

MEDIA MENTIONS

Schulte partner William Barbera discusses the SEC's dealer-rule

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Schulte Roth & Zabel partner William Barbera was quoted in *Risk.net*, where he discussed the challenges hedge funds face in responding to the Securities and Exchange Commission's (SEC) recent dealer registration rule.

"Hedge funds must race the clock to check their dealer-rule status," William advised. The rule requires funds engaging in dealer-like activities to register by April 29 next year, but determining whether they qualify is complex due to vague terms like "regularly" and "primarily" in the rule.

William spoke of the challenges the rule poses as certain aspects may be applied at the level of the entire organization rather than individual trading strategies. This could create a scenario where if different portfolio managers within the same firm execute trades on opposite sides of the market on the same day, the firm could be considered engaging in dealer-like activity, potentially triggering registration requirements.

"It's a big concern. If the SEC's position is that the tests apply at the entity level, then internal surveillance and policing around these rules will be very difficult for funds with multiple strategies and portfolio managers," William stated.

Read the article [here](#).

Related People



**William
Barbera**

Partner
New York

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