

Odette in Hart Energy: Oil, Gas Private Equity Funds May Escape New SEC Transparency Rules

October 17, 2023 Vicki Odette

PRACTICES Oil and Gas

Haynes Boone Partner [Vicki Odette](#) was quoted in a Hart Energy article on oil and gas funds escaping new SEC transparency rules.

Read an excerpt below:

New SEC reporting and transparency requirements “scares the hell out” out of private equity funds, but an old, hidden exemption may mean oil and gas funds are off the hook.

A “forgotten exemption” tucked away in an 83-year-old law may spare oil and gas funds from new Security and Exchange Commission (SEC) reporting requirements widely disliked in private equity circles.

Private equity and hedge funds have been bracing for the implementation of new rules approved by the SEC in August. The exemption could let oil and gas funds off the hook from new SEC transparency and reporting requirements that much of private equity see as intrusions that could throw a wrench into investor relations and add costs, administrative burdens and tight deadlines. A coalition of investment and fund industry groups are suing the SEC for what they see as an overreach of the commission’s statutory authority.

But word is spreading among fund managers and their lawyers. Funds investing exclusively in oil and gas appear to have a way out thanks to an obscure section—3(c)(9)—of the 1940 Investment Company Act.

“I like it,” said Haynes Boone partner Vicki Odette, who said she is discussing the exemption with clients. “If all you do [in a fund] is energy, you really should look at 3(c)(9) to see if you can get out” of the new requirements.

To read the full article from Hart Energy, click [here](#).