



Private Equity Alert

Special Edition March 8, 2010

Weil News

- The International Financial Law Review has shortlisted Weil Gotshal for its Americas Awards for Private Equity Deal of the Year and Private Equity Team of the Year
- Weil Gotshal advised Hicks Sports Group on its sale of the Texas Rangers Major League Baseball franchise
- Weil Gotshal advised Lightning Enterprises and Lightning Real Estate Holdings on their sale of the Tampa Bay Lightning National Hockey League franchise
- Weil Gotshal advised Advent International on its acquisition of Xafinity Group from Duke Street Capital
- Weil Gotshal advised Ontario Teachers Pension Plan Board on its European debut acquisition of Acorn Care and Education
- Weil Gotshal advised STR Holdings (a portfolio company of DLJ Merchant Bank) in connection with its initial public offering
- Weil Gotshal advised Generac Holdings (a portfolio company of CCMP) in connection with its initial public offering
- Weil Gotshal advised Earthbound Farms (a portfolio company of HM Capital) on its acquisition of Mission Organics
- Weil Gotshal advised Castle Hill Funds (and its managers) on their spin-off from Ignis Investment Managers

IRS Issues Favorable FBAR Guidance for Offshore Private Equity and Hedge Fund Investors

By Robert Frastai (robert.frastai@weil.com)

In prior Private Equity Alerts ([August 2009](#) and [June 26, 2009](#) issues) we discussed Internal Revenue Service (“IRS”) guidance granting to certain taxpayers extended filing deadlines for their Report of Foreign Bank and Financial Accounts (“FBAR”). On February 26, 2010, the IRS issued further guidance that eliminates FBAR filing requirements in respect of offshore private equity fund and offshore hedge fund interests for 2009 and any prior years. On the same day, the IRS separately announced that persons other than US citizens, US residents, domestic corporations, domestic partnerships, and domestic estates and trusts are not required to file FBARs for 2009 and any prior years.

The new guidance was issued by the IRS in response to proposed regulations issued by the Financial Crimes Enforcement Network (“FinCEN”) on February 25, 2010. Among other things, the proposed regulations reserve on the treatment of offshore private equity fund and offshore hedge fund interests for FBAR reporting purposes while FinCEN continues to study the issue. We will continue to stay apprised of this matter and update you of any further developments in this area.

Back Issues of Private Equity Alert are available online at www.weil.com

Recent Articles:

UK Takeover Code Makes Changes Related to Management Incentives
 Tax Changes in Asia Pacific May Adversely Impact Private Equity Investment
 Is Your Earnout Headed For A Burnout?
 Shaken, Not Broken
 House of Representatives Passes Carried Interest Legislation
 Foreign Account Tax Compliance Act of 2009

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House Committee Clears Hurdle in Requiring Registration of Private Fund Managers

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The FDIC Budgets – A Little

Equitable (In)subordination – Considerations for Sponsors Lending to Portfolio Companies

Letters of Intent and Avoiding the Unintended

IRS Extends FBAR Filing Deadline for Certain Taxpayers

Proposed Tax Legislation May Affect Taxation of Profits Interests Issued to Management—Preemptive Action May Be Appropriate

FDIC Proposes Guidelines for Private Equity Investments in Failed Banks

Deadline Extended for Certain Taxpayers to Report Foreign Financial Accounts

Administration Proposes Financial Regulatory Reform

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Treasury Secretary Geithner Presents Framework for Regulation of Private Investment Funds

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Fear and Greed

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Buying Assets out of Bankruptcy in the US and the UK

Breaking Up Is Hard To Do – and Must Be Done Carefully

Private Equity Alert is published by the Private Equity Group of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, +1-212-310-8000. The Private Equity Group's practice includes the formation of private equity funds and the execution of domestic and cross-border acquisition and investment transactions. Our fund formation practice includes the representation of private equity fund sponsors in organizing a wide variety of private equity funds, including buyout, venture capital, distressed debt and real estate opportunity funds, and the representation of large institutional investors making investments in those funds. Our transaction execution practice includes the representation of private equity fund sponsors and their portfolio companies in a broad range of transactions, including leveraged buyouts, merger and acquisition transactions, strategic investments, recapitalizations, minority equity investments, distressed investments, venture capital investments and restructurings.

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