

Q&A: What will be the biggest trend or issue impacting the European private funds market in 2023?

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Private equity is resilient and has been innovative in how it invests a large amount of dry powder. However, as we enter an uncertain market, what are the biggest factors that will impact how private markets raise and form their funds? [Sean Spence](#) and [Chris Elson](#) address this question, reflecting on what lies ahead in 2023.

Q&A: What will be the biggest trend or issue impacting the European private funds market in 2023?

Chris Elson: “We will likely see a broader range of products coming to market as the macroeconomic environment changes. Sponsors will also continue to seek to broaden the universe of investors that participate in their funds, including continuing to push into the retail market, despite the broader macroeconomic picture being less than stellar. For some within the private funds industry, 2023 will be a year of opportunity.”

Sean Spence: 2022 marked a very significant shift in the US regulation of private funds, with the SEC making clear departures from its traditional disclosure-based framework to prescriptive rulemaking, as best seen in the several restrictions for private fund advisers outlined in the SEC’s proposed Advisers Act reforms. With this trend expected to continue in 2023, we will see additional SEC rulemaking and guidance, in addition to a more rigorous enforcement regime. Advisers will likely face additional regulatory disclosure obligations and administrative burdens. As a result, any adviser, and that includes advisers in the UK and in Europe, who expects to solicit US capital in 2023 would be wise to actively engage with US regulatory counsel as part of their fundraising process.

Related Professionals

- **Christopher Elson**

Partner

- **Sean Spence**

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