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# Hughes Hubbard & Reed

## In Bloomberg Law: Applying the SEC Investment Adviser Conduct Standards to Private Funds

### Articles & Press

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**March 6, 2021** - Sandra Poe, Terence Healy and Javad Husain co-authored an article for Bloomberg Law examining the final version of the U.S. Securities and Exchange Commission's Interpretation Regarding Standard of Conduct for Investment Advisers, an interpretive release the SEC published in June 2019 in order to reaffirm and clarify the fiduciary obligations investment advisers owe to their clients.

In the Feb. 26 article, entitled "[Applying the SEC Investment Adviser Conduct Standards to Private Funds](#)," the authors pointed out that, while the Interpretation recognizes that advising sophisticated clients may warrant a lesser duty than for Main Street retail clients, the guidance was equally inspired by concern over declining conduct standards in the private funds sector.

"Private fund advisers must now consider whether their disclosure practices, compliance policies, governing documents, or contractual terms concerning conflicts of interest comport with this new guidance," they wrote.

The authors also noted that the guidance requires that any adviser that has relaxed its disclosure and compliance practices based on state laws which permit limits on or waivers of fiduciary duties reconsider those practices and bring them into line with federal fiduciary standards, which cannot be completely waived.

"Accordingly, this is an ideal time to take notice of the Interpretation's guidance in connection with compliance program and ADV reviews and in anticipation of further specific rule changes that may come in 2020," they concluded.

Click [here](#) to view the full article.

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