

# AIMA's Global Review of the Year 2014



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## End-of-year message from Jack Inglis



Jack Inglis  
Chief Executive  
Officer, AIMA

I am delighted to introduce our Global Review of the Year for 2014, which describes the work we have undertaken around the world this year on behalf of our membership.

This publication will go into detail about the year we have had, but in particular, I would like to highlight the following areas where I believe AIMA is making a real difference on our members' behalf:

### **AIMA expertise**

In increasing numbers, our members are directly accessing our strong bench of senior staff for guidance and advice.

### **Policy and regulation**

Our proactive engagement with policy makers and regulators across the full suite of legislation impacting our industry (e.g. AIFMD, UCITS V, MiFID, global derivatives reforms, CPO registration, dealing commissions, beneficial ownership rules and the Net Stable Funding Ratio) continues to secure significant improvements to initial regulatory proposals.

### **Compliance & training**

We are expanding our toolkit of implementation guides and increasing the number of hedge fund manager training programmes for hedge fund staff in all three global regions.

### **Sound practices**

In response to high demand, we are significantly extending our library of sound practice guides and DDQs, available only to AIMA members.

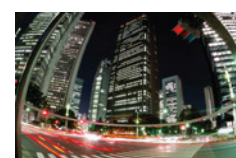
### **Industry image**

Our evidence-based published research is demonstrating the real value of hedge funds to the economy and to investors, and we are gradually altering the embedded misperceptions of our industry.

### **Global influence**

Each year we create new records for the number of forums we host that aid our members tackle the important issues that affect their businesses. In addition to the key financial hubs across the US and Europe, these extend from Cayman to Canada, Sydney to Singapore, Hong Kong & Tokyo.

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Jack Inglis  
Chief Executive  
Officer, AIMA

### New markets

This year we signed a cooperation agreement with AMAC in China in recognition of the future importance of inbound and outbound capital flows to and from the country and hosted forums in Shanghai and Beijing.

### Member engagement

Member involvement is at all-time highs. The power of our organisation is the huge input and active engagement of our members on our many committees, thus enabling us to quickly get to the heart of what really matters to our members.

Finally, I want to take this opportunity to look ahead to 2015. We have a strong pipeline of projects in the coming year, which includes:

- Updates to several of our **due diligence questionnaires**
- A new suite of **Guides to Sound Practices**
- **Guidance notes** on many of the ongoing regulatory and industry issues as part of our broader advocacy programme
- Another **substantial programme of events** (we put on almost 200 in 2014) including the inaugural 'AIMA in Asia' conference in Hong Kong in January and the fifth Global Policy & Regulatory Forum in New York in April
- Numerous **research reports** including a series of papers explaining the value of hedge funds to pension trustees and a survey with the MFA and KPMG on the next five years of the industry
- A significant upgrade of our **website**
- Additional investments in our **media engagement** activities and in projects designed to enhance the **reputation of the industry**

Delivering value to our members is my number one priority, and I look forward to continuing our work on our members' behalf in 2015, our 25th Anniversary year.



## AIMA's year in numbers

<b>1,545</b>	Corporate members
<b>8,500+</b>	Member contacts
<b>56</b>	Countries where our members are based
<b>\$1.5 trillion</b>	AUM of manager members
<b>275</b>	New corporate members joined in 2014
<b>375</b>	Member firms represented on AIMA working groups and committees
<b>800+</b>	Individual participants on working groups and committees
<b>70+</b>	Committees and working groups worldwide
<b>180</b>	AIMA events worldwide
<b>10,000+</b>	Attendees at AIMA events globally
<b>40</b>	Speaking engagements by AIMA principals at industry (non-AIMA) conferences globally
<b>88</b>	Regulatory/tax submissions, summaries and briefing notes
<b>160,000+</b>	Visitors to the global AIMA website
<b>18,000+</b>	Recipients of the AIMA Journal, which marked its 100th edition in September 2014
<b>2,900</b>	Followers of AIMA on Twitter
<b>1,200</b>	Followers of AIMA on LinkedIn



## Government & Regulatory Affairs highlights

### AIMA paper

## Capital Markets and Economic Growth: Long term trends and policy challenges

Policymakers have taken an increasing interest in the role that market finance could play in terms of filling the lending gap and allowing firms to access the capital that they need for growth.

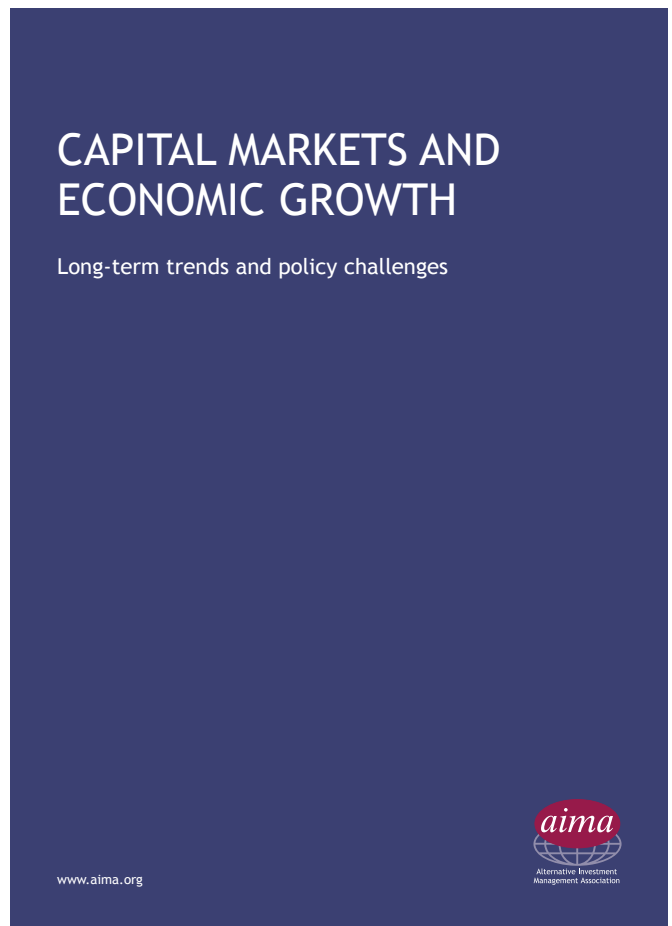
To contribute meaningfully to the debate, AIMA asked two leading academics in this field, Christoph Kaserer and Marc Steffen Rapp, to explore how the balance between market and bank-based finance affects economic growth, resulting in the publication of the study '[Capital Markets and Economic Growth – Long-term trends and policy challenges](#)' in March 2014.

The study's key finding is that the balance between market finance and bank lending does matter and that overreliance on banks comes at a cost in terms of reduced economic growth.

The study estimates that growing capital markets by one-third could fuel a long-term real growth rate in per capita GDP of around 20 percent.

The study also highlights the positive role that hedge funds can play, using their expertise and willingness to create positive governance changes in the firms in which they invest. Hedge funds are also important providers of liquidity, risk management and price discovery in capital markets.

The findings of the research have been taken up by policymakers around the world with great interest.



AIMA has hosted events in the US, Germany, France and Brussels to present the paper's findings, setting out our views about how a policy programme could be developed to exploit the full potential of capital markets.

In the EU, this has given us a 'seat at the table' in the development of a broad policy programme entitled Capital Markets Union, aimed at promoting and deepening sustainable non-bank finance.



