

MEDIA MENTIONS

Schulte partner Kelly Koscuiszka discusses Form PF “Current Reports” with *Hedge Fund Law Report*

March 12, 2024

Schulte Roth & Zabel partner Kelly Koscuiszka was featured in the first of a series of *Hedge Fund Law Report* articles, which focus on the “current reports” amendments made to Form PF and their impact on hedge fund managers. In “Form PF Current Reports: Monitoring for Trigger Events”, Kelly spoke about her teams’ work developing appropriate policies and procedures to identify trigger events and establish internal reporting protocols.

The new reporting requirements that went into effect in December were bound by a tight deadline of six months, creating a difficult compliance landscape that managers had to quickly navigate. Kelly reflected, “Our clients were able to get their policies and procedures together, but it was a real scramble. There are not only multiple triggers – all of which require different reporting lines and monitoring – but also interpretive issues with the rules and the Release . . . implementation was more complicated than we expected.”

Kelly led the development of new policies and procedures to proactively address the changes and took a collaborative approach integrating compliance, operations and finance departments, she noted, “We didn’t want to design something in a vacuum that didn’t account for the practicalities of the operational issues that arise with these events.

“We would help Advisers go trigger by trigger and look at to what extent we could rely on something the client already had and build on top of that.

“In some cases, we had to create new policies because nothing in the prior policies addressed the trigger events at the level we thought the SEC expected and the Release warranted,” Kelly added.

Kelly explained the importance of establishing effective internal reporting protocols that are tailored to each organization’s structure, stating, “If you’re a small shop, the OCO probably knows everything that’s going on, so it’s just a matter of memorializing it. For some larger shops, though, it was important to ensure that if, for example, something was happening with a prime broker in Asia, they had the right reporting lines in place because now that event might require reporting in the U.S.”

Related People



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