

**L.U.I.S.S.**  
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**LIBERA UNIVERSITÀ INTERNAZIONALE DEGLI STUDI SOCIALI**  
**“GUIDO CARLI”**

DOTTORATO DI RICERCA IN DIRITTO ED ECONOMIA  
XXVI CICLO

ANALISI ECONOMICA E REGOLAMENTAZIONE DEL *PRIVATE EQUITY*  
NEGLI STATI UNITI E NELL'UNIONE EUROPEA

ABSTRACT

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## ABSTRACT

This work comprises an economic analysis of private equity and a comparative analysis of private equity regulation in the European Union and in the United States of America, whereby a number of important issues are identified and recommendations are provided.

The main finding of the economic analysis of private equity's business model is that the current remuneration policies of private equity firms, based on the "2 and 20" market standard, fail to align the interests of private equity firms and their investors. A number of specific suggestions, involving changes to the structure of fees, carried interests and direct investments, are advanced for consideration. Further, the evergreen issue of the economic impact of private equity is revisited, first, by systematizing and critically reviewing the conclusions reached by the scholars in the last twenty years, then, by showing the superior capability of private equity investments to mitigate agency costs in the debt market.

The comparative analysis identifies the main differences between the EU and the US regulations of private equity and frames these differences in terms of compliance costs and burdens for private equity firms. Such analysis underlies an assessment of possible options for the allocation of compliance costs between private equity firms and investors.

Finally, the economic and comparative analyses are connected to advance specific recommendations to private equity firms, policy makers and regulators for a further sound development of the private equity sector, which recommendations conclude the work.