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FIRM NEWS



Allison Yacker and Jill Darrow Comment on Direct Lending Issues for Hedge Funds

September 22, 2016

In the first of a three part series in *The Hedge Fund Law Report*, New York Financial Services group co-chair Allison Yacker and New York Tax Planning partner Jill Darrow provided trends and market insight into direct lending for hedge funds. Allison noted that there has been an increase in direct lending by hedge and private equity funds amongst her clients. She has counseled credit managers and multi-strategy and special opportunity investment funds managers on direct lending, noting that special opportunity funds have an advantage in pursuing opportunities over traditional credit funds. Jill identified tax concerns relating to ordinary income, phantom income, state and local tax, publicly traded partnerships and passive activity loss rules as a result of direct lending, noting that none of the issues would prevent US taxable investors from participating in these types of investments. ("Hedge Funds As Shadow Banks: Tax Considerations for Hedge Funds Pursuing Direct Lending Strategies," September 22, 2016)

CONTACTS

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