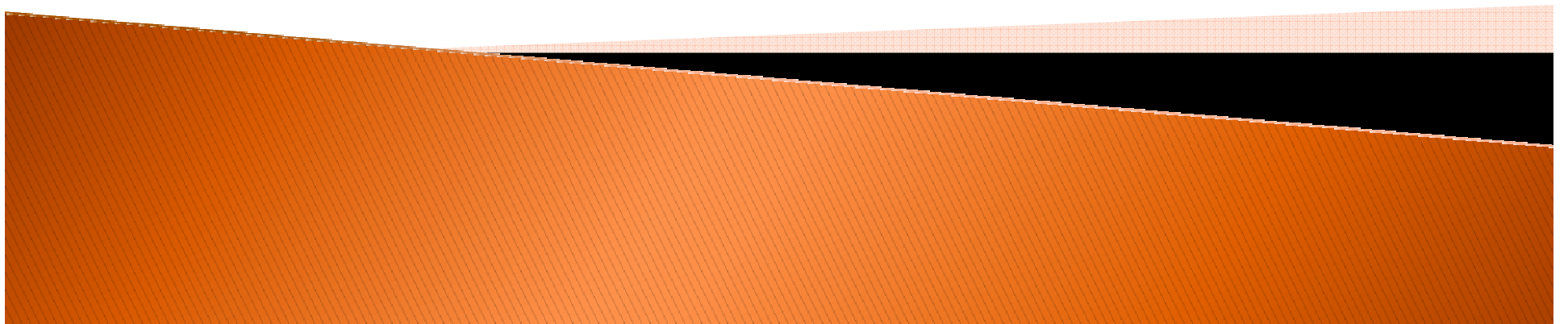


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THE 2nd ISLAMIC VENTURE CAPITAL AND PRIVATE EQUITY CONFERENCE 2009

20 & 21 May 2009, Kuala Lumpur

Session 1 – Country Presentation: The European Union Experience

- *The EU's regulatory framework for private equity investment*
- *Key trends and opportunities in the EU markets*

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- **Key trends in the EU markets**
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The current situation in the EU

- no harmonised framework at present but MiFID, UCITS, the Pension Funds Directive, and the Capital Requirements Directive affecting the industry
- a self-regulatory stance fostered by the EVCA. IFRS and GAAP applied as well as OECD-inspired corporate governance guidelines

EU Commission proposal for a Directive on Alternative Investment Fund Managers

- the European Commission's response to the financial crisis: the Communication on Driving European Recovery and the AIFM Directive
- the EU consultation process: how does it work
- a first worldwide attempt to create a comprehensive regulatory framework: an EU passport for AIFM
- muted reactions. The elections factor

AIFM Directive: the Scope

- the size of the industry
- the proposed Directive covers all EU-based AIFM presently not authorized by the UCITS regime
- non-EU based AIFM permitted to opt into the scheme after a waiting period of three years
- exemption clauses: the € 100 million and 500 million threshold

AIFM Directive: the Objectives

- enhanced transparency requirements and operating conditions
- additional transparency requirements for leveraged and controlling positions AIF
- effective monitoring of macro-prudential risks by enhancing EU-wide regulatory oversight
- robust risk management and organizational safeguards at the level of AIFM and key service providers
- better investor protection

AIFM Directive: authorization process

- fund managers not the funds require authorization
- fundamental requirements
- marketing allowed only to professional investors
- timing and effects
- the third country rule is of particular importance for Malaysia

AIFM Directive: an open debate

- Initial reactions indicated great concerns:
- different types of investment funds targeted
- PE funds on the same foot as hedge funds
- the de minimis threshold issue
- the offshore financial centres issue
- the national additional requirements issue
- the short-selling and dynamic trading issue
- the definition of ‘professional investor’

Key trends in the EU markets

- shrinking of private equity deals worldwide and stretching of the fund-raising cycle
- a different impact of the economic weakness on the Asian and European markets
- despite a slowdown in fundraising the industry in the EU remained robust netting € 65.3bn

Opportunities in the EU markets

- the case for massive potential for private equity in the EU
- the PWC 2008 report: some positive findings on EU alongside CEE and Asia
- conclusions: the need for hands-on approach

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