

Excerpts from 2015 IMN Survey (status as on 15 October 2015) on registration, appropriate disclosures and oversight of hedge funds (Recommendation 1)

Jurisdiction ¹	1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs	2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.	3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation.	4. Please describe the main challenges (where relevant) and any lessons learned in implementing this reform.	5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.
Argentina\$	N/A	N/A	N/A	N/A	N/A
Australia	There are 473 operating single-manager hedge funds and funds of hedge funds, of which 371 funds reported Australia as the 'fund domicile' (30 September 2014). Reported assets of Australian single-manager hedge funds is \$83.7 billion and for funds of hedge funds around \$12 billion.	Retail managed investment schemes must be registered pursuant to Corporations Act. However, a hedge fund can be structured in different ways (for example as a company) and may be subject to different requirements based on its structure. For example, a scheme would not need to be registered if it was offered to wholesale only.	All managers of domestic hedge funds are required to hold an Australian Financial Services Licence (AFSL) issued by ASIC. AFSL licences impose organisational and operational standards on licensees relating to: risk management; management of conflicts of interest; having adequate resources (including financial, technological and human); training and supervision of personnel and compliance;	In relation to reforms relating to disclosure to investors, further industry consultation was required to settle the definition of a 'hedge fund' in ASIC Class Order [CO 12/749] which related to product disclosure statements.	We run general proactive and reactive surveillance of the regulated population of hedge funds. There is no current surveillance that specifically targets the monitoring of any recent reforms.
Brazil	All funds traded in Brazil are required by law to be locally domiciled. Given the specific features of Brazilian regulation, no domestic fund category fits entirely the Hedge Fund description provided by IOSCO. Therefore, no specific assessment is made on the size of Hedge Funds.	All funds and fund managers are subject to mandatory registration at CVM.	Fund managers are subject to all requirements listed in the question except prudential regulation.		
Canada	There are 24 “hedge fund” managers, around 52 hedge funds for a total net assets of approximately 2.2 billion USD in Québec (2012).	In the Québec securities legislation, there is no definition of “hedge funds”. In Canada, all investment fund managers, no matter the type of investment funds they manage (conventional mutual funds, closed-end funds, exchange traded funds, alternative funds, etc.) and no matter if the managed funds are publicly offered or if they are sold under a prospectus exemption, are required to be registered under securities laws under National Instrument (NI) 31-103. All investment fund managers are subject to the same rules, no matter the type of investment	NI 31-103 provides for a comprehensive regulatory framework applicable to all registered investment fund managers (IFMs). In order for an IFM to be registered, it must demonstrate that it meets the proficiency, integrity and solvency requirements. IFMs are required to act in the best interests of the hedge funds they manage. NI 31-103 outlines the internal controls and system requirements for IFMs, which includes a risk management framework and imposes a disclosure requirement to clients of the conflicts of interest in a timely manner. With regard to prudential regulation, IFMs must maintain minimum capital in the amount of \$100,000. An IFM must maintain insurance based on a formula with minimum of \$200,000.	N/A	N/A

¹ To view the complete responses to the 2015 IMN Survey, see <http://www.fsb.org/what-we-do/implementation-monitoring/other-areas/nationalregional-responses-by-jurisdiction/>

