

# Hedge funds at Barlow Lyde & Gilbert

Barlow Lyde & Gilbert is an international law firm, headquartered in London, and with offices in Hong Kong, Singapore and Shanghai. In other key jurisdictions, such as the USA, we work closely with highly regarded firms with relevant experience of the sector. ■

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## Funds establishment, fund raising and investment activity

Our experience enables us to give clear, timely and practical advice on fund establishment and on fund raising and investment activities, using teams drawn from across our offices and working with lawyers from other jurisdictions as necessary.

Recent instructions include:

- The establishment of a UK-based fund of funds in the context of the equity investment by SNS Reaal, Alliance Trust and the University Superannuation Fund into Climate Change Capital.
- Advising on the establishment of a Cayman fund targeted at professional investors in Hong Kong, including preparation of the private placing memorandum and ancillary subscription documents.
- The establishment of a Channel Island-based investment fund for certain high net worth individuals targeting Eastern European opportunities.
- Advising an exempted Cayman fund on the onshore establishment of an investment adviser in Hong Kong and the structuring of the injection of PRC assets into the investment portfolio. ■

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## Regulatory

Our specialist financial services regulatory team, led by a former FSA enforcement head, represents firms and individuals in the hedge fund industry in FSA and other regulatory investigations. Our team also advises on general compliance and risk management matters, both on establishment and in the course of business.

Recent instructions include:

- Advising and representing a hedge fund in relation to an FSA market abuse investigation.
- Providing pre-emptive advice to a hedge fund in relation to possible FSA market abuse issues, conducting a compliance review and preparing the firm for an FSA thematic visit.
- Advising a hedge fund on effective contact with the FSA and other regulatory authorities in connection with certain litigation claims. ■

## Litigation

Resolving disputes is one of our core practice areas, and our financial services litigation team regularly advises hedge funds on disputes concerning their funds and investments. Our team has a detailed understanding of complex investment products and unlike most major law firms we are able to act against many of the large banks. Recent and current instructions include:

- Advising a hedge fund on effective contact with the FSA and other regulatory authorities in connection with certain litigation claims.
- Advising a number of funds on their position under credit default swaps on ISDA terms, and under exclusive securities lending programmes, following the market turmoil surrounding the collapse of Lehman Brothers.
- Representing a funds management and distribution company and its majority shareholder in a substantial shareholder dispute.
- Advising a registered Hong Kong fund in relation to a shareholders' dispute amongst parties acting collectively as investment manager to a fund, and advising on mechanisms and procedures to limit redemptions from the fund. ■

## Competition/anti-trust

The likely outcome of anti-trust proceedings by competition authorities, whether involving mergers, single firm conduct or sector-wide reviews, is an important factor which hedge fund managers take into account when making investment decisions. Our competition team has assisted a number of funds in a range of situations, providing insights into both substantive and procedural issues.

We can provide brief overviews of potential competition issues, in-depth analysis of the options open to the regulator and regular reports on developments during the review period.

Examples of transactions on which we have advised include TomTom/TeleAtlas, UK Airports, and BHP Billiton/Rio Tinto. ■

## Employment

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Our team has a strong understanding of the structures and remuneration and incentivisation schemes used by hedge funds, and of the resulting issues which crop up on the recruitment and departure of fund managers. Our experience includes:

- Advising a senior fund manager on his departure from his previous employer and his partnership terms with a leading hedge fund, and then subsequently another team on its extraction from its previous employer and the employment contracts with the same hedge fund.
- Advising on the employment aspects of an FSA investigation into alleged market abuse.
- Advising a senior fund manager in Hong Kong on his contract with a leading hedge fund.
- Advising a fund of hedge funds business on a multi-million pound whistleblowing claim which was successfully settled for a minimal nuisance value. ■

For further information on our hedge funds practice, please contact:

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