## Asset management regulation

### AIFMD

On 22 July 2014, the transitional provisions of the Alternative Investment Fund Managers Directive (AIFMD) came to an end in most Member States of the EU. During 2014, AIMA engaged with various national regulators as well as the European Securities and Markets Authority (ESMA) and the European Commission in order to ensure that the implementation of the AIFMD is workable for the hedge fund industry. AIMA has also successfully engaged with a number of key EU jurisdictions on issues related to delegation, remuneration, depositaries, the national private placement rules and reporting.

#### • Planners

On 17 April 2014, AIMA published a new set of practical and country specific guides for hedge fund managers wishing to comply with the AIFMD. The new guides relate to the AIFMD transposition in the UK, Ireland and Luxembourg and build on the generic AIFMD implementation guide originally published in January 2013.

#### • Timing of filing

In early 2014, AIMA worked with the members of the staff of Her Majesty's Treasury to prolong the deadline for accepting applications for authorisation as late as 22 July 2014. AIMA successfully argued that it was the lodging the application rather than becoming authorised that was required by the terms of the AIFMD to have occurred by the end of the permitted transition period. Further to this, a change to the UK implementing legislation for AIFMD was proposed and enacted.

#### • Calculation of additional own funds

AIMA successfully engaged with the UK Financial Conduct Authority (FCA) to change the definition of the term “funds under management” to permit the valuation of derivatives at their market value rather than at notional value. This had the effect

of substantially reducing the total figure on which the amount of their requirement for additional own funds would be based.

#### • Remuneration

On 31 January 2014, the Financial Conduct Authority (FCA) finalised its guidance on the alternative investment fund managers (AIFM) remuneration code arising from the issuance of the ESMA guidelines on sound remuneration policies under the AIFMD. The FCA clarified their guidance on which remuneration regimes are equally as effective for the purposes of delegation. The FCA guidelines contained significant improvements in some areas from the draft guidance upon which AIMA commented. Crucially, the FCA decided to set a presumption for the disapplication of the pay-out process rules, meaning that AIFM's who manage less than £1 billion in AIF assets (including leverage) may be able to dis-apply the most egregious remuneration rules.

#### • Reporting

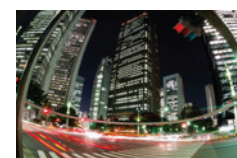
AIMA successfully engaged with the FCA in relation to the reporting of master fund information by an AIFM that manages a master and a feeder fund, the master of which is not marketed into the UK. The FCA stated that “if you are marketing an AIF in the UK that is a feeder AIF which invests into a non-EEA master AIF which you also manage but are not marketing in the UK, the FCA does not require you to report (to the FCA) about the non-EEA master AIF.

AIMA has also engaged with ESMA and the FCA in relation to their Q&As on reporting requirements under the AIFMD in order to achieve greater clarity on the reporting requirements for AIMA members and has been holding bi-weekly calls with AIMA's AIFMD reporting forum in order to assist members with their reporting queries.

#### CPO/CTA relief

AIMA has been engaging with the US Congress and the US Commodity Futures Trading Commission

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(CFTC) in order to address certain issues relating to commodity pool operators (CPOs) and commodity trading advisors (CTAs). AIMA, working closely with a number of associations, has been successful in securing relief for CPOs and CTAs in various areas. In September 2014 the CFTC issued three exemptive relief letters relating to the requests which AIMA had made, relating to (i) restrictions set forth in CFTC Regulations 4.7(b) and 4.13(a)(3) which had previously foreclosed the ability of CPOs to use the relief envisioned by the JOBS Act; (ii) certain reporting requirements; and (iii) certain recordkeeping requirements. In October 2014 the CFTC also issued a self-executing registration no-action relief letter in relation to CPO delegation requirements, which replaced their previously issued letter, which had required delegating CPOs to file a specific request for no-action relief.

### Dealing commission (UK)

AIMA engaged extensively with the FCA in relation to its rules on the use of dealing commission throughout 2014. In relation to the changes made to the FCA rules in June 2014, AIMA successfully argued that the FCA's proposed reversal of the evidential presumption in relation to using dealing commission to purchase research services should not be introduced.

### UCITS V

AIMA engaged with the European Parliament and the Council to assure that the remuneration requirements to be applicable to UCITS management companies were not made more onerous than those applicable to AIFMs in the level 1 text for UCITS V. In particular, the issue of limiting variable remuneration to 100% of fixed pay was dropped in the EU parliament. AIMA will engage with ESMA and national competent authorities in the coming year as the UCITS remuneration guidelines are developed.

### Loan origination (Ireland)

AIMA engaged with the Central Bank of Ireland (CBI) on its proposal to establish a type of

investment fund especially for the purpose of loan origination. AIMA was successful in encouraging the CBI clarify that leverage should be calculated for this purpose based on net asset value and balance sheet size as opposed to using gross notional measure of exposure, and that pro rata distributions to all investors should be permitted before the end of the life of the fund and without the need to seek investor consent.

### Beneficial Ownership (Cayman)

AIMA, with the assistance of the Cayman Islands national group, has engaged with the Cayman Ministry of Finance to encourage the Cayman Islands authorities not to adopt a requirement for a public register of beneficial owners of Cayman Islands companies, a proposal they are being encouraged to adopt by the UK. Thus far, the Cayman Islands government has not imposed such a requirement.

### Non-bank non-insurance systemically important financial institutions

In April 2014, AIMA responded to the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO) consultation paper titled Assessment Methodologies for Identifying Non-bank Non-insurer Global Systemically Important Financial Institutions (NBNI G-SIFIs). Thereafter, AIMA continued to engage with the FSB and other regulators in order to persuade them that hedge funds are not systemically important and to argue that gross notional exposure (GNE) was not the best way to measure the systemic risk of a hedge fund. The FSB is likely to change its approach to asset managers as a result of the strong engagement by industry, releasing a new consultation document in the near future.

### Early Warning Reporting System (Canada)

In 2013, AIMA and the Managed Funds Association submitted a joint response to the Canadian Securities Administrators (CSA) request for comments in respect of the proposed amendments relating to the Early Warning

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Reporting (EWR) System and the related Alternative Monthly Reporting (AMR) System (the ‘Proposed Amendments’). AIMA and the MFA argued that several aspects of the Proposed Amendments could stifle shareholder engagement and democracy and could overly restrict the ability of shareholders to have a positive impact on the corporate governance and performance of Canadian issuers. Specifically, the Proposed Amendments would have lowered the early warning reporting threshold from 10% to 5% and included equity equivalent derivatives towards the calculations of the thresholds, among other things.

In October 2014, the CSA announced that, in light of the comments received and following further reflection and analysis, it had re-considered the Proposed Amendments and determined not to proceed with certain of the Proposed Amendments, including the lowering of the reporting threshold from 10% to 5% and the inclusion of equity equivalent derivatives toward the calculations of the threshold. However, other aspects of the proposal are expected to go forward in the second quarter of 2015, including requiring disclosure of 2% decreases in ownership, making the AMR System unavailable to eligible institutional investors when there is an intention to engage in proxy solicitation and providing guidance clarifying the current application of EWR requirements to certain derivatives and requiring disclosure of derivatives in the early warning report.

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## Markets regulation

### MiFID II / MiFIR

2014 saw a political agreement between European Parliament, Council and Commission regarding the overhaul of the MiFID framework. With the primary legislation in place, attention has now turned to the elaboration of secondary rules, with ESMA publishing a Discussion Paper and

Consultation Paper on MiFID2 in May 2014.

