



October 2015

MFA Event Examines Capital Markets Union Action Plan



MFA Members play in the global economy.

MFA President and CEO Richard H. Baker provided opening remarks highlighting the value capital markets can provide not just for investors, but also as a source of funding and financing for small businesses and entrepreneurs. He also discussed the significant role vibrant capital markets can play in helping fuel an economic resurgence throughout Europe and emphasized the constructive role MFA has played on relevant policy debates in the EU.

On October 1, MFA joined POLITICO to host a breakfast event on the European Commission’s new flagship project intended to boost jobs and growth in Europe: the Capital Markets Union (CMU).

The event featured EU Commissioner for Financial Services Lord Jonathan Hill – in his first public appearance following the plan’s announcement – to discuss the details of the new initiative.

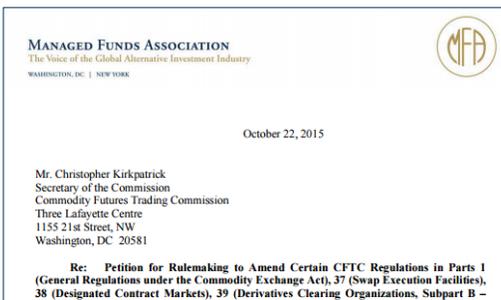
More than 240 stakeholders, including Members of the European Parliament, European Commission, representatives from various EU Member State governments and a host of financial firms and trade body representatives were in attendance to hear from Commissioner Lord Hill – and learn about the important role



[Photos from the MFA-Politico CMU Breakfast Event](#)

[Video from the MFA-Politico CMU Breakfast Event](#)

MFA Files CFTC Petition for SEF-Related Rule Amendments



On October 22, MFA filed a petition with the Commodity Futures Trading Commission (CFTC) to amend certain CFTC regulations related to trading on swap execution facilities (SEFs). In total, MFA raised nine proposed rule amendments based on MFA Members’ trading experiences and the “lessons learned” through the SEF implementation process.

The petition also reiterated MFA’s concerns with ending the current two-tier SEF structure created by continuing barriers to the buy-side’s impartial access to certain SEFs, like the unnecessary practice of post-trade name disclosure on SEFs that offer anonymous execution of cleared swaps. CFTC Chair Timothy Massad said earlier this week that the commissioners have varying opinions on

this issue and “for the time being, [are] not taking any action” on it.

[MFA’s Petition to CFTC for SEF-Related Rule Amendments](#)

[MFA’s CFTC Position Paper, “Why Eliminating Post-Trade Name Disclosure Will Improve the Swaps Market”](#)

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MFA Engages on SEC Staff's Aggregated Private Funds Data Report

On October 16, U.S. Securities and Exchange Commission (SEC) staff published a report that provided private fund industry statistics and trends, reflecting aggregated data reported by private fund advisers on **Form ADV** and **Form PF**. That same day, SEC Chair Mary Jo White spoke at MFA's **Outlook 2015** conference in New York, and discussed many of those findings, including the role registration and reporting data has played to increase transparency and better protect investors.

This was the **7th annual Outlook conference**, a two-day event to foster dialogue on critical issues faced by fund managers, investors and fiduciaries, and provide programming on global markets, public policy and the needs of institutional investors.

Addressing the **more than 300 conference attendees**, SEC Chair White highlighted what the agency has learned from the data it has collected in recent years, and how it is seeking to use that data more effectively. She noted that MFA **"has been an important and constructive voice representing"** the alternative investment industry.

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- SEC Chair Mary Jo White

Chair White also relayed that this new aggregated private funds data **"should help to address persistent questions, and to some degree, misconceptions, about the practices and size of the private fund industry."**

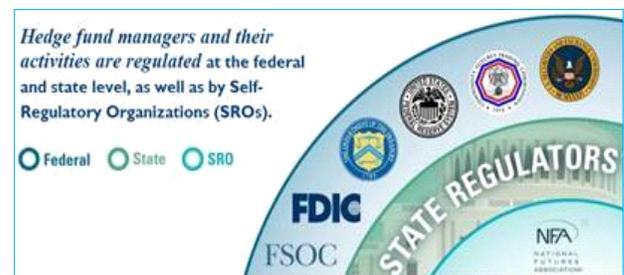
Following the report's release and Chair White's remarks, **MFA President and CEO Richard Baker released a statement welcoming the release of the data.** He explained that alternative investment managers play an active role in the more regulated, more transparent capital markets brought about by the Dodd-Frank Act – and how MFA Members have embraced many of these changes and continue to advocate for globally-consistent regulations that foster fair and efficient markets for all investors.

He also reiterated that **the alternative investment industry – because of structural and regulatory factors – does not pose a systemic or destabilizing threat**, even during times of financial crisis.

[The SEC's Private Funds Data Report](#)

[MFA's Statement on the SEC's Private Funds Report](#)

[Chair White's Keynote Address at Outlook 2015 \(Video\)](#)



MFA-SIFMA AMG File Request for Extended CFTC Relief from Rule 1.35(a) Oral Recordkeeping Requirement

On October 21, MFA and the Asset Management Group of SIFMA filed a request letter with the CFTC for **extended no-action relief from compliance** with Rule 1.35(a)'s requirement to record oral communications by asset managers that are deemed members of swap execution facilities (SEFs).

The letter requests extended no-action relief until the earlier of: (i) December 31, 2016; or (ii) the effective date of any Commission action on the proposed amendment that would eliminate this requirement.

[MFA's Request for Extended CFTC Relief on Oral Recordkeeping Requirement](#)



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MFA Publishes New White Paper on Automated Trading

TRADING IN THE 21ST CENTURY:

An Investor Perspective

A White Paper by Managed Funds Association | October 2015



On October 16, MFA released a **new white paper and supporting video** discussing the benefits investors have received due to the growth of electronic and automated trading.

The paper, “**Trading in the 21st Century: An Investor Perspective**,” takes an in-depth look at how automated trading has developed in recent decades and explores the important role technology and automated trading have played in **decreasing costs and increasing market efficiency**. Importantly, the paper also dispels some commonly held myths and details how U.S. and European **regulators have enhanced electronic trading regulations and closely oversee trading**, including automated trading practices.

MFA provides the following **key takeaways** to help give a more detailed understanding of



the impact automated trading has had on our markets, the benefits it has provided investors and its current regulatory oversight:

- Automated trading has helped **lower costs for investors**. Before orders could be submitted electronically, investors relied on brokers for trading and liquidity. Execution fees were significantly higher, often making trading more cumbersome and expensive.
- Automated trading has **made markets more efficient**. New market structure regulations and the use of technology have worked together to enhance market liquidity and to lower transaction costs.
- U.S. and European regulators and exchanges have **enhanced electronic trading regulations** and closely oversee trading, including automated trading practices.
- “Automated trading” and “algorithmic trading” have become catchall terms. There are widespread uses for automated trading and **not all automated trading is the same** – therefore regulations should not be imposed in a “one size fits all” fashion.

[MFA’s White Paper: Trading in the 21st Century - An Investor Perspective](#)

[MFA’s Supporting Video: Trading in the 21st Century - An Investor Perspective](#)

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