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		funds they managed.			
China	Yes, hedge funds are domiciled locally. The asset under management was 1.26 trillion yuan (June 2015).	All fund managers should possess certificates.	Hedge fund managers should abide by laws, regulations and self-disciplinary rules in the industry. Ethic requirements and code of conducts should be obeyed. They are required to disclose substantial information, such as the investment of the fund, its assets and liabilities, distribution of investment profits, fees and commissions, possible conflict of interest, etc.	The overuse of leverage was one important factor that triggered the International Financial Crisis. We need to have deeper analysis of the leverage (deleverage) on market liquidity. The monitoring of the financial leverage is typically challenging due to lack of transparency.	
France	The AMF gathers information on the size of the hedge fund industry pursuant to the AIFMD reporting obligation. However, it is still working on the reliability and the relevance of the information. The figures provided so far show that this industry remains negligible in France in terms of assets under management and number of funds.	Hedge funds managers/hedge funds must be either authorized or registered. Hedge funds that are not authorized and that are only registered may only be marketed to professional investors.	Hedge funds managers authorized pursuant to AIFMD must comply with ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. Regarding managers registered pursuant to AIFMD, France decided to subject them to similar requirements to those applicable to authorized AIFMs.	AIFMD reporting for Q3 2014 showed that the hedge fund industry in France is very limited and uses few leverage.	Hedge funds managers, as registered or authorized AIFMs, are subject to ongoing reporting obligations, whereby they provide information on their activities. The AMF will continue to collect the data and will work to enhance the relevance and the reliability of data provided and to ensure an efficient comparability of data over time.
Germany	Yes, HFs are domiciled locally with USD 2.1 billion Assets under Management in 27 single hedge funds.	Locally domiciled HF managers have either to have a registration or a full licence depending on the amount of Assets under Management. HFs under the German Capital Investment Act (KAGB) are available for professional and semi-professional investors only, thus the contractual terms need no approval by BaFin in advance. But all HFs have to be reported to BaFin and many reporting requirements including AIFMD reporting apply.	All HF managers domiciled locally are subject to ongoing requirements regarding organisational and operational standards, conflicts of interest and other conduct of business rules, disclosure to investors and prudential regulation.	HFs and HF Managers are covered by the German Legislation since 2004, so the new requirements following the AIFMD regulation did not result in main changes.	See question 4.

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Hong Kong SAR	No, none of the qualifying HFs managed by SFC-licensed HF managers was domiciled in Hong Kong. The number of HFs managed by SFC-licensed HF managers in Hong Kong was 778, and the total HF AUM in Hong Kong was US\$120.9 billion (30 September 2014).	Generally, HF managers providing asset management services to third parties are required to be licensed by the SFC. There is no minimum size exemption from the licensing requirement.	Licensed HF managers are subject to conduct of business standards, including the Internal Control Guideline (ICG) and Fund Manager Code of Conduct issued by the SFC, which covers operational standards, conflict of interest and disclosure of clients. They are also required to submit their financial resource figures under SFC rules as well as annual audited reports on regular basis.	The SFC will keep in view international policy development in systemic risk assessment and risk management practice.	Data collected from local and IOSCO HF surveys have assisted our assessment of the potential systemic risk posed by the local HF industry.
India	All hedge Funds registered under SEBI AIF Regulations are required to be domiciled locally. The AUM of category III AIFs, which includes Hedge Funds, is INR 7356.81 crores at the end of FY 15.	There is no numerical threshold for applicants seeking to obtain registration as Category III AIFs	SEBI AIF Regulations prescribe investment conditions and restrictions to be followed by such Funds. In addition, the Regulations also prescribe certain guidelines for conduct of business by Managers.		
Indonesia\$	N/A	N/A	N/A	N/A	N/A
Italy	69 HFs are domiciled and assets under management amounted to 4.69 billion euro (2014).	All asset management companies, including hedge fund managers, are subject to authorisation. In general in Italy, the asset management/investment funds sector is subject to authorization and regulation (i.e. there are no unregulated, unsupervised activities).	Authorised hedge fund managers have to comply with rules on general organisation (including specific requirements on risk management), capital adequacy, internal control systems, limits on leverage, rules of conduct and conflict of interest, reporting, disclosure to investors. Also see the response by the EU Commission.	The main challenges are monitoring the impact of the leverage of hedge funds on systemic risk and the exercise of the supervisor's power to impose limits on leverage.	The reform came into force a few months ago, so it is still early for evaluating the effects. Consob has performed a cost-benefit analysis on the implementation of the AIFMD. A report has been drafted in this regard. A review of the AIFMD is envisaged by July 22, 2017. Consob is in the process of monitoring the impact of the reform and, therefore, no preliminary finding is available at this stage. However, it is noted that, with reference to the asset management sector, the recent EU initiatives under the AIFMD, and the ELTIF, EUVECA and EUSEF Regulations present commonalities (the asset management companies often manage more than one type of fund) and, therefore, more consistency, simplification and