In responding, we made a number of broad points:

- We explained our belief that the proposed restriction on the use of dealing commission to fund investment research is not justified, and would harm the European asset management industry. We instead believe that investment managers should have in place a robust governance framework, based principally on Commission Sharing Agreements (CSAs), to ensure that the level of research spend meets the test of being a minor benefit, and to ensure that the research is substantive in nature.
- While we strongly endorse a heightened focus on investor protection issues, we encouraged ESMA to consider carefully the different needs of retail clients and professional clients, ensuring that the client protections and disclosure requirements that are applied in the retail space are not simply copied across to the professional space without considering whether professional clients would derive value from them or whether those provisions would constrain professional clients from negotiating contractual terms that reflect their needs.
- We expressed our support for the drive to make markets more efficient and explored in detail the role that straight-through processing of cleared OTC derivatives transactions can play in this regard. At the same time, however, we considered the way in which other components of the MiFIDII framework, including position limits and rules on algorithmic trading and high-frequency trading, can be calibrated and applied in a proportionate manner that does not undermine the functioning of markets or create barriers to entry that will harm competition.
- MiFIDII/MiFIR entails numerous reporting

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requirements - transaction reporting to competent authorities, post-trade reporting to the market, position reporting via trading venues - which have the potential to duplicate one another, or to duplicate the reporting obligations established in other pieces of legislation, notably the European Market Infrastructure Regulation (EMIR). We encouraged ESMA to design reporting requirements in a way that avoids duplicative reporting as far as possible, whilst facilitating the delegation of those reporting requirements by investment firms to entities with the necessary infrastructure to fulfil them effectively.

Since filing our response, we have engaged closely with European regulators involved in the ESMA discussion in order to present our position. We feel many have been receptive to our arguments and hope to see an improved approach in the core areas of member interest. In particular, we have good grounds to believe that ESMA will modify its approach to dealing commission regulation, moving away from outright unbundling of execution and research spend. Further consultations on Level 2 measures will be published imminently.

### Swiss Federal Financial Services Act

In November 2014, AIMA filed a submission in response to the Swiss Federal Council consultation on the Federal Financial Services Act (FFSA) and Financial Institutions Act (FinIA), measure designed to parallel aspects of the MiFID rules. In our response, we highlight the fact that regulating the distribution of funds under the Collective Investment Scheme Act (CISA), rather than the FFSA, will create unnecessary operational burdens, whilst distorting the level playing field across product types. We propose the transfer of relevant CISA provisions into the FFSA.

We also suggest an enhanced approach in respect of cross-border business, with appropriately

crafted exemptions for intragroup business, services provided to eligible counterparties and for “reverse solicitation”. Finally, we propose alignment with concepts that are already established in European law; this is the case in respect of client categorisation, for example.

### European benchmarks proposal

AIMA has monitored developments and engaged with key policymakers and politicians on the issue of the use of financial indices as benchmarks throughout 2014. In particular, we continue to raise the importance of the distinction between benchmark ‘administrators’ and benchmark ‘users’, recommending that the proposed regulation apply only to administrators of benchmarks. We also stress that the equivalence of a third-country jurisdiction’s rules on benchmarks should not be necessary for a third-country benchmark to be used in the EU. Overall, AIMA is encouraged that positive developments are being made in the European Council in line with our position - in particular the distinction between the administration and use of a benchmark in a fund management context as well as a significant liberalisation of the third country regimes - and will continue to engage with both the Council and Parliament on this file during 2015.

### Basel III Net Stable Funding Ratio

In January 2014, the Basel Committee on Banking Supervision published a consultation on a revised Net Stable Funding Ratio (NSFR), a measure that featured in the 2010 Basel III agreement and which is designed to reduce banks’ reliance on short-term wholesale funding. Responding to members’ concerns that the NSFR would lead to significant increases in the cost of certain services, particularly relating to securities lending, repo and equity swaps, in September 2014 AIMA wrote to the BCBS setting out our concerns regarding the NSFR. The standard as subsequently adopted in October 2014 addressed some of our concerns through the introduction of a new carve-out for “interdependent transactions”, which should

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lessen the impact of the measure on activities undertaken by banks to service client demand. The NSFR will become a minimum standard by 1 January 2018.

### CFTC cross-border swaps rules

Over 2014, AIMA has continued to engage with authorities on both sides of the Atlantic regarding their respective rules on cross-border activities in OTC derivatives markets. The CFTC's approach has been of particular concern to a number of our members, given their efforts to regulate any funds that are majority-owned by US investors, regardless of where the nexus of their operations is.

Our engagement has included Chairman-level meetings with both the CFTC and SEC, and a number of meetings with key legislators in the US. We have also sought to support the European Commission in its discussions with the CFTC, providing analysis of the situations in which rules are likely to overlap and developing possible solutions that they can pursue with their counterparts.

### European Market Infrastructure Regulation (EMIR)

#### • Reporting

Over 2014, AIMA hosted a number of events on EMIR reporting, in order to help members prepare for go-live of EMIR reporting. We also continued to engage with ESMA through its Questions and Answers process to gain clarity regarding the scope and detail of the reporting regime.

#### • Clearing

With reporting rules now implemented, the next key aspect of the European rules to be addressed is central clearing, with 2014 seeing extensive work by ESMA on the question of product scope and on the phase-in schedule for clearing. AIMA has engaged through this process to ensure: (1) appropriate alignment of products

that must be cleared in the EU and US; (2) that any retroactive clearing obligation is minimised; (3) that the phase-in schedule for the buy-side makes sense given operational and competition considerations.

### Recovery and resolution of banks and CCPs

#### • CCPs

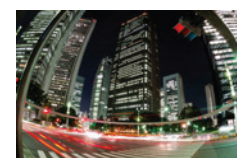
The European Commission's work on an EU framework for the recovery and resolution of non-banks was been delayed during 2014, with a proposal anticipated during Q1/Q2 2015 which focuses mainly on CCPs. Earlier this year AIMA published a White Paper on the issue of CCP resolution which sets out our key policy principles on the approach to dealing with a failing or failed CCP. The White Paper argues against the use of client money (such as variation margin) for the purposes of CCP recovery. The White Paper has been well received in the European Parliament and Commission.

#### • Banks

Our recent work on the issue of bank recovery and resolution has included the co-signing of a letter to the Financial Stability Board (FSB) alongside a coalition of buy-side associations expressing significant concerns as to the FSB's efforts on the contractual recognition of resolution actions and the suspension of derivative counterparties' early termination rights. In addition to the development of prudential rules by FSB members, the FSB has sought ISDA's assistance in amending the standard ISDA Master Agreement via a new Protocol that recognises special resolution regimes and allows suspension of cross-border derivatives counterparties' early termination rights upon the entry of a G-SIFI into resolution.

The joint letter, in particular, expressed criticisms as to the particular process the FSB has used which: prevented key stakeholders from contributing to the process; has finalised the ISDA Protocol before FSB members' prudential

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regulations have been adopted; and, would inappropriately use regulatory provisions to overrule bankruptcy legislation. In this regard, we also highlighted policy concerns as to whether such suspension of rights would be contrary to the US Bankruptcy Code and to the goals of protecting investors and the functioning of the financial markets.

