

Kimberly Smith Talks to *Business Insider* About Acceleration of Private Equity Deal Activity

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Co-chair and partner of the Private Equity and Mergers & Acquisitions practices Kimberly Smith spoke to *Business Insider* about the growing urgency for private equity firms to get deals done before the end of the year due to fears of a potential tax rate increase in 2021.

"It's a very real issue on people's minds," Kimberly said.

The expectation of higher rates among private equity firms comes from the possible election of Joe Biden as president and a democratic majority in Congress, which many investors anticipate will result in higher taxes on corporations and wealthy individuals. Taxes could also increase if Donald Trump remains in office, as the government needs to pay to fund COVID-19 relief efforts.

Kimberly and several other attorneys and private equity executives said that while they were not seeing assets coming to market solely because of possible higher taxes in 2021, there is a sense of urgency among private equity executives to sell. The increase in deals is also a result of the private equity market slowing down mid-year because of COVID-19 and the alleviation of financial markets by the federal government and central banks.

There have already been several private equity sales that have occurred in the past two months, including Blackstone exiting its 36 percent share in UK insurance company Rothesay Life and selling its 42 percent share in Cheniere Energy Partners.

Read, "Private-equity giants are racing to sell assets before year-end because they're worried about a bigger tax hit if Biden wins the election," in its entirety.

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