



May 2015

## MFA Hosts 5th Annual Compliance Conference



Now in its fifth year, **MFA’s annual *Compliance* conference** provided attendees with the latest information and practical advice on how to implement a top-tier compliance program in the U.S. and internationally.

The conference kicked off with a keynote address from **CFTC Commissioner Sharon Bowen** (left), who spoke on the importance of good governance protocols, namely the governance rule and need for qualitative standards for board members. Later in the day, panelists addressed the **increasingly common cybersecurity safeguards** asset managers have adopted following recent high-profile cyber-attacks, how cyberattacks are likely to evolve in the next few years, and what tools, resources and personnel are needed to stay ahead of the curve. *Compliance* also featured specific discussions on international issues and regulations, providing **the most up-to-date information on EU regulations** like the Markets in Financial Instruments

Directive (MiFID) and the Alternative Investment Fund Managers Directive (AIFMD).

This conference built on MFA’s ongoing work in this area, and set the scene for many of the new and upcoming compliance requirements managers need to know about for 2015 and beyond.

[MFA’s Blogpost: Keynote Address with CFTC Commissioner Sharon Bowen Kicks Off MFA’s Compliance 2015](#)

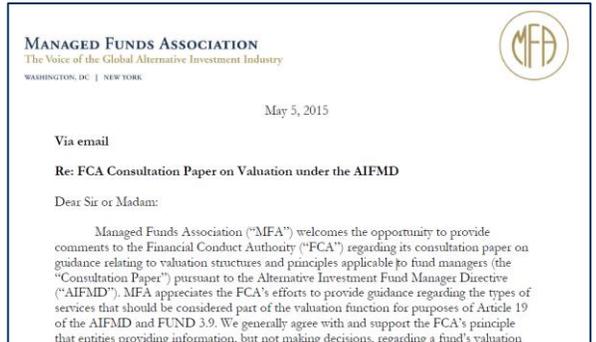
[MFA’s Blogpost: Panel Discusses Updates on Cybersecurity at MFA’s 2015 Compliance Conference](#)

[MFA’s Blogpost: European Update Highlights the Evolving Regulatory Landscape](#)

## MFA Responds to FCA on Consultation Paper on Valuation under the AIFMD

On May 5, MFA filed a letter with the **Financial Conduct Authority (FCA)** responding to their consultation on valuation principles under the AIFMD. MFA generally supports the guidance provided by the FCA, while encouraging the FCA **to make one amendment to provide that a fund manager may intervene with respect to a third party’s valuation**, without being deemed to have taken the valuation function away from the third party. In the paper, MFA explained this would apply in circumstances when the manager believes it must intervene to meet its fiduciary obligations to clients.

[MFA’s Comment Letter to FCA on Consultation Paper on Valuation under the AIFMD](#)



## MFA Responds to European Commission on Capital Markets Union

**President Jean-Claude Juncker** and other European Union (EU) policymakers have made increasing investment, employment and economic growth a top priority for the EU. To further these efforts, **MFA wrote Jonathan Hill**, Europe’s Commissioner for Financial

Stability, Financial Services and Capital Markets Union (CMU), and responded to a **European Commission Green Paper** and **Prospectus Directive** to discuss how the alternative investment industry can diversify funding sources, unlock capital and help support the region's return to sustainable growth and job creation.

The European Commission has already acknowledged **the pivotal role the globally-regulated alternative investment industry and asset managers can play to complement a transparent, well-functioning banking system**. In each of MFA's letters, MFA asserted that a CMU that brings these two elements together will fuel economic growth, spur job creation and support the financing of small-and-mid-sized enterprises.



*MFA staff and Members discuss the CMU with Commissioner Hill in February*

***MFA believes that such a framework can be accomplished with a few guiding principles:***

- Robust capital markets must complement a well-functioning, safe and stable banking system;
- Capital markets should ensure that all companies, including small and medium-enterprises, have regular access to efficient, affordable financing;
- Capital market infrastructure should promote fair competition and fair access for all market participants; and,
- Effective markets must have capital from a variety of sources and types of investors.

[MFA's Response to European Commission Consultation Documents on "An EU Framework for Simple, Transparent Standardized Securitization"](#)

[MFA's Response to the European Commission Green Paper on CMU](#)

[MFA's Response to the European Commission Prospectus Directive](#)

## **MFA Submits Supplemental Letter to CFTC and Prudential Regulators on Definitional Proposals for Uncleared Margins**



On May 15, MFA submitted a supplementary letter to the **U.S. Commodity Futures Trading Commission (CFTC) and the Prudential Regulators** in respect of their respective re-proposed margin rules for uncleared derivatives. In the letter, MFA proposed a definition of "**investment fund**" and a related amendment to the definition of "**control**" to distinguish funds from other entities for purposes of the appropriate application of initial margin thresholds.

[MFA's Supplemental Letter to CFTC and Prudential Regulators on Definitional Proposals for Uncleared Margin](#)

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