### European Market Abuse Regulation

AIMA has continued to engage in the development process of Regulation (EU) No.596/2014 on market abuse (MAR). In January 2014, AIMA submitted a response to ESMA's discussion paper on possible Level 2 measures. The response highlighted key issues from the perspective of manager members, including provisions for legitimate buy-back and stabilisation of shares by issuers, as well as the process and allocation of responsibilities for market soundings. After the Level 1 text of MAR was published in the Official Journal in June 2014, two Level 2 Consultation Papers were published by ESMA. The Consultation Papers took into account feedback received by ESMA on the aforementioned Discussion Paper, with many of the suggestions AIMA made within its response to the Discussion Paper being reflected. Certain developments within the Consultation Papers, however, gave cause for concern. AIMA's responses, in particular, highlighted our significant concerns that transactions by collective investment fund managers in whose funds a person discharging managerial responsibility in an issuer (PDMR) owns shares or units, would be subject to the full MAR PDMR regime, thus subject to additional transparency and periodic prohibition on trading close to the publication of results. We also made recommendations to strengthen the content of market sounding scripts such that buy-side participants are able to place a degree of reliance upon them. We now await publication by ESMA of its consultation on draft guidelines for buy-side firms in relation to market soundings. We will continue our engagement on MAR during 2015.

### European regulation on Securities Financing Transactions

The European Commission issued its proposal for a Regulation on reporting and transparency of securities financing transactions (SFTs) and rehypothecation in January of 2014 and AIMA has engaged throughout the year on the file. We developed an initial position paper - which has now been amended to take into account positive developments in the European Council - and also met to discuss the file with the Italian presidency.

Particular positive policy outcomes have been the Council's amendment of their compromise text to ensure the certainty of the definition of an SFT, removing the discretion of the Commission to specify further contracts to be brought within scope. AIMA will continue to push for the amendment of the dual counterparty reporting requirement for SFTs to become a single counterparty reporting requirement, as per the Dodd-Frank swap reporting regime, in order to avoid the pitfalls experienced under EMIR reporting. We will also continue to work to prevent minimum haircut rules from being introduced within the SFT transparency Regulation.

### Shanghai-Hong Kong Stock Connect

AIMA worked with the HKEx, Shanghai Stock Exchange and local regulators to keep members informed of the progress of the Shanghai-Hong Kong Stock Connect initiative and address market queries on a number of issues including stock borrow and short selling; quota hogging; beneficial ownership; reporting obligations; and capital gains tax treatment. While Stock Connect has marked a turning point in terms of the type and breadth of access provided to investors, we look forward to further developments along the path to China market reform.

### Hong Kong OTC derivatives regime

The Hong Kong Monetary Authority and Securities and Futures Commission had originally proposed that SFC-licensed investment managers be required to report the OTC transactions of their

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funds and other clients. In response to feedback from AIMA and others, this requirement was postponed until a later phase of implementation. AIMA Hong Kong's Regulatory Sub-Committee and OTC Working Group will continue to oversee developments on this topic.

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## Tax affairs

### UK Partnership Taxation Review

The most relevant tax reform concerned UK partnership taxation, which was enacted in the Finance Act 2014, following a review by HM Revenue & Customs (HMRC) commenced in July 2013. AIMA worked closely with the HMRC in responding to their consultation documents and had several meetings with HMRC on the review of partnership tax rules.

Certain members of limited liability partnerships (LLPs) are required to be treated as employees for tax purposes ("salaried partners") if they do not possess at least one of three indicia of partnership. AIMA has argued that these provisions were potentially excessive and not reflective of the particularities of the asset management sector. The final texts and guidance have been amended considerably, allowing for most LLPs to determine the status of its members satisfactorily.

AIMA has also worked successfully on introducing a provision enabling a participating partnership, at the election of an affected partner, to be treated as the person to whom the partner's deferred remuneration is allocated for tax purposes, and so liable to pay tax in respect of it. The mechanism has been accepted by the FCA as an effective means to make any deferral required under the AIFMD remuneration code on a "net of tax" basis. It may also be applied to voluntary deferral arrangements which are consistent with the code.

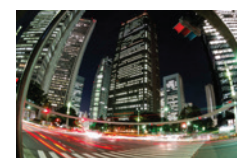
### Base Erosion/Profit Shifting (BEPS)

In April and May 2014 AIMA responded to actions 2 and 6 of the BEPS project. AIMA wrote to HM Treasury to express concerns at the implications of the BEPS project for the fund management industry. AIMA submitted a response to an OECD consultation on the prevention of treaty benefits in inappropriate circumstances (action 6 - treaty abuse). We also responded to the discussion draft on preventing hybrid mismatch arrangements (action 2) and attended a public session on this at the OECD in Paris. In the last months of 2014 and during 2015 more recommendations and final drafts for BEPS actions are due to be released and we will continue to argue the need to take account of the asset management industry's specificities.

### Automatic exchange of information & Foreign Accounts Tax Compliance Act (FATCA)

FATCA came into practical effect on 1 July 2014, when new account on-boarding procedures were effective and pre-existing account due diligence commenced. The next significant date is 31 December 2014, which is the deadline for FFIs to complete the registration process, failing which their US source income will be subject to 30% withholding tax. Some 40 jurisdictions have now signed IGAs with the US Treasury to implement FATCA through domestic legislation.

In October 2014, AIMA provided comments to HM Revenue & Customs on the implementing agreements under the global standard on AEOI to improve tax compliance. The consultation was focused on UK domestic tax regulations which are intended to embrace the Common Reporting Standard (CRS) developed by the OECD, while seeking to minimise the additional compliance burden among FIs and ensure the highest level of consistency with FATCA is achieved. AIMA will continue to engage with HMRC to raise the key concerns among our members.



### Financial Transactions Tax (FTT)

AIMA has continued to actively follow the EU Commission's proposal for a FTT to be adopted by 11 Member States by means of the enhanced co-operation procedure. Progress has been slow in the face of concerns voiced by both participating and non-participating Member States concerning the scope of the tax and the factor triggering the taxable event (issuance vs. residence principle). It seems unlikely that a draft proposal will be agreed fully in 2014, and as a result FTT is unlikely come into effect before 2016 (at the earliest). AIMA will be ready in case a political agreement may develop for its adoption to advocate a tax with the least disruptive effect on the economy, to limit its objective and territorial scope, and maintain consistency with some of the features that national FTTs present.

### Investment manager regime (IMR)

AIMA, working with the Managed Funds Association, has continued to engage with the Australian government during 2014 to advocate for amendments to the proposals for the IMR. AIMA submitted two responses to the exposure draft on Tax and Superannuation laws amendment in February and April 2014 to describe the elements that an investment manager regime might contain.

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## Sound Practices and DDQs

### DDQ for Hedge Fund Managers

In September AIMA published an updated edition of its flagship due diligence questionnaire (DDQ), the AIMA DDQ for Hedge Fund Managers. We consulted with a broad range of hedge fund managers and institutional investors during the drafting of the new DDQ, and their input was integral to the new revisions.

### Guide to Sound Practices for Selecting a Prime Broker

In December, AIMA published an updated Guide to Sound Practices for Selecting a Prime Broker, which incorporated changes to the regulatory framework that affects the relationship between managers and prime brokers, including reporting requirements and other new measures introduced under the Dodd-Frank Act in the US and Europe's AIFMD and EMIR.

