at least as strong as the procedure that is already in place for limited companies". The Government intends (i) to continue discussing with stakeholders how to design a process that ensures, as far as possible, that all GPs and LPs are given due notice that a limited partnership is being considered for strike off; and (ii) consider the circumstances where it would be appropriate to restore a limited partnership/appropriate procedure for doing that. We are currently engaged with industry bodies and Government to seek to ensure that whatever process is adopted takes the needs of the private fund community into account, as any changes that could give rise to an inadvertent removal of a limited partnership from the register would, in our view, be extremely problematic for investors in funds structured as English or Scottish limited partnerships.

UK NATIONAL SECURITY REVIEWS TO CATCH A SUBSTANTIALLY BROADER RANGE OF MERGERS

The UK Government is proposing to broaden substantially its powers to screen transactions for national security concerns. Proposals set out in a White Paper dated July 2018 would allow Government intervention in a wide range of transactions in any sector, with no minimum size of transaction. These changes could impact certain portfolio companies.

Key features of the proposals are as follows:

- at present, the Government can only review transactions for national security concerns if they involve the acquisition of a sufficient degree of control over a business and meet certain turnover or market share thresholds (subject to certain exceptions). The Government is proposing to extend these powers to cover (i) any acquisition of more than 25% of votes or shares in an entity, or less than 25% if "significant influence or control" is acquired; and (ii) acquisitions of more than 50% of an asset, or of significant influence or control over an asset. Importantly, there would be no requirement for the target entity or assets to amount to a business or to have any minimum level of sales or activity in the UK. Even a license of foreign IP could be caught if that IP is used "in connection with" activities or sales in the UK. Similarly, loan arrangements could be subject to potential review if they result in lenders acquiring influence over a collateral asset with national security significance.
- as is the case under the current regime, there would be no obligation to notify qualifying transactions to the Government or any automatic prohibition on closing a reviewable transaction. However, the Government would have power to call in a transaction for review if it has a reasonable suspicion that the transaction meets the tests described above and that it may give rise to national security concerns. If the Government calls in a transaction that has not yet completed, a prohibition on closing would become applicable at that point.
- if the Government decides to call in a transaction, it would have 30 working days to review the transaction for national security concerns, which may be extended by a further 45 working days (or more, if agreed by the parties). If, at the end of this period, the Government concluded that a transaction posed a national security risk, it would be able to impose such remedies as it reasonably considered necessary and proportionate to prevent or mitigate that risk. These may include structural remedies (e.g. divestment), behavioural remedies or outright prohibition or unwinding of a transaction. Parties would be able to notify a transaction voluntarily, to obtain comfort that it will not be called in for review.
- the White Paper contains a draft "Statutory Statement of Policy Intent" setting out the types of transactions that the Government considers most likely to give rise to potential national security concerns. These include acquisitions of targets with activities in areas such as communications, civil nuclear, defence, energy and transport infrastructure, certain advanced technologies, critical direct suppliers to the Government and emergency services sectors and military and dual-use technologies. The draft statement also explains that while foreign investors are considered more likely to give rise to national security concerns, domestic investors could also be subject to review (under the current regime, the Government has threatened to subject the acquisition of engineering firm GKN by the British investor Melrose to a national security review).
- the Government expects that there would be around 200 notifications each year under the new regime and that around 100 transactions would be called in for review. Consequently, the national security regime would affect significantly more transactions than (i) the existing merger control regime, under which around 60 transactions are reviewed each year; and (ii) the existing regime for screening mergers for national security concerns, which catches only one or two transactions a year.
- the Government is considering responses to the White Paper and is expected to publish draft legislation later this year. While the Government has emphasised that it intends for the UK to remain open to foreign investment and that its proposals have been designed with the sole aim of addressing legitimate national security concerns, there is a risk that the regime could become a Trojan horse for other, undisclosed considerations to be taken into account by this or future governments, such as protectionism of national champions or a merger's impact on employment.