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					harmonization across the various tools in terms of information to the public could be achieved.
Japan	Some HFs is domiciled in Japan. There are 309 HFs with AUM of HFs of 2,298 billion yen (end-March 2014).	There are no criteria or numerical thresholds specifically targeting HFs or HF managers. HF managers are regulated as discretionary investment managers and investment trust managers under the FIEA. They are subject to mandatory registration.	<p>HF managers are subject to following requirements prescribed in the FIEA;</p> <ul style="list-style-type: none"> ▪ organisational and operational standards: requirements to have stated capital of 50,000,000 yen or more and net assets of 50,000,000 yen or more, establish board of directors meetings, have a personnel structure sufficient for appropriately operating businesses, and be juridical person. ▪ conflicts of interest and other conduct of business rules : Prohibition of acts that result in insufficient protection of investors , harm the fairness of transactions or cause a loss of confidence in Financial Instruments Business Engagement in Investment Management Business with loyalty to Right Holders. Engagement in Investment Management Business with due care of a prudent manager for Right Holders. ▪ disclosure to investors: funds management status, etc. in investment report. ▪ prudential regulation: there are no prudential regulations. 	N/A	We are not monitoring the effects specifically targeting reforms of HFs and HF managers.
Mexico##	N/A	N/A	N/A	N/A	No.
Republic of Korea	NAV: USD 2.13 billion Number of HFs: 32	Minimum capital of KRW6 billion (about USD 5.2 million) and at least 3 professional HF managers	<ul style="list-style-type: none"> - organizational and operational standards: Required to maintain adequate human and physical resources as well as internal control regime - conflicts of interests and business conduct: Required to have in place a system to prevent conflicts of interest - Disclosure to investors: no mandatory requirements - Prudential regulation: subject to minimum operational capital and operational risk assessment 	N/A	Yes. We monitor the impact of hedge fund regime in Korea on an on-going basis

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			requirements as well as supervisory prompt corrective action		
Russia	There are approximately 30 hedge funds operating now in Russia.	Any joint-stock investment fund may operate in Russia only if the fund has the appropriate licence issued by the Bank of Russia. In order to provide management of a unit, investment fund managers must also have an appropriate licence issued by the Bank of Russia.	The Bank of Russia is empowered to regulate, control and supervise the activities of joint-stock investment funds, asset managers of investment funds, unit investment funds and specialized depositories. Ongoing requirements regarding organisational and operational standards, conflicts of interest, disclosure to investors for registered hedge funds managers are set.		
Saudi Arabia\$	N/A	N/A	N/A	N/A	N/A
Singapore	There are two Singapore-domiciled HFs and the total AUM is USD \$909 million as at September 2014. The majority of HFs managed in Singapore is not domiciled locally.	All Fund Management Companies (FMCs), including HF managers, operating in Singapore are required to be licensed or registered with MAS.	Yes, all FMCs, including HF managers, are required to meet ongoing business conduct requirements which include independent custody of assets and independent valuation and reporting to investors. FMCs are also required to put in place compliance, risk management and audit requirements, and address any conflicts of interest which may arise. FMCs are also subject to risk-based capital requirements.		
South Africa	The South African Hedge Fund industry has R57bn (USD 4.56 billion) in assets under management. These assets are invested in 113 funds and managed by 55 investment managers. Before the Hedge Funds regulations became effective on 01 April 2015, all South African Hedge Funds were domiciled locally. However, the new regulations make provisions for foreign domiciled Hedge Funds.	In order to be approved and issued with a licence under the FAIS Act, hedge fund managers must comply with the Fit and Proper criteria/requirements. These requirements include inter alia, the following elements: <ul style="list-style-type: none"> • Personal qualities of honesty and integrity • Competence (experience, qualifications and regulatory examinations) • Operational ability • Financial soundness and • Continuous professional development. 	Yes. When it comes to organisational and operational conduct, hedge fund managers are obliged to treat customers fairly and are also required to always or at all times act honestly, fairly, with due skill, care and diligence and in the best interests of the client and the broader financial services industry. As regards organisational and operational standards, hedge fund managers are obliged to have processes and systems in place for protection and separation of clients' funds and assets.	The consultation of the private sector from the commencement of the reform process was useful in ensuring a smooth and successful process.	The Hedge fund regulations became effective on the 1 April 2015, hence, more time needs to be given to review and assess hedge funds through the regular monitoring processes in place.

