



Members of the K&L Gates London office regularly advise participants in the UK financial services industry including a broad spectrum of domestic and international fund managers, trading advisors, banks, brokerages, proprietary trading firms and other FCA regulated firms. We differentiate our financial services practice through (1) the sheer scope and breadth of our resources and experience, (2) our commitment to practical and cost-effective solutions, and (3) quality of service. In the increasingly complex regulatory and business environment in which our financial services clients operate, and especially in light of the consolidating nature of many leading industry participants, we can bring to bear the resources and experience demanded by our sophisticated clients in an effective and cost-efficient manner.

### Value Added Service

We have in-depth knowledge that comes from extensive experience in the financial markets. In addition to our experience in private practice, members of the Financial Services Practice, in the UK and U.S., have worked in-house and are active in a variety of U.S. and UK industry associations, including the Alternative Investment Management Association, the Securities and Investments Institute, the Futures and Options

Association, the Futures Industry Association, the Investment Company Institute and the Managed Funds Association. Our experience provides us with knowledge not only of the applicable laws and regulations, but also of business realities, regulatory processes and exchange and regulatory personnel, enabling us to provide effective advice that goes far beyond mere knowledge of legal rules.

### Areas of Practice

#### Investment Management

The Financial Services Practice provides advice with respect to the organisation and day-to-day operation of a range of investment funds (including parallel and master-feeder structures and funds of funds) and fund managers. Our lawyers are especially well versed in the practical as well as the technical and regulatory aspects of organising and operating fund vehicles and structuring investment managers to minimise regulatory capital and other requirements. We strive to create and develop innovative structures to address the specific needs of our clients. In addition to the investment vehicles and managers themselves, our clients include a wide range of other service providers to the fund management industry, from administrators and custodians to banks and distributors. Members of the Financial Services Practice are involved in the structuring of investment funds with a broad range of investment strategies, including hedge, private equity, real estate, life insurance settlements and distressed and emerging market investments. Our lawyers are also highly experienced in the structuring and acquisition of, and exit strategies from, fund portfolio investments (by private sale or public offering), and in the buying, selling, and flotation of investment management and other financial services firms.

#### Futures and Derivatives

We are one of the few law firms with significant experience in this complex area of law. Members of the Financial Services Practice provide advice on all aspects of futures and derivatives legal and regulatory compliance, including trade practices, registration, recordkeeping and reporting, anti-money laundering, capital requirements, margin and supervision. We also represent our clients in connection with investigations and enforcement actions. Our lawyers are experienced in dealing with the regulatory aspects of mergers, acquisitions, dispositions of business interests and other transactional matters and regularly draft and negotiate clearing agreements, customer account documentation, written supervisory procedures and compliance manuals.

We strive to create and develop innovative structures to address the specific needs of our clients.



## Banks and Broker-Dealers

We provide comprehensive legal services to a diverse group of clients that includes banks, broker-dealers, online brokerage firms, proprietary trading groups and many others. Our lawyers provide business-sensitive advice on all aspects of bank and broker-dealer law and regulation, including FCA applications, reporting, trading, research, advertising, capital, margin and supervision. Members of the Financial Services Practice also regularly draft and help implement brokerage agreements, compliance manuals, trading and privacy policies and conflict of interest policies. Our lawyers are experienced in handling transactions involving transfer of ownership interests in banks and broker-dealers and also represent bank and broker-dealer clients in regulatory investigations and proceedings.

## OTC Derivatives and Structured Products

We advise financial institutions, derivatives dealers, hedge funds and other asset managers in structuring, negotiating and documenting hedge fund-linked and other structured investments as well as a full range of over-the-counter derivatives. Our lawyers advise clients with respect to securities, commodities and banking regulatory and

compliance matters, and provide ongoing advice concerning the trading, marketing and sales of OTC derivatives and structured products.

## Financial Services Regulation

Our regulatory lawyers handle all aspects of FCA and other regulation in the financial services industry, including in relation to contentious matters, from litigation to regulatory investigations and regulatory enforcement action. We are also able to provide seamless trans-Atlantic, European and global regulatory advice through our international network of offices. Chambers UK 2011 reported a client comment on one of our regulatory lawyers that “he is completely up to date about UK and EU regulation and is brilliant at educating us”.

## Representative Matters

- Advising U.S.-based hedge fund manager clients on the establishment of UK offices including establishing the corporate entities, advising on the corporate structuring and the regulatory, employment and other issues associated with the establishment by a U.S. hedge fund manager of its practice in the United Kingdom.
- Acting for an FSA-authorised entity in relation to a Bermudan fund of hedge funds including reviewing the prospectus and investment management agreement.
- Advising on prime brokerage arrangements between our hedge fund clients and the major international prime brokerage groups.
- Advising a U.S. fund manager with regard to proposed arrangements for two members of its UK LLP to receive ownership interests in the U.S. entity.
- Advising a fund distribution business on its corporate reorganisation and contractual terms with fund clients.
- Advising a securities trader in connection with an internal investigation, disciplinary hearing and FSA investigation regarding certain trades which the FSA believed were conducted by the trader on the basis of inside information.
- Advising UK-based hedge fund groups on their regulatory capital requirements.
- Advising a UK hedge fund manager on a substantial position taken in connection with an ongoing public takeover offer in the United Kingdom.
- Advising a U.S. hedge fund manager on tax-efficient deferred remuneration structures and the FSA's Remuneration Code.

---

Learn more about our UK Financial Services practice at [klgates.com](http://klgates.com).

### Contacts:

Philip J. Morgan  
+44.(0)20.7360.8123  
[philip.morgan@klgates.com](mailto:philip.morgan@klgates.com)

Sean Donovan-Smith  
+44.(0)20.7360.8202  
[sean.donovan-smith@klgates.com](mailto:sean.donovan-smith@klgates.com)

Jacob Ghanty  
+44.(0).20.7360.8211  
[Jacob.Ghanty@klgates.com](mailto:Jacob.Ghanty@klgates.com)

# K&L GATES

Anchorage Austin Beijing Berlin Boston Brisbane Brussels Charleston Charlotte Chicago Dallas Doha Dubai  
Fort Worth Frankfurt Harrisburg Hong Kong Houston London Los Angeles Melbourne Miami Milan Moscow Newark New York  
Orange County Palo Alto Paris Perth Pittsburgh Portland Raleigh Research Triangle Park San Francisco São Paulo Seattle  
Seoul Shanghai Singapore Sydney Taipei Tokyo Warsaw Washington, D.C. Wilmington

K&L Gates comprises approximately 2,000 lawyers globally who practice in fully integrated offices located on five continents. The firm represents leading multinational corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals. For more information about K&L Gates or its locations, practices and registrations, visit [klgates.com](http://klgates.com).

This publication is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer.

©2015 K&L Gates LLP. All Rights Reserved.