LARGE PRIVATE COMPANIES: NEW REPORTING REQUIREMENTS

The Government has introduced new legislation intended to strengthen and update the UK corporate governance framework. The Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations) introduced new reporting requirements for large private companies including:

- a requirement for all large companies (whether listed or unlisted) to include a statement in their strategic report describing how the directors have had regard to the matters set out in s.172(1) Companies Act 2006 during the financial year under review. For these purposes a large company is a company meeting two out of three of the following: (i) turnover of more than £36m; (ii) a balance sheet total of more than £18m; and (iii) more than 250 employees. The Regulations also apply to subsidiary companies. The statement must be made available on a website that is maintained by or on behalf of the company, failure to do so is a criminal offence;
- an additional requirement for all large companies (whether listed or unlisted) to include information in their directors' report on how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others; and
- a requirement for all companies with more than 250 UK employees to include information in their directors' report on how the directors have engaged with employees.

The Regulations came into force on 1 January 2019 for financial years starting on or after that date and will impact a number of portfolio companies.

The Regulations also require companies with (a) more than 2,000 employees; or (b) a turnover of more than £200m and a balance sheet total of more than £2bn, to provide a statement of their corporate governance arrangements in their directors' report.

The statement must include details of the corporate governance code the company has applied for the financial year and if the company has not applied any corporate governance code they must explain the reasons for this decision and explain what corporate governance arrangements were applied instead. The statement must be available on a website that is maintained by or on behalf of the company.

A "coalition group" chaired by James Wates (which included the Financial Reporting Council, the British Venture Capital Association, the CBI and others) developed corporate governance principles for large private companies. The principles have been named the Wates Corporate Governance Principles for Large Private Companies. The objective is for the six principles to become the code upon which large privately-owned companies will choose to report - on an 'apply and explain' basis - by stating for each principle how the company's corporate governance processes operate to achieve the desired outcomes.

EU COMMISSION PUBLISHES REPORT ON AIFMD REVIEW

The European Commission has (finally) published the report it asked KPMG to prepare on the operation of AIFMD. The report is available here:

In preparing the report, KPMG carried out a general survey of the stakeholders most affected by the AIFMD, together with an evidence-based survey. The report sets out the key findings from these surveys. In general, the report is positive and concludes that most provisions have contributed to the achievement of AIFMD's objectives effectively, efficiently and coherently and that they remain relevant. The report also identifies certain areas that require further analysis, including:

- Leverage calculation methodologies - suggests possible harmonisation across AIFMD, UCITS and other legislation.
- Valuation rules - identifies drawbacks to binary choice between internal / external valuation and different national interpretations on liability of external valuers.
- Remuneration rules - suggests possible changes for consistency with other regulations.

- Reporting requirements - some found to be inadequate and duplicative / overlapping with other reporting obligations.
- Investor disclosure requirements - suggests that some requirements are excessive and overlap with other (sometimes inconsistent) disclosure requirements.
- Marketing - identifies a lack of transparency on differing national rules and supervisory processes on marketing passports and the definition of marketing (although these issues are already being considered / addressed under the cross-border marketing proposal from March 2018).

The Commission has indicated it will continue its work on the AIFMD review, focusing on the areas identified, and will report to the co-legislators in 2019.

RECENT US SEC PRIVATE FUND ADVISER ENFORCEMENT ACTIONS

On 20 December 2018, the United States Securities and Exchange Commission (SEC) released the Office of Compliance and Inspections (OCIE) examination priorities for 2019. These examination priorities, as well as several recent enforcement actions against private fund advisers suggest that enforcement in the private funds area will remain a major area of focus in 2019.

OCIE Examination Priorities

OCIE's 2019 examination priorities primarily relate to issues such as retail investor protection and digital assets, but some of the priorities highlight the SEC's continued focus on private fund adviser compliance, including:

- **Fees and expenses** OCIE indicated that it will continue "to review fees charged to advisory accounts, ensuring that the fees are assessed in accordance with the client agreements and firm disclosures".
- **Conflicts of interest** in line with past examination priorities, conflicts of interest remain a key area of focus for OCIE. A specific conflict that OCIE is examining this year is the use of affiliated service providers and products, which "present conflicts of interest related to, among other areas, portfolio management practices and compensation arrangements."
- **Allocation policies** OCIE has stated that it will examine investment strategies to determine if they are "(i) suitable for and in the best interests of investors based on their investment objectives and risk tolerance; (ii) contrary to, or have drifted from, disclosures to investors; (iii) venturing into new, risky investments or products without adequate risk disclosure; and (iv) appropriately monitored for attendant risk."