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		All Hedge Funds in South Africa, regardless of size, are required to register with the regulator, as a declared Collective Investment Scheme			
Spain	At the end of 2014, there were 50 HFs domiciled locally with assets under management of around 1,715 million euros.	The same contained in the EU AIMFD. Law 35/2003 on collective investment undertakings, under article 41 bis, established criteria for possible exemption in favour of those companies managing alternative collective investment institutions whose assets under management are lower than €100M, or €500M in the case of non-leveraged collective investment institutions. Nonetheless, Spain has not developed the requirements for exemption, so that all managers are actually subject to the same general requirements, regardless of their size.	We have recently transposed the EU AIFMD. The EU legislation is very strict in terms of organizational requirements (e.g., conflict of interest, internal control, risk management) imposed on hedge fund managers and depositories, as well as in terms of reporting requirements, among others. The general organization requirements are the same for companies managing both traditional and alternative collective investment undertakings.	We have no comments in this regard. The hedge fund sector in Spain is very small in Spain, representing less than 1% of overall assets under management of collective investment undertakings.	
Switzerland	At the time being FINMA has not approved any Swiss single strategy HF. (Only funds of hedge funds. Asset Managers of non-Swiss domiciled hedge funds are present in Switzerland.)	Swiss investment funds, mutual funds as well as HFs, need approval by FINMA irrespective of their size. Asset managers of CIS as well as HF managers principally are subject to mandatory authorisation by FINMA. CIS / HF Managers whose investors are qualified and which meet one of the following requirements are not governed by the CISA: 1. The assets under management, including the assets acquired through the use of leveraged finance, amount in total to no more than CHF 100 million. 2. The assets under management of the CIS consist of non-leveraged CIS where investors are not permitted to exercise redemption rights for a period of five years after their first investment is made in each	Authorised HF managers are subject to ongoing prudential supervision. All of the mentioned requirements apply.	The amended CISA (effective on 1 March 2013) basically subjects all Swiss and foreign CIS / HF managers to the duty of authorisation by FINMA. Hence the number of authorised asset managers of CIS has increased from 99 at the end of 2012, to 119 at the end of 2013, to 151 at the end of 2014. And in 2015 the number is still increasing. The organisational structure of the majority of the asset managers of CIS as well as their activities (e.g. asset management of off-shore funds) are complex. Hence, the authorisation requests have to be examined very thoroughly by	Yes. FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework. However, at the time being there are no particular policy initiatives in relation to the authorisation requirements for asset managers of CIS.

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		<p>of these CIS, and amount to no more than CHF 500 million.</p> <p>3. The investors are exclusively group companies of the group of companies to which the asset manager belongs.</p>		FINMA.	
Netherlands	Currently, the data are still being reviewed. This will be updated before the publication of the IMN survey.	Hedge fund managers are subjected to mandatory registration by the AIFMD. The Dutch law which implements the Directive provides for a lighter regime for managers where the cumulative AIFs under management fall below a threshold of EUR 100 million and for AIFMs that manage only unleveraged AIFs that do not grant investors redemption rights during a period of 5 years where the cumulative AIFs under management fall below a threshold of EUR 500 million. Other managers are subject to mandatory authorisation.	Hedge fund managers that are subject to registration have to provide their competent authorities with relevant information regarding the main instruments in which they are trading and on the principal exposures and most important concentrations of the AIFs they manage. Registered managers have to comply with minimum requirements regarding the reporting of information to competent authorities whereas authorised AIFMs which are leveraged on a substantial basis have to comply with a wider set of reporting requirements. The Dutch requirements for registered managers are the same as the requirements in article 3 of the AIFMD. Managers that are subject to authorisation are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation.	No relevant challenges or lessons learned.	No monitoring other than by ESMA.
Turkey	Around 39 hedge funds domiciled locally are operating in Turkey with around USD 375 million net asset value.	All hedge funds are subject to registration with CMB regardless of their size	Currently hedge funds have to meet organizational, operational, personnel standards. According to communiqué that came into force on 01.07.2014, hedge funds have to register with CMB and only portfolio management companies are allowed to become a founder of all types of funds including hedge funds. They have to report to CMB and their investors periodically.	Since relatively small number of hedge funds are operating in Turkey, it has been easy to implement reforms	As reforms are at quite nascent stage, we have yet to see results of developments.

