Albert Tan Featured in PERE Roundtable Report on Subscription Finance

By Albert C. Tan | September 28, 2017

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Haynes Boone Partner Albert Tan, co-chair of the firm's Fund Finance Practice Group, was featured in a September article in *PERE* on fund services.

The article featured roundtable interviews with Tan and other leading fund finance figures, who offered their views on subscription finance, which is a global financing product that has a worldwide market value estimated at $350-$400 billion.

Subscription financing has become one of the most talked-about issues in the private funds universe and was a prime topic of discussion at the Fund Finance Association's (FFA) 1st Annual Asia-Pacific Fund Finance Symposium in Hong Kong in June, according to *PERE*.

The publication interviewed Tan, who helped organize FFA's Asia Pacific symposium, and others who spoke at the event, including Kenneth Chiu, CFO Asia, Gaw Capital Partners and David Wasserman, managing director and global group head of subscription secured financing, Sumitomo Mitsui Banking Corporation (SMBC).

"Subscription financing was primarily a U.S. real estate private equity financing product. But it is now commonly used by funds in buyouts, private debt, real estate, infrastructure and other alternative asset classes – from North America to South America, from Europe to Asia," Tan told *PERE*.

Views on subscription finance, Tan explained, have been colored by press coverage without fully understanding the intricacies of the product, market practices, or the dialogue between managers and their investors about the use of subscription lines. "I think it's a matter of education for those reading the headlines. In practice, investors and their counsel are very sophisticated and well aware of the usage of this financing product as long as there is transparency from the GP," he said.

Tan also talked to *PERE* about the latest subscription finance guidelines issued by the Institutional Limited Partners Association (ILPA). "Institutional investors are supportive of the use of subscription financing by private equity funds that they invest in, provided that the funds are transparent on their usage and the subscription financing arranged is consistent with ILPA's recommended guidelines," said Tan, a member of Haynes Boone's board of directors. (The firm's Fund Finance Practice Group will host a panel discussion on the guidelines with ILPA and other industry leaders in New York on Oct. 19.)

The article was featured in a special September report by *PERE* that examines private real estate fund services.

Published by Private Equity International, *PERE* has been the leading publication for the world's private real estate markets since its inception.

Tan regularly represents investment and commercial banks in connection with subscription financings for private equity funds in Asia, Europe, Latin America and North America. He frequently speaks on fund finance at legal and business seminars and is recognized as a “Leading Practitioner” in the *Guide to Leading Practitioners: China*, International Private Equity, United States (Euromoney Expert Guides, Euromoney Institutional Investor PLC.

Excerpted from *PERE*. To read the full article, click here.