Recent Enforcement Actions Reinforce These Priorities

In December 2018, the SEC brought several enforcement actions against private fund advisers that highlight these priorities:

- **Allocation of fees and expenses to co-investors** on 26 December 2018, the SEC settled an enforcement action against Lightyear Capital, the adviser to a private fund with approximately $2.27 billion under management, related to its treatment of co-investor fees and expenses. According to the SEC, Lightyear took three actions that benefited co-investors, which were not adequately disclosed to investors in the fund. First, Lightyear allegedly failed to allocate expenses such as broken deal, legal, consulting, and insurance costs to co-investors. Second, Lightyear allegedly failed to allocate the proportional share of certain post-closing costs to co-investors. And third, Lightyear agreed to share with co-investors certain "advisory fees" that it received from portfolio companies, which allegedly reduced the management fee offset that investors in the fund would have otherwise received. As part of its settlement, Lightyear agreed to pay a $400,000 civil monetary penalty.
- **Undisclosed conflicts of interest** on 13 December 2018, the SEC settled an enforcement action against Yucaipa Master Fund, a private fund adviser with approximately $2.67 billion under management, related to its allocation of certain in-house employee expenses and undisclosed conflicts of interest. According to the SEC, Yucaipa failed to make adequate disclosure regarding both issues.
  - First, the SEC alleged that Yucaipa failed to disclose its practice of charging the funds it advised for expenses related to certain in-house employees who assisted in preparing the funds' tax returns and failed to adequately

disclose how it allocated the costs of its in-house tax personnel across the funds and the manager.

- Second, Yucaipa allegedly failed to properly disclose conflicts of interest related to two third-party service providers – identified in the settlement as "Consulting Firm A" and "Consulting Firm B" – that resulted in expense allocation decisions that posed actual or potential conflicts of interest.
- According to the SEC, Consulting Firm A provided services to two of the funds and the manager. The manager's principal also made a personal loan to Consulting Firm A's principal that was secured by consulting fee receivables owed to Consulting Firm A by the manager or its affiliates, including the funds, and that was repaid from the proceeds of consulting fee payments by one of the funds to Consulting Firm A. The undisclosed conflict arising from these arrangements allegedly resulted in the misallocation of a portion of Consulting Firm A's fees.
- The SEC alleged that Consulting Firm B was also retained to provide services to one of the funds, a portfolio investment of the fund, and two of the manager's principal's personal investments. The manager's principal also made a personal investment in Consulting Firm B while it was providing services to the portfolio investment. The undisclosed conflict arising from these arrangements allegedly resulted in the misallocation of Consulting Firm B's fees, the failure to credit funds received by the manager's principal from Consulting Firm B to the fund, and the failure to offset fees received by Consulting Firm B against the manager's advisory fee after the principal made a minority investment in Consulting Firm B.
- Yucaipa agreed to pay a $1 million civil penalty and to retain an independent compliance consultant "not unacceptable" to the SEC.

- **Failure to properly allocate employee expenses** on 17 December 2018, the SEC settled charges with NB Alternatives Advisers LLC, which advised funds that invested in minority stakes in alternative investment management firms, related to its allocation of expenses for a group of employees that provided support and advice to the alternative investment management firms. According to the SEC, these employees spent approximately 7% of their time working on behalf of the fund adviser rather than the alternative investment management firms in which the funds invested, and these costs were negligently passed on to the funds. As part of the settlement, NB Alternatives agreed to disgorge approximately $2.35 million in fees and pre-judgment interest and to pay a civil monetary penalty of $375,000.

Takeaway

Private fund advisers' fee and expense allocation practices and undisclosed conflicts of interest remain a major area of focus for the SEC staff and we can expect additional interest in these activities by OCIE staff going forward.

The allocation of what could be considered manager overhead costs and any costs of internal consultants is clearly an area of focus for the SEC staff, further highlighting the need for explicit and clear disclosure about the allocation of costs and the extent to which they will be passed along to the funds.