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United Kingdom	<p>There are 19 hedge funds domiciled in the UK, managing \$3.9bn. There are many more hedge funds operating in the UK that are domiciled elsewhere.</p>	<p>The FCA understands ‘registration’ in this instance to mean ‘authorisation’.</p> <p>In the UK, a hedge fund manager with a Part 4A permission (permission given by the FCA) of managing a fund (AIF) will be either: a full-scope UK manager, or a small authorised UK manager of an unauthorised fund.</p> <p>This is because AIFMD provides that a manager who is the manager of portfolios of funds that have assets under management below certain thresholds is subject to limited requirements under the AIFMD, subject to the right of the EEA state to impose stricter requirement. (Where the cumulative AIFs under management fall below a threshold of EUR 100 million or for AIFMs that manage only unleveraged AIFs and do not grant investors redemption rights during a period of 5 years where the cumulative AIFs under management fall below a threshold of EUR 500 million)</p> <p>The FCA has adopted stricter requirements and requires those ‘below threshold’ managers to also be authorised under our rules. This means these managers are not subject to the full rules of AIFMD but are still supervised by the FCA for carrying on the regulated activity of ‘managing an AIF and must therefore meet the FCA national requirements.</p> <p>For hedge fund managers that are above the thresholds as explained above, a hedge fund manager that wishes to be authorised by the FCA must meet the requirements</p>	<p>Hedge fund managers authorised as per AIFMD requirements are subject to requirements regarding operational and organisational standards (Article 18). Hedge fund managers are also subject to own funds requirements as per Article 9 of the AIFMD and article 21 of the European Directive on the capital adequacy of investment firms and credit institutions. Hedge fund managers authorised as per AIFMD requirements are subject to ongoing requirements regarding conflicts of interest. Hedge fund managers authorised as per AIFMD requirements are subject to ongoing requirements regarding conduct of business (remuneration, risk management, valuation and disclosure to the FCA. The fund manager, for funds marketed in the EEA, must also respect rules relating to periodic disclosure.</p>	<p>The data received via AIFMD reporting, together with other data received through reporting requirements under European legislation such as EMIR, will provide the FCA with a deeper knowledge of the alternative fund/hedge fund sector. The FCA’s initial evaluation of the data received through the AIFMD reporting requirements has also highlighted the need to improve the quality and the consistency of the data. Therefore, the FCA will engage actively with firms to improve the data and expect to be making progressively better use of it. The FCA is also aware of the challenges that may exist in the engagement with other NCAs, both at EU and non-EU level, when sharing currently available information, but it will be looking to make more use of the MMOUs that are in place once we are more confident in our ability to extract the most relevant and useful data. It is still early to think about lessons learned in dealing with the data received. The FCA is currently in the process of analysing the large amounts of data firms send to measure its value and the best way to use it. As this work progresses and best practices are identified, further lessons may be learned.</p>	<p>The FCA intends to use the data it receives under the AIFMD reporting obligations in first instance for its supervisory work. Data should inform about the size of sector activities and their risk profiles, and – over time – help identify trends and assess and monitor different types of risks. This includes any systemic risks that may emanate from the sector. In future our work on improving the quality of the data and our insights should allow ESMA to aggregate and analyse all AIFMD data on the European level, as per AIFMD requirements, and develop an overall view of the European market as well as its potential wider risks. However, a fuller review of AIFMD and the monitoring of its wider effects remain a matter for the European Commission because of the need to ensure consistency across the European market.</p>

