

# Webcast Review: “Building Blocks of Hedge Fund Taxation,” Sponsored by the ABA Section of Taxation and Center for Continuing Legal Education

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For years, the American Bar Association has been providing continuing legal education to its members and to the general public. The ABA offers this continuing legal education in a variety of formats, ranging from the issuance of its monthly magazine to its frequently scheduled classroom sessions. One aspect of the ABA’s extensive educational reach that has been creating more and more of a buzz lately is its live audio webcasts.

On Wednesday, September 27, I participated in a 90-minute teleconference and webcast on hedge fund taxation. The program was led by Kevin Kaiser, a senior manager in KMPCG’s financial services practice, and an adjunct professor at the University of Minnesota Carlson School of Management. Mr. Kaiser is a frequent lecturer on hedge fund issues, and has previously lectured at the ABA’s annual conference.

The webcast covered how hedge funds are structured, and current issues that impact hedge fund investors. It highlighted different hedge fund strategies and related tax issues. Mr. Kaiser addressed the latest regulations affecting the hedge fund industry; critical tax and accounting issues; how to develop tax-

efficient solutions for investment partnership allocations; and the tax treatment of the various types of financial instruments and strategies used by hedge funds.

Program recipients received over 40 slides pertinent to hedge fund taxation, containing relevant definitions, case law and diagrams of hedge fund structures. They also laid out practical knowledge such as allocations, basis adjustments and disclosure and reporting requirements. Other important topics found in the slides were withholding requirements and tips to avoid unrelated business taxable income (UBTI), since many hedge fund investors are tax-exempt entities. Mr. Kaiser clearly delineated the differences between unregulated hedge funds and their regulated brethren, mutual funds.

Although this program was terrific for hedge fund novices (such as myself), I suspect it also held the interest of subject matter experts. Ample time was left at the end of the program for questions and answers. I recommend the hedge fund webcast to all those interested in the subject, from the rank and file wanting to get up to speed, to more experienced financial practitioners.

## THE M & A TAX REPORT

ABA webcasts are a convenient method to obtain educational credits and stay abreast of current tax issues, minimizing time away from the office.

The ABA offers live audio webcasts in 18 subjects, many of which may be of interest to M&A TAX REPORT readers. There are webcasts on estate planning, business and commercial law, and real estate, just to name a few. There are also webcasts on many nonsubstantive subjects such as ethics, law practice management and dispute resolution.

The ABA Tax Section has been no slouch addressing this new technology. The section has

a program called “Last Wednesday,” offering a webcast on the last Wednesday of each month. The subjects relate to mergers and acquisitions and other tax areas.

Practitioners can listen from their own offices, homes, cars and for the technologically savvy, even their iPods. These webcasts do not necessarily have to be listened to live.

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