LIBOR AND TRANSITIONING TO NEW BENCHMARKS

- The transition from LIBOR and other IBORs (including EURIBOR) as benchmarks for financial products (for example, loans, derivatives and bonds) is likely to be one of the most significant changes to financial markets in recent years. It will have implications for fund documentation, your relationships with the sell-side (such as your financing arrangements), as well as potentially your investments and your portfolio companies.
- LIBOR is the reference interest rate for tens of millions of contracts (in 2014 alone, USD LIBOR contracts having a USD 150 TN notional value, GBP LIBOR contracts USD 30 TN), ranging from loans through to hedging derivatives through to debt issuance. LIBOR (or one of the other IBORS around the world) is also usually the referenced rate in private fund documentation such as LPAs.
- In July 2017, following on from the financial crisis and concerns over benchmark and LIBOR manipulation, the UK FCA essentially mandated the end of LIBOR by stating that it would no longer compel banks to submit the rates required to calculate LIBOR after 2021. This has forced the market to start looking at the implications of a move away from LIBOR, and triggered the start of a period of consultation and transition away from LIBOR, that has

gathered pace over recent moves, as a number of replacement rates to LIBOR start to be agreed and sell-side providers start to provide products and services based on LIBOR replacements.

- Additionally, the FCA also wrote to all major UK banks and insurers in September 2018 requesting by December board approved plans for dealing with LIBOR transition. Although directed to the major banks and insurers, the FCA specifically noted that all UK regulated firms should be taking into account what the FCA is saying, emphasising the need for all firms as part of their regulatory obligations to start assessing LIBOR impact.
- The transition away from LIBOR has a number of potential consequences for fund managers. Legacy contracts and documentation (such as LPAs and management agreements) will need to be reviewed for reference to LIBOR or benchmarks, to identify if any amendments are needed. Likewise, managers should be reviewing their current documentation templates to identify any changes needed to provide the flexibility for the move to replacements for LIBOR.
- Fund managers can expect, in respect of their arrangements with banks and brokers (such as financing arrangements), for their sell-side counterparts to be reaching out to discuss amendments to those arrangements. Such contact will need careful review, to understand the replacement rates that might be moved to, and the impact of that on the economics of any arrangements with the sell-side.
- The move away from LIBOR will potentially have an impact on the value or economics of any contract or investments referencing LIBOR because (very broadly) the replacement rates are lower than LIBOR. Much work is being done by market participants at the moment to deal with this "credit spread" issue. But if you hold investments such as bonds, have hedging derivatives, or have portfolio companies who have exposures to securities or financial instruments, each of those could be impacted by a change in value. Portfolio companies will also need to assess their own LIBOR exposure more generally across their business.
- There are also regulatory and conduct considerations in terms of ensuring that you sufficiently analyse and prepare for LIBOR transition and, where relevant, inform your investors appropriately.

OFFSHORE FINANCIAL CENTRES: NEW SUBSTANCE REQUIREMENTS

In 2017 the EU labelled each of Bermuda, the BVI, the Cayman Islands, Guernsey, Jersey and the Isle of Man as "tax regimes that facilitated offshore structures which attract profits without real economic activity." This prompted a response from each jurisdiction, and has led to new rules on minimum levels of required substance being introduced as local law in each of the jurisdictions with effect from 1 January 2019.

The New Rules

Although the rules have been introduced with some degree of variation across the jurisdictions, the core of the new rules follows a blueprint devised in close coordination with the EU Code of Conduct Group. In each case, practical application of the rules depends on the business activity being undertaken - a "one size fits all" approach has not been adopted.

Substance - The Basic Tests

Certain entities are now required to maintain substance in the jurisdiction by reference to three tests:

(a) being "directed and managed" from the jurisdiction,

(b) a need to carry out "core income generating activities" (CIGAs) in the jurisdiction, and

(c) maintaining adequate physical presence (qualified people, expenditure and physical premises in the jurisdiction).

- **The "directed and managed" test**

  It is important to note that this requirement is different from the familiar tax residency "managed and controlled" test. The "directed and managed" test will be satisfied if: (a) the board has adequate expertise; (b) board meetings are held at "adequate frequencies" with sufficient quorum physically present in the jurisdiction; (c) strategic decisions are taken and recorded at board meetings in the jurisdiction; and (d) records are kept locally.

Given the requirement to have quorum in the territory, the ability of directors to attend meetings by telephone may be restricted depending on board composition. Preliminary guidelines issued by the Crown Dependencies suggest that not all board meeting have to be held in the jurisdiction, although it is expected that the majority will be. These are points of detail that remain to be clarified in further guidance.

