

TIC Form SLT: First Reporting Deadline for Private Fund Managers

PENpoints

Certain private fund managers must file Form SLT, the latest addition to the Treasury International Capital System, with the Federal Reserve Bank of New York by October 23, 2011.

In June 2011, the Department of the Treasury and the Federal Reserve Bank of New York finalized the instructions for a new form ("Form SLT") required to be filed by certain private fund managers by October 23, 2011. Form SLT is the latest addition to the Treasury International Capital (TIC) System, which collects data regarding cross-border debt and equity transactions and positions for use in compiling various economic statistics and formulating U.S. international financial and monetary policies.

Who Must File?

A private fund manager must file Form SLT on behalf of each U.S. entity it manages if, as of the end of a calendar month, the aggregate GAAP fair market value of the following equals or exceeds \$1 billion:

- all partnership interests held by non-U.S. limited partners in its U.S. partnerships, plus
- all investments held by its U.S. partnerships representing less than 10% of the voting securities of a non-U.S. portfolio company, plus
- all long-term debt (more than one year maturity) held by its U.S. partnerships of a non-U.S. portfolio company.

In general, a private fund manager does not need to report (1) securities held in third-party accounts it manages, (2) co-investments made by its funds' limited partners, or (3) on behalf of any non-U.S. partnerships it manages.

If a private fund manager is required to file a Form SLT, the following general rules apply:

- it must consolidate reportable positions for all of its U.S. partnerships;
- undrawn commitments are not included in determining fair market value;
- an entity is a resident of its country of formation, regardless of where it conducts business; and
- a general partner interest is always a voting security, but a limited partner interest is rarely considered a voting security.

How Are Filings Made?

If a filing is required, a private fund manager must file Form SLT with the Federal Reserve Bank of New York, with the first report due October 23, 2011 for positions held on September 30, 2011. The next report is due January 23, 2012 for positions held on December 31, 2011, with monthly reporting thereafter. Note that once a Form SLT filing requirement is triggered the private fund manager must continue to file Form SLT for the remainder of the calendar year. The information included in Form SLT is confidential and not available under the Freedom of Information Act.

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PENbriefs

Sino-U.S. Antitrust Cooperation Agreement

On July 27, 2011, U.S. antitrust enforcement agencies signed a Memorandum of Understanding with their Chinese counterparts, with the goal of promoting enhanced cooperation and communication among each country's antitrust enforcement agencies. As a result of this agreement, and other increasingly common transnational cooperation agreements, agencies in the United States, China and the European Union—the world's three largest economies—can now be expected to engage in heightened cooperation in developing antitrust policies and in coordinating investigations and enforcement. To learn more, see our recent *Kirkland Alert*.

PENnotes

Practising Law Institute's "Mergers & Acquisitions 2011: What You Need to Know Now"

New York - September 8, 2011

Chicago - September 22-23, 2011

Top deal lawyers, general counsel, regulators and investment bankers will discuss trends and techniques in tender offers and private equity transactions, developments in Delaware law and shareholder litigation, continuing vitality of the poison pill and insight into the antitrust regulatory landscape. Kirkland partner R. Scott Falk, P.C., is a co-chair of this event. For more information, or to register for this event, please visit: www.pli.edu.

Kirkland & Ellis Seminar: "Structuring and Negotiating LBOs"

San Francisco - September 9, 2011

New York - September 15, 2011

Chicago - September 22, 2011

This biennial seminar, chaired by Kirkland partner Jack S. Levin, P.C., will review the legal, tax, structuring and practical negotiating aspects of buyouts and other complex private equity deals. Topics covered will include structuring the buyout of a target company; negotiating acquisitions; negotiating debt and equity financing for acquisitions; compensating target executives through equity-based incentives; tax, SEC, accounting and other legal and practical aspects of acquisitions and financings; special issues in acquiring a public company; special issues in acquiring a distressed company; restructuring a distressed portfolio company; forming private equity funds, including developments in taxation of carried interests; and using partnership, LLC or other tax flow-through entities. For more information, or to register, please visit: <http://communications.kirkland.com/ve/ZZl91jI716230M80Td8>.

The NASBIC Venture Capital Institute

Atlanta, Georgia

September 19-22, 2011

The NASBIC Venture Capital Institute will be held from September 19-22, 2011, at Emory University in Atlanta. This four-day program will be taught by experienced venture and private equity fund managers and industry professionals. The curriculum will offer innovative techniques for executing effective due diligence; difficult ethical considerations; elements of pricing, structuring and negotiating deals; preparing profitable exit strategies; and understanding current tax and legal issues affecting investments. Kirkland partner Jack S. Levin, P.C., will be speaking on "Critical Legal and Tax Aspects of the Venture and Private Equity Industry." For more information, or to register for this event, please visit: www.nasbic.org/page/VCI_Home.

Terrapin's Brazil Investment Summit 2011

New York, New York

October 25-27, 2011

Kirkland is a sponsor of Terrapin's Brazil Investment Summit 2011, an investment strategy conference for funds, traders and investors focused on Brazilian opportunities. This three-day conference will uncover opportunities across hedge funds, quantitative strategies, private equity, infrastructure, real estate, commodities and more. Kirkland partner Frederick Tanne will participate in a panel discussion on "Private Equity Opportunities." For more information, please visit: www.terrapinn.com.

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Private Equity Practice at Kirkland & Ellis

Kirkland & Ellis LLP's nearly 400 private equity attorneys handle leveraged buyouts, growth equity transactions, recapitalizations, going-private transactions and the formation of private equity, venture capital and hedge funds on behalf of more than 200 private equity firms around the world.

Kirkland has been widely recognized for its preeminent private equity practice. The Firm was named Best M&A Firm in the United States at World Finance's 2011 Legal Awards and was honored as the "Private Equity Team of the Year" at the 2011 IFLR Americas Awards. Kirkland was also recognized as "Law Firm of the Year" in *Buyouts* magazine's "2010 Deal of the Year Yearbook." Kirkland was ranked in the first tier among law firms for both Private Equity Buyouts and Private Equity Funds by *The Legal 500 U.S. 2010*. Additionally, *Pitchbook* named Kirkland as one of the most active law firms representing private equity firms in its 2010 "Private Equity Breakdown."

The Lawyer magazine has recognized Kirkland as one of the "The Transatlantic Elite" every year since 2008, noting that the firm is "leading the transatlantic market for the provision of top-end transactional services ... on the basis of a stellar client base, regular roles on top deals, market-leading finances and the cream of the legal market talent."

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