



Closing the Operational Gap in Alternatives

Why Scaling Alternative Investments Requires a Common Operating Baseline

October 2026

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Executive Summary

SIFMA recommends establishing a governed operating baseline for the recurring front-end steps that make a private markets relationship operational: intake, eligibility, authority, account opening, and cash readiness. This does not mean uniform products, a single confirmation template, or one settlement clock. It means common definitions of key lifecycle states, such as acknowledgement, confirmation, pending position, and funding readiness, so that every participant recognizes and reconciles the same event the same way.

Private market alternatives are trying to scale through broader access while still running a front-end operating model that treats every relationship as bespoke. Bespoke and scale rarely coexist. As a bespoke model grows, the same event picks up more and more names, definitions, and handoffs. Departments and intermediaries end up working in silos on what is, in substance, the same process. Scale requires shared terms and definitions.

The friction is concentrated in these front-end steps, which are largely similar across firms. Yet sponsors, intermediaries, servicers, custodians, and control functions each rebuild them through their own documentation and workflows. That approach has not been workable in a concentrated market of sophisticated investors. It does not work for a market expanding across products, channels, intermediaries, and retail investors.

The recommended baseline has three layers:

1. Common core: reusable information, documentation, attestations, and identifiers (illustrative v1 field set in Appendix A).
2. Product overlays: bounded structural differences such as commitment mechanics, liquidity, leverage, custody, suitability, and eligibility.
3. Participant overlays: legitimate firm-specific requirements, kept narrow by design.

A Private Markets Product Reference Key (PMPRK) anchors this baseline (Appendix B). The PMPRK is not a new universal identifier. It is a governed cross-reference that links each participant's existing identifiers for the same manager, fund, vehicle, class, series, feeder, or offering. With it, a product's reference data can travel as one reusable package through onboarding, eligibility, funding, servicing, reporting, and transfer. The PMPRK delivers value only if it is adopted end to end. That chain runs from product creators and their counsel, through transfer agents, administrators, custodians, and infrastructure providers, to distributors, RIAs, and broker-dealers.

The payoff:

- faster speed to distribution for managers
- more platforms willing to add products
- fewer duplicative diligence cycles
- more reliable account and cash readiness
- servicing that scales

- cleaner transfers
- greater advisor and investor confidence

These recommendations draw on a series of SIFMA member roundtables. Anonymized member anecdotes appear throughout the paper in “Market Perspective” boxes.

I. Private markets are scaling faster than the front-end can absorb

Private markets are moving into a less forgiving operating environment, with more channels and a growing number of intermediaries which have less tolerance for opacity or delays across the asset ownership lifecycle. Retail-scale distribution changes the requirement in concrete ways: tax reporting volumes rise sharply, eligibility has to be evidenced for far more investors, recordkeeper and custodial integration becomes a gating dependency, and valuation and status updates have to arrive on a cadence an advisor can explain to a client.

The issue is not that these requirements are new. It is that the same reporting, ownership, and/or valuation issues are being reconstructed too often, in too many formats, across too many participants, as the market expands.

As a result, the front-end operating model is becoming a commercial constraint. It shapes how quickly managers can access channels, how confident platforms can add products, how effectively custodians and administrators can scale support, and how credible private markets appear as a repeatable offering rather than a bespoke one-off offering.

II. Standardize the rails, not the products

This paper recognizes that alternative investment products will not be identical to one another. Product differences are real. The industry's challenge is to distinguish genuine product complexity from repeatable operating requirements that can be handled through a common baseline.

In practice, that requires a repeatable way to identify and cross-reference the same product instance as it moves across managers, administrators, platforms, custodians, market infrastructure providers, and servicing providers. The market does not necessarily need a new universal identifier as the first step. It often needs a governed convention for linking existing identifiers and operational references consistently across participants.

- Common operating baseline: The recurring