- **Core Income Generating Activities**

  The aim of this requirement is to ensure that CIGAs relevant to the business activity carried on by the entity are carried on in the relevant jurisdiction. In the funds context, this will be of particular interest to locally established GPs and managers. It is expected that GPs and managers will (where needed) be able to rely on outsourcing to local service providers to comply with these requirements. However, outsourcing to non-local service providers may be problematic.

- **Physical presence**

  Relevant entities will need to maintain adequate presence, including having qualified staff, physical assets and expenses incurred in the jurisdiction. Further detailed guidance as to what each jurisdiction will regard as "adequate" or "appropriate" is however required.

Other high-level considerations relevant to the investment management sector include:

Application to both Partnerships and Companies?

The range of entities that fall within the scope of the new rules differs across the various jurisdictions. The position taken in each of the Cayman Islands, Jersey and Guernsey is that the rules apply to local tax resident companies but not limited partnerships. By contrast, the BVI regime is broader in scope and extends to certain types of limited partnerships with legal personality.

An Exemption for Fund Vehicles?

A form of exemption for fund vehicles has been introduced across all jurisdictions, but the scope of the exemption is inconsistent. For example, Guernsey and Jersey have indicated in preliminary guidance that companies which are collective investment vehicles are outside the scope of the new rules. By contrast, the Cayman Islands approach is more generous, as legislation indicates that both investment funds and any entity through which an investment fund invests directly or indirectly are within the scope of the exemption.

Special Regimes for Holding Companies

All jurisdictions (save for Jersey) have introduced a more relaxed substance regime for holding companies that own equity investments only. However, this regime seems at odds with the general aim of the rules, so it will be interesting to see how this develops across the different jurisdictions.

OUR RESOURCES FOR PRIVATE FUND MANAGERS

Clifford Chance provides regular legal updates and access to legal insights calls and toolkits on a wide range of hot topics in the financial and corporate markets globally.

Insights for Asset Managers

"Insights" is a series of calls offering a practical overview of the issues faced by the asset management and funds sector in today's international legal, regulatory and commercial environment. Each call lasts for around 30 minutes and focuses on a specific topic, with participants able to submit questions via Webex during the call. To receive invitations to future calls in the Insights for Asset Managers and Funds series, please contact **Janice Alleway**.

Financial Markets Toolkit

Our **Financial Markets Toolkit** and associated App contains our growing collection of publications, guides, videos and transaction tools from across our global network. The resources are available for you on demand, whenever you need them.

Within our Financial Markets toolkit, we have Topic Guides that bring together our expertise and information on specific topics. They provide access to a summary of the latest developments as well as other resources such as Clifford Chance materials and contacts, legislation and official publications.

You can request full access by sending an email to **FMToolkit@cliffordchance.com**

SMCR Manager

The SMCR Manager is an interactive digital tool to assist clients with the implementation of the Senior Managers and Certification Regime.

The FCA Senior Managers and Certification Regime (SMCR) was first rolled out to banks in 2017. It will be extended to the rest of the UK financial services sector from 9 December 2019. Clifford Chance has leveraged the insights gained through advising banks on their SMCR implementation to develop the SMCR Manager, a compliance workflow product that will guide users through the application of SMCR and provide ongoing support for compliance following implementation.

For further information please visit www.cliffordchance.com/smcr or **smcr@cliffordchance.com**.

M&A market practice survey

Clifford Chance is involved in an unrivalled volume of M&A transactions which means that we are uniquely placed to share our insights on current trends, focusing on what is "on" or "off" market. Our annual market practice survey analyses Private Equity, M&A and management equity terms seen in a sample of over 50 transactions led out of London during 2018, in addition to highlighting the key themes seen in the debt markets in 2018.

Please contact **Tamsin Collins** if you would like further information.

Global M&A Toolkit

Our **Global M&A Toolkit** and associated App comprises a growing collection of web-based transaction tools and in-depth analysis of the most important market and regulatory developments in M&A regimes across the globe. It aims to bring clarity to the increasingly complex world of cross-border M&A and features special access to our leading cross-border M&A databases, informative videos, and access to a library of specialist publications covering the key issues in global M&A.

You can request full access by sending an email to **globalmandatoolkit@CliffordChance.com**

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