### Guide to Sound Practices on OTC Clearing

In July 2014, AIMA published a new Guide to Sound Practices for OTC Derivatives Clearing. This provides guidance on the new regulatory framework in the US and European Union, which affects most OTC derivatives transactions cleared globally. The Guide to Sound Practices is supplemented by a Due Diligence Questionnaire for Clearing Members, which is intended to help asset managers during the process of evaluating different clearing members and clearing houses.



## Research reports

### Apples and Apples: How to better understand hedge fund performance



Against the backdrop of a debate into hedge fund performance, AIMA published “Apples and Apples: How to better understand hedge fund performance”, in April 2014.

The guide said that comparing hedge fund performance to the S&P 500 was an “apples and oranges” comparison and proposed five steps to improving understanding of hedge fund performance:

1. **Look at risk-adjusted returns:** The guide revealed that hedge funds consistently outperform US equities (as measured by the S&P 500), global equities (MSCI World) and global bonds (Barclays Global Aggregate ex-USD Index) on a risk-adjusted basis, a crucial measure for investors. Even during the stock-market rally of 2009-2013, hedge funds performed better on a risk-adjusted basis than the S&P 500 and MSCI World.
2. **Look at long-term data:** The guide said that short-term data such as monthly comparisons can be misleading and argued that greater clarity could be gained by looking at long-term figures. It pointed out that hedge funds outperformed the main standalone asset classes over the 10 years to the end of 2013 both in terms of “headline” returns and on a risk-adjusted basis.
3. **Look at the returns by strategy:** The guide explained how hedge fund strategies are enormously diverse and have different characteristics which can play different roles in investor portfolios. It also stressed that hedge funds are not an asset class and that there is no such thing as the “average” hedge fund.
4. **Compare with the most relevant asset class:** The guide said that reference should be made to how different strategies perform in relation to the most relevant asset class to that strategy. In other words, it may make much more sense to be comparing a particular strategy to bond performance than equities.
5. **Be aware of differences between hedge fund indices:** The guide noted that during the five years to the end of 2013, the main hedge fund indices produced notably different results, reflecting variations in constituency and methodology.



## Research reports

### The Extra Mile: Partnerships between hedge funds and investors



The evolving relationship between hedge funds and their investors was explored in “The Extra Mile: Partnerships between Hedge Funds and Investors”, which AIMA and Barclays published jointly in June 2014.

The publication of this paper came at an important time in the evolution of the hedge fund industry globally. Amid the ongoing process of institutionalisation (a theme that was first addressed in AIMA’s Roadmap to Hedge Funds in 2008), institutional investors were found to be actively pursuing a more direct engagement with the underlying hedge funds in which they are invested.

This paper explored the changing relationships between hedge fund managers and investors. As the title of the paper implied, both parties were found to be properly investing in these relationships - they are going the extra mile - and, in doing so, are achieving significant benefits for both sides.

The paper, based on a survey of investors and managers, found that investors increasingly are striking partnerships with hedge funds, underlining the closer collaboration taking place between the hedge fund industry and its investor base. These partnerships, the survey found, take many forms, including the sharing of knowledge on expertise and risk management, the building of more customised products, co-investment solutions, product seeding and equity investment.

More than three-quarters of managers and two-thirds of investors who took part in the survey said they had entered into partnerships. Benefits cited by the investors we spoke to included:

- Improved knowledge and understanding
- Better alignment of interest with managers
- Better value for money

Both larger and smaller managers and hedge funds of all strategies were found to be striking partnerships. Benefits to managers included:

- “Stickier” or more loyal investors
- Support for new product development
- Cross-selling opportunities
- Investor references





## Research reports

### The Case for Hedge Funds: A compendium of AIMA's thought leadership reports



Ever since the onset of the financial crisis, AIMA has worked tirelessly to demonstrate the case for hedge funds to policymakers, regulators, investors and the media. We pulled these various arguments and pieces of research together into a major compendium of our work, called “The Case for Hedge Funds: AIMA’s Post-Crisis Thought Leadership”. It was published in August 2014.

It summarises the themes that AIMA has explored since 2008 as it has sought to demonstrate the value of the world’s hedge fund industry to investors, financial markets and the broader economy.

It includes excerpts from AIMA’s key research papers, including:

- The “Roadmap to Hedge Funds”, the first guide about hedge funds to be produced collaboratively by the industry and investors
  - “The Cost of Compliance”, a global survey of managers that revealed the significant investments they are making in order to comply with the new regulatory requirements
- “Beyond 60/40”, which demonstrated the different roles that hedge funds play in institutional investors’ portfolios

There are also extracts from many of AIMA’s white papers and articles on a range of topics including the industry’s social utility, the impact of institutionalisation, shadow banking, short selling and the industry’s reputation. AIMA is also well known for its comprehensive range of tools and guidance for members like our due diligence questionnaires and our suite of sound practice guides, which are available for members on the website.

The work of demonstrating the value of the industry, of course, continues. We have more research in the pipeline which will enable us to continue to demonstrate the value of the hedge fund industry to the broader economy. AIMA will continue to make the case for hedge funds during 2015 and beyond.



## Events

### AIMA Annual Conference 2014

AIMA's fifth Annual Conference was held in London on 7 October 2014. The event drew more than 370 attendees from more than 15 countries and was sponsored by CME Group, PwC and Simmons & Simmons. Speakers included Loïc Fery, Founder, CEO & Co-CIO, Chenavari Investment Managers;

Tim O'Brien, Partner, General Counsel and CCO of Pine River Capital Management LP; and Jack Inglis, CEO, AIMA. Videos of the keynote speeches and panel discussions at AIMA's fifth Annual Conference are available for members to view on our [website](#).



Jack Inglis, CEO, AIMA



Loïc Fery, Founder, CEO & Co-CIO, Chenavari Investment Managers



The event was held at the Guildhall, in the City of London

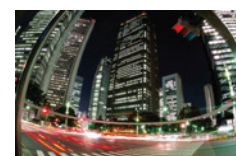


Tim O'Brien, Partner, General Counsel and CCO, Pine River Capital Management LP

### Delegate feedback

"Another excellent AIMA Annual Conference."

"Overall – a very high quality event, as is now customary with AIMA."



## Global Policy and Regulatory Forum

AIMA's Global Policy and Regulatory Forum 2014, our flagship regulatory event, drew over 200 people to 10 on the Park at the Time Warner Center in New York on 6 March 2014. Regulators and policymakers from around the world participated, including senior representatives from the IMF, IOSCO, SEC, FSOC, US Treasury, New York Fed, ESMA, the European Parliament,

the FCA, HM Treasury, Banque de France, Central Bank of Ireland, Hong Kong SFC and ASIC.

There were keynote speeches by Michael Piowar and Norm Champ of the SEC, Manmohan Singh of the IMF, Michelle McGregor Smith of British Airways Pension Investment Management and Jamie Dinan of York Capital.



Kathleen Casey, Chair, AIMA



Manmohan Singh, Senior Economist, International Monetary Fund



Jamie Dinan, Founder, Chairman and CEO, York Capital Management



Michael Piowar, Commissioner, Securities and Exchange Commission

## Delegate feedback

"I want to extend a thank you to all at AIMA who put together this conference. I found the speakers informative, the panel topics of great interest, and I made a few good contacts."

"I really enjoyed the event. The programme was well put together, the speakers absolutely outstanding and I learned a lot. Congratulations on a successful conference!"