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		set out in Chapter II ‘authorisation of AIFM’s under the AIFMD.			
United States of America	As reported on Form ADV, there are 6,924 hedge funds advised by all investment advisers (including exempt reporting advisers) domiciled in the United States, representing \$1,922 billion in total gross assets. Also as reported on Form ADV, there are 6,239 hedge funds advised by registered investment advisers domiciled in the United States representing \$1,892 billion in gross assets.	<p>Each investment adviser with assets under management exceeding \$100 million must be registered with the SEC under the Investment Advisers Act of 1940 (the Advisers Act), regardless of the number of clients, unless that adviser can fit within several exemptions that include the following three:</p> <ul style="list-style-type: none"> (i) adviser solely to one or more “venture capital funds;” (ii) adviser solely to “private funds” with total U.S. assets under management of less than \$150 million; or (iii) a foreign private adviser. <p>Investment advisers qualifying for an exemption may nonetheless elect to register with the SEC, unless they are prohibited from doing so.</p> <p>Managers relying on exemptions (i) and (ii) above (known as “exempt reporting advisers,” or ERAs) continue to be subject to the anti-fraud provisions of the federal securities laws and are subject to examination by the SEC.</p> <p>An investment adviser that has between \$25 million and \$100 million of assets under management must also register with the SEC if it is not required to be registered as an adviser with, and is not subject to examination by, the state securities authority where it maintains its principal office and place of business.</p> <p>Investment advisers that are not registered</p>	<p>HF managers registered with the SEC pursuant to the Advisers Act are subject to the same ongoing requirements as all other registered investment advisers (RIAs).</p> <p>Organizational and operational standards: For example, the Advisers Act imposes a variety of requirements on RIAs that pertain to risk management and the protection and segregation of client assets, such as rules regarding reporting, managing conflicts of interest, and custody of client assets.</p> <p>Reporting</p> <p>Investment advisers, including investment advisers to HFs, register with the SEC by filing Form ADV, which is a public document. ERAs report certain information on Form ADV. RIAs must file annual updates of Form ADV as well as promptly file amendments when certain information becomes inaccurate.</p> <p>Managing conflicts of interest: As any other investment advisers, investment advisers to HFs are subject to fiduciary duties, which require them to disclose to their clients and prospective clients any material facts that might cause the advisers, either consciously or unconsciously, to render advice that is not disinterested. An investment adviser must disclose all material potential conflicts of interest between the adviser and its clients, even if the adviser believes that a conflict has not affected and will not affect the adviser’s recommendations to its clients.</p> <p>The Advisers Act also imposes specific client obligations. Examples include: Code of Ethics: Rule 204(A)-1 under the Advisers Act requires RIAs to adopt a code of ethics setting forth standards of conduct and requiring compliance with applicable</p>	Collecting the breadth of data requested on Form PF generally raises challenges. In addition, Form PF is still a relatively new reporting requirement that requests information with respect to funds that have generally not been subject to detailed reporting in the past. As such, the staff has issued more than 65 Frequently Asked Questions (FAQs) as guidance to filers in addition to responding to filer questions e-mail. The FAQs address a wide range of topics from the very general (e.g., how to report funds that previously did not meet the definition of a “hedge fund” but now meet the definition) to very specific (e.g., how to account for specific types of transactions with respect to calculating counterparty exposures). The staff also continues to work with the data to maximize its usefulness and conducts outreach to filers to better understand what is being reported.	The SEC makes use of the information obtained from Form PF in its regulatory programs and investor protection efforts relating to private fund advisers. Staff are working on ways to report the findings of our data gathering and risk monitoring efforts to enhance our ability to make better and more informed policy recommendations to the Commission and to continue to put out meaningful guidance to our stakeholders.

Excerpts from 2015 IMN Survey (status as on 15 October 2015) on registration, appropriate disclosures and oversight of hedge funds (Recommendation 1)

Jurisdiction ¹	1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs	2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.	3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation.	4. Please describe the main challenges (where relevant) and any lessons learned in implementing this reform.	5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.
		<p>with the SEC generally must register with the state securities authorities of the state in which they are organized and in each of the states in which they do business as an investment adviser.</p> <p>Collective investment schemes in the U.S. are primarily regulated by the Investment Company Act of 1940. Hedge funds and other private pools of capital, however, that are not offered to the public typically rely on one of two statutory exclusions from the definition of an “investment company” to avoid the regulatory requirements of the Act.</p>	federal securities laws.		
<p>\$ Hedge funds are not permitted in Argentina and there are currently no hedge fund and/or hedge fund managers domiciled in Indonesia and Saudi Arabia.</p> <p>##In Mexico, the Mexican regulatory framework applicable to mutual funds does not specify the requirements (neither the registry) for the management or operation of a hedge fund. As of today the National Banking and Securities Commission has not accepted neither the registry of a publicly offered mutual fund, on the assumption that the entity would act as a hedge fund, nor the possibility to invest in one of them to retail investors</p>					