

# New Hedge Fund Advertising Rules Due This Summer

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The Securities and Exchange Commission (SEC) did not meet the July 4 deadline for proposing [new advertising rules for hedge funds and private equity funds](#) when soliciting investors mandated under the Jobs Act. They are still due this summer.

The Jobs Act lifted the long-standing ban on hedge funds and private equity funds advertising private securities offerings to the public. The Act gave the SEC 90 days to adopt rules implementing the changes.

According to SEC Chairman Mary Shapiro, drafting the new rules has proved more complicated than it would seem at first blush. One area that is particularly tricky seems the requirement that the issuer take reasonable steps to verify that purchasers are accredited investors.

Apparently, the SEC is also still working on the cost/ benefit analysis. "Although we will not meet this deadline, the staff has made significant progress on a recommendation and economic analysis, and it is my belief that the commission will be in a position to act on a staff proposal in the very near future," she said. Stay tuned.

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