## Other news in brief

### Jack Inglis completes first year as CEO of AIMA

We were delighted to welcome Jack Inglis as CEO of the organisation on 1 February 2014. Jack has been involved with hedge funds for 25 years and has held leadership positions in prime brokerage at both Morgan Stanley, where he served for 16 years, and Barclays, where he was prior to joining AIMA. From 2007 to 2010 he was CEO at the convertible bond specialist, Ferox Capital Management. He began his career in 1983 and has extensive experience across origination, distribution and trading across the capital markets. He holds a Master of Arts in Economics from Cambridge University.

### Regular webinars and training sessions for members

AIMA held regular webinars and hedge fund manager training sessions in 2014. For managers in London, AIMA offered twice monthly hedge fund manager training sessions. For managers in New York, AIMA has offered monthly hedge fund manager training sessions. These sessions are available to manager members only. In terms of webinars, AIMA hosted on average one webinar each month, on such topics as AIFMD, FATCA, EMIR reporting and MiFID/MiFIR.

### Marketing and private placement events

In November 2014, AIMA put on two full day conferences, one in New York and the other in London, on “Navigating Private Placement Regimes Around the World”. These programmes were designed to focus on capital raising in key jurisdictions around the world and provide a common framework for understanding what is required in each country.

### AMAC Memorandum of Understanding

AIMA signed a Memorandum of Understanding (MoU) with AMAC, the Asset Management Association of China, in Beijing in June 2014. The agreement was the first of its kind signed by AMAC with an international organisation. It outlines areas of future cooperation between the associations and highlights their joint commitment to strengthening the exchange and cooperation of the Chinese and international fund management industries.

The MoU signing was part of a five-day trip to Beijing by senior AIMA representatives during which AIMA was also appointed to AMAC’s newly formed International Partners Committee (IPC). The IPC’s inaugural meeting was followed by AMAC’s annual conference at which AIMA CEO Jack Inglis gave a keynote speech on the regulation of hedge funds in capital markets.

### AIMA-AMAC 1st International Hedge Fund Leadership Forum, Beijing

Following on from the success of its inaugural event for onshore managers in Shanghai (AIMA China Hedge Fund Managers Forum 2014), AIMA partnered with the Asset Management Association of China (AMAC) to co-host the 1st International Hedge Fund Leadership Forum in Beijing. This was their first joint event and followed the signing of a Memorandum of Understanding between the two associations, the first of its kind signed by AMAC with an international organization. Devised to provide an overview of the international regulatory, tax and operational challenges typically facing the international community, the two conferences were conducted primarily in Mandarin. Some 250 onshore and international industry practitioners attended the conferences, which were organized with the help of our “Friends of AIMA China” group.

continued ►



### **AIMA Japan Hedge Fund Forum 2014**

AIMA Japan held its annual Hedge Fund Forum at the Tokyo Stock Exchange on 5 June 2014. The half-day educational forum saw over 110 hedge fund managers, investors, regulators and other senior industry professionals come together to share the latest research, news and developments in the Japanese and global hedge fund industry. The seminar culminated in a networking cocktail party for AIMA Japan members and their guests.

### **AIMA Australia Hedge Fund Forum 2014**

The AIMA Australia Hedge Fund Forum 2014 was held at the Sydney Sofitel Wentworth on 16 September. The full day event showcased the skill of local managers, their approach to business and their market views to local and international delegates. Discussion also focused on how the Australian hedge fund industry can better engage with investors, and touched on the regulatory and market forces that are shaping the industry's future. Nearly 300 investors, managers and service providers attended the forum, making it the largest of its kind in Australia.

### **AIMA Cayman luncheon**

AIMA CEO Jack Inglis and Deputy CEO and Head of Government & Regulatory Affairs Jiri Krol were among the speakers at an AIMA Cayman luncheon in April during the GAIM Ops Cayman event at the Ritz-Carlton, Grand Cayman. FATCA and BEPS were among the themes of the lunch, which drew an audience of close to 200 people.

### **AIMA Canada supports overseas receptions**

AIMA Canada supported a host of overseas receptions and ancillary sessions in November, organised by the Government of Canada's Department of Foreign Affairs, Trade and Development (DFATD). The events in Washington, London, Dubai and Geneva featured local investors and Canadian hedge fund managers. A number of side-sessions were also arranged dealing with local government and regulatory matters.

### **AIMA Canada Research Award**

The AIMA Canada Research Award (ACRA) and its \$10,000 cash prize was won this year by Peter Christoffersen of the Rotman School of Management, University of Toronto, and Xuhui (Nick) Pan of the Freeman School of Business, Tulane University. The winning paper, "Equity Portfolio Management Using Option Price Information", can be downloaded [here](#).



## Event highlights

In 2014, AIMA held around 180 events globally - an increase of 50% on 2013.

A selection of some of our key events follows:

**Getting Ready for EMIR Reporting**, London, January

**Global Regulatory Update**, New York, February

**AIMA's Global Policy and Regulatory Forum 2014**, New York, March

**Hedge Fund Capital Raising in Canada: Canadian Investor Trends and Relevant Regulations/ Structuring**, New York, April

**AIMA Lunch at GAIM Ops**, Cayman, April

**AIMA China Hedge Fund Managers Forum 2014**, Shanghai, May

**The Extra Mile: Exploring the concept of partnership between hedge funds and investors**, London, May

**AIMA-AMAC 1st International Hedge Fund Leadership Forum**, Beijing, June

**AIMA Japan Hedge Fund Forum 2014**, Tokyo, June

**Summer Drinks Reception**, London, June

**AIMA Next Generation Manager Forum 2014**, London, June

**Capital Markets Research Paper Roundtable**, Berlin, June

**Guide to Sound Practices for OTC Derivatives Launch Event**, London, July

**AIMA Swiss Briefings**, Geneva & Zurich, July

**Shanghai-Hong Kong Stock Connect**, Hong Kong, July

**AIMA Thank You Drinks Reception**, London, September

**Cybersecurity, the AIFMD and Other Hot Topics**, San Francisco, September

**AIMA Australia Hedge Fund Forum 2014**, Sydney, September

**AIMA Annual General Meeting**, London, September

**AIMA Canada Annual Debate**, Toronto, September

**Fifth AIMA Annual Conference**, London, October

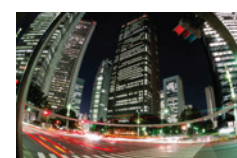
**The Future of Dealing Commission and Independent Research**, London, October

**AIMA Hedge Fund Investors Summit**, Dubai, October

**AIMA France Briefing**, Paris, October

**Navigating Private Placement Regimes Around the World**, New York & London, November

**AIMA Ireland Briefing**, Dublin, December



## Speaking engagements

AIMA principals spoke at over 50 non-AIMA industry conferences and events during 2014, including the following events:

HFM Allocator Summit, UK, January

Goldman Sachs 3rd Annual Asia Trading Conference 2014, Hong Kong, February

Bloomberg Regulatory Forum, London, February

HFM Asia Operational Leaders' Summit, Macao, February

15th Annual International Conference on Private Investment Funds, London, March

GAIM Ops Cayman, Cayman, April

EuroHedge Summit, Paris, April

FOW Derivatives World Asia 2014, Hong Kong, April

AsiaHedge Forum 2014, Hong Kong, April

Deacons 6th Annual Investment Products and Regulatory Forum, Hong Kong, May

CZ Funds Conference, Slovakia, May

23rd Annual Securities Finance and Collateral Management Conference, ISLA, Berlin, June

