

Rajib Chanda Quoted in *FundFire* on SEC Rule Proposal's Impact on Regulated Investment Company (RIC) Funds

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Corporate Partner Rajib Chanda was quoted in *FundFire*, in an article titled, “FF Alts Feature: SEC Rule Proposal Threatens Registered Fund Biz.” The article discussed the impact of a sweeping SEC rule proposal that would require mutual funds and exchange-traded funds that use alternative investing tools and techniques to have liquid assets to cover the full amount of any uncalled capital they have committed to underlying private equity funds. While some industry attorneys have said that the need for any called capital matching requirement for regulated investment company (“RIC”) private equity funds could cripple the young market, Rajib notes that “the proposed rule might not force RIC fund managers out of business, but the workarounds would significantly change the product ingredients and basic investment thesis.” Rajib predicts the new rule would likely drive RIC funds to invest in other exposures such as private equity secondaries or in business development companies rather than institutional private equity funds. “That would make returns less attractive, which obviously would hurt product development,” added Rajib.

To read the full article, please [click here](#) (subscription required).

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