Bloomberg Hedge Fund Forum, Singapore, June

GAIM International, Monaco, June

25th Annual Conference on the Globalisation of Investment Funds, Paris, June

WAISC Niagara Falls, Toronto, September

17th Hedge Funds World Asia 2014, Hong Kong, September

AsiaHedge China Forum, Hong Kong, September

4th CITIC Hedge Fund Summit, Hangzhou, China, September

HFM European Operational Leaders Summit 2014, UK, September

GAIMOps, Ireland, October

PwC Asset Management Conference, Hong Kong, October

Global Fund Distribution Asia, Hong Kong, October

Albourne's HedgeSpock, Houston, November

ACA Compliance Regulatory Horizon, London, November

Allianz Liquid Alternatives Forum 2014, London, November

EY Global Hedge Fund Symposium, London, November

ASIFMA Annual Conference 2014, Singapore, November

3rd Annual Compliance Summit Asia, Hong Kong, November

Fund Focus Conference, Cayman, November

GAIM Regulation and Fund Governance, New York, December



## Meet the global AIMA team

### Senior Management

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## AIMA Council

As of December 2014, the members of the AIMA Council are as follows:

### Chair

Kathleen Casey, Patomak Global Partners / Director, HSBC Holdings

### CEO

Jack Inglis, AIMA

### Directors

Olwyn Alexander, PwC

Andrew Bastow, AQR Capital Management

Fiona Carpenter, EY

Stuart Fiertz, Cheyne Capital Management

Simon Lorne, Millennium Management

Tim O'Brien, Pine River Capital Management

Martin Pabari, CQS

Christopher Pearce, Marshall Wace Asset Management

Eva Sanchez, Citadel

Henry Smith, Maples and Calder

Philip Tye, HFL Advisors

Karl Wachter, Magnetar Capital

Choo San Yeoh, Albourne Partners

AIMA would like to take this opportunity to once again thank those Directors who stepped down in 2014 for their contributions and support. They were as follows:

- James G. Dinan, Founder, Chairman & CEO, York Capital Management
- Robert De Rito
- Paul Sater, Partner, EY
- Phil Schmitt, President, Summerwood Capital
- Mark O'Sullivan

## AIMA’s regulatory and tax submissions, summaries, briefing notes and position papers in 2014

All the following documents are on the AIMA website at [www.aima.org](http://www.aima.org).

### Global

Date	Authority	Topic
1 December	FSB	Submission - Cross-Border Recognition of Resolution Actions
14 November		Briefing Note - Basel III Net Stable Funding Ratio
4 November	FSB	Submission - Joint trade association letter to the FSB on suspension of early termination rights
26 September	BCBS	Comment on the Net Stable Funding Ratio consultative document
30 May	IOSCO	Submission - IOSCO Task Force on Cross Border Regulation
1 May	OECD	Submission - BEPS
7 April	FSB	Submission - Assessment Methodologies for Identifying Non-Bank Non-Insurer Globally Systemically Important Financial Institutions
3 April	OECD	Submission - OECD discussion draft BEPS Action 6: Preventing the granting of treaty benefits in inappropriate circumstances
27 February	FSB / IOSCO	Summary - Proposed Methodologies for Identifying Investment Funds as NBNI G-SIFIs

### Americas

Date	Authority	Topic
2 December	CFTC	Submission - Proposed Regulations Concerning Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants
24 November	OCC	Submission - Prudential regulators’ margin and capital requirements for covered swap entities
5 November		Guidance and FAQs - FATCA
4 November		Briefing Note - CPO delegation relief
22 October		Position Paper - CCP Recovery and Resolution
3 October	SEC	Guidance Note - Changes to U.S. Private Placement Rules under Regulation D from 23 September 2013
16 September	SEC	Summary - JOBS Act-Related Changes to US Private Placement Rules
10 September		Guidance and FAQs - FATCA and other tax information exchange initiatives
29 August	CFTC	Submission - Compliance with Registration Requirements Under Amended Regulations 4.5 and 4.13(a)(3) (29 August 2014)
21 July	CFTC	Submission - Petition for Rulemaking to Amend CFTC Regulations 1.31, 4.7(b) and (c), 4.23 and 4.33
12 June		Position Paper - Commodity Exchange Act: Suggested Improvements on Extraterritorial Application and Other Related Amendments

## AIMA’s regulatory and tax submissions, summaries, briefing notes and position papers in 2014

All the following documents are on the AIMA website at [www.aima.org](http://www.aima.org).

10 June	Cayman Islands Govt	Briefing Note - The Cayman Islands’ Directors Registration and Licensing Law, 2014
27 May	CFTC	Submission - Review of Swap Data Recordkeeping and Reporting Requirements
15 April	NFA	Submission - CPO/CTA Capital Requirement and Customer Protection Measures
31 March	Cayman Islands Govt	Submission - The Directors Registration and Licensing Bill, 2014
17 March	SEC	Letter – SEC proposed capital charge on tri-party segregated initial margin
28 February	Cayman Islands MoF	Submission – beneficial ownership of Cayman Islands-registered companies
13 February	IRS	FATCA Guidance and Q&A
10 February	CFTC	Submission – Aggregation of Positions
10 February	CFTC	Submission – Position Limits for Derivatives
28 January	CIMA	Summary – Statement of Guidance on Governance for Cayman Islands Registered Mutual Funds
6 January	SEC	Briefing Note – US Private Placement

### Asia-Pacific

Date	Authority	Topic
3 December	ASIC	Submission - Proposed class order
28 November	HKEx	Submission - Concept Paper on Weighted Voting Rights
8 October	MAS	Submission - Notice on Outsourcing and Guidelines on Outsourcing
28 August	FDRC	Submission - Proposals to amend the FDRC’s Terms of Reference
18 August	HKMA / SFC	Submission - Securities and Futures (OTC Derivative Transactions - Reporting and Record Keeping Rules)
8 August	CSRC	Submission - CSRC Consultation on Private Funds
8 August	SFC	Submission (Chinese) - Draft of the Interim Measures for the Supervision and Administration of Privately-offered Investment Funds
11 July	MAS	Submission - Arrangements for an Asia Region Funds Passport
19 June	FSTB	Submission - Proposed Open Ended Fund Company (OFC)
2 May	MAS	Submission - short selling
30 April	MAS	Submission - Review of Securities Market Structure and Practices
28 April	Australian Treasury	Submission - Elements of an IMR
25 April	SFC	Submission - Regulation of Alternative Liquidity Pools

## AIMA’s regulatory and tax submissions, summaries, briefing notes and position papers in 2014

All the following documents are on the AIMA website at [www.aima.org](http://www.aima.org).

4 April	FSTB	Submission - Resolution of Financial Institutions
17 February	Australian Treasury	Submission – IMR 3
14 February	Australian Treasury	Submission – Better regulation and governance

### EMEA

Date	Authority	Topic
9 December	UK Dept for Business Innovation and Skills	Submission - Register of people with significant control (PSC register)
4 December	CBI	Submission - Fund Management Company Effectiveness - Delegate Oversight
27 November	EC	Submission - DG Competition’s White Paper, Towards more effective EU merger control
11 November	ESMA	Submission - Clearing of FX NDFs
6 November	ESMA	Submission - Clearing Obligation under EMIR (no. 3)
4 November		General Guidance - Scope of the Securitisation Retention Provisions under AIFMD
3 November	EC	Submission - Frontloading Concerns
3 November	Federal Dept of Finance	Submission - Federal Financial Services Act (FFSA) and Financial Institutions Act (FinIA)
22 October	HMRC	Submission - Implementing agreements under the global automatic exchange of information to improve tax compliance
16 October	ESMA	Submission - Draft Technical Advice on Market Abuse
16 October	ESMA	Submission - Draft Technical Standards on Market Abuse Regulation
10 October	FCA	Submission - Discussion paper DP14/3
2 October		Position Paper - Shareholder Rights Directive II
19 September	ESMA	Submission - Clearing Obligation under EMIR (no. 2)
11 September		Summary - The UCITS V Directive
1 September		Summary - MiFIDII/R Level 1
26 August	CBOI	Submission - Central Bank of Ireland’s consultation on loan originating Qualifying Investor AIFs
18 August	ESMA	Submission - Clearing obligation under EMIR
1 August	ESMA	Submission - MiFIDII/MiFIR consultation and discussion papers
28 July		Summary - The Small Business, Enterprise and Employment Bill - Part 7 - Companies: Transparency
14 July	EBA / EIOPA / ESMA	Submission - Margin requirements for non-cleared derivatives transactions under EMIR

## AIMA’s regulatory and tax submissions, summaries, briefing notes and position papers in 2014

All the following documents are on the AIMA website at [www.aima.org](http://www.aima.org).

16 June	UK Dept for Business Innovation and Skills	Submission - Transparency and Trust: Enhancing the Transparency of UK Company Ownership and Increasing Trust in UK Business
30 May		Position Paper - Proposed Regulation on reporting and transparency of SFTs and rehypothecation
28 May		Summary - Encouraging Long-Term Shareholder Engagement: Proposed Amendments to the Shareholder Rights Directive
20 May		Briefing Note - Use of Dealing Commission Rules
6 May	FCA	Submission - Fourth Quarterly Consultation Paper - Changes to the Handbook impacting AIFMs, UCITS managers and certain AIF depositaries
8 April	FCA	Note - Remuneration Codes
8 April	FCA	Submission - Tackling aggressive tax planning in the global economy: UK priorities for the G20-OECD project for countering base erosion and profit shifting (BEPS)
2 April	FCA	Summary - Categorisation of investment firms under the FCA’s proposals to implement the CRD IV legislation
17 March	ESMA	Submission - AIFMD passporting fees
28 February	EC	Submission – Alternative Investment Fund Managers Directive: the imposition of passporting fees
28 February	EC	Summary – Directive on Recovery and Resolution of Banks
25 February	FCA	Submission – Use of dealing commission rules
13 February	FINMA	Summary – Swiss Collective Investment Schemes Act and Collective Investment Schemes Ordinance
11 February	AFM	Submission – Implementation of the Alternative Investment Fund Managers Directive
11 February	EC	Summary – National Private Placement Regime in the Netherlands
4 February	HMRC	Submission – Partnership Taxation – Finance Bill
27 January	ESMA	Submission – policy orientations on possible implementing measures under the Market Abuse Regulation
20 January	HMRC	Submission – expanding the white list

## Communications

### Selected press releases in 2014

For all our press releases from 2014, visit the AIMA website at [www.aima.org](http://www.aima.org)

Date	Topic
8 December	AIMA publishes updated guide for selecting a prime broker
3 September	AIMA updates flagship DDQ for hedge fund managers
21 August	AIMA publishes 'The Case for Hedge Funds'
22 July	AIFMD implementation incomplete, uncertainty remains - AIMA
1 July	AIMA launches OTC derivatives clearing guidelines
26 June	AIMA signs Memorandum of Understanding with the Asset Management Association of China
25 June	Japanese investors planning to maintain hedge fund allocations - AIMA Japan and EurekaHedge survey
24 June	Increased partnership between investors and hedge funds - AIMA-Barclays survey
28 April	AIMA releases educational guide to understanding hedge fund performance
17 April	AIMA publishes new AIFMD implementation guides
20 March	Capital markets fuel economic growth - new paper

### Articles by AIMA Principals in 2014

#### [Comment: Jack Inglis \(HFMWeek\)](#)

23 Oct 2014

In his quarterly column for HFMWeek, AIMA CEO Jack Inglis says that the case for including hedge funds in institutional investor portfolios has never been stronger.

#### [Building the case for hedge funds \(HedgeFund Intelligence\)](#)

01 Oct 2014

AIMA CEO Jack Inglis discusses the value of the hedge fund industry in HFI's Autumn 2014 Global Review.

#### [Case remains strong for hedge fund investment \(Financial Times\)](#)

25 Sep 2014

Following CalPERS' decision to close down its hedge fund programme, Jack Inglis says that the case for including hedge funds in institutional investor portfolios has never been stronger.

#### [The opportunity in China \(HFMWeek\)](#)

23 Jul 2014

The MoU that AIMA has signed with the Asset Management Association of China represents a significant step forward in cooperation with China in the fund management sphere and highlights our two organisations' commitment to strengthening cooperation between the Chinese and international fund management industries, writes Jack Inglis.

#### [Of apples and oranges \(Funds Europe\)](#)

18 Jul 2014

At a time when many commentators have claimed that hedge fund performance is "disappointing", investor satisfaction levels continue to rise. Jack Inglis says that seeking to explain why was one of the inspirations behind AIMA's research paper, 'Apples and apples'.

## Articles by AIMA Principals in 2014

### [Understanding hedge fund performance better \(InvestHedge\)](#)

09 Jun 2014

It is all too common today for comparisons between aggregated hedge fund indices and equity indices like the S&P 500 to be made, argues Jack Inglis in this op-ed for InvestHedge.

### [Hedge funds and the real economy \(HFI Global Review\)](#)

22 Apr 2014

Jack Inglis says that the hedge fund industry is making a positive contribution to the ‘real economy’.

### [Helping capital markets flourish \(HFMWeek\)](#)

17 Apr 2014

Jack Inglis discusses the findings of AIMA-commissioned research into capital markets and economic growth.

### [Hedge funds do not pose a systemic risk \(Financial News\)](#)

07 Apr 2014

Jack Inglis says that data from the UK Financial Conduct Authority suggests that no individual hedge fund or manager is systemically important to the extent that its failure would endanger financial stability in Europe or globally.

### [Capital markets and the EU’s growth strategy \(EU Reporter\)](#)

25 Mar 2014

Adam Jacobs, Director, Head of Markets Regulation, discusses the findings of AIMA-commissioned research into capital markets and economic growth.

### [Valedictory column by Andrew Baker \(HFMWeek\)](#)

31 Jan 2014

In his final column for HFMWeek before stepping down as AIMA CEO, Andrew Baker says he is leaving an organisation that has been changed forever by the financial crisis and its aftermath - and one that, thanks to the efforts of its members, directors and staff, has been greatly strengthened by the experience.

### [Hedge funds meet portfolio objectives \(Financial Times\)](#)

10 Jan 2014

In a letter to the FT, Andrew Baker responds to a recent article which questioned why institutional investors are invested in hedge funds.

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We represent the world's hedge fund industry to regulators, policymakers, investors, the press and other stakeholders.

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### Regular events

Our Annual Conference and Global Policy and Regulatory Forum, open to all AIMA members, attract leading speakers from the industry and among policymakers, and hundreds of delegates, from around the world. We also hold regular events globally, which provide intelligence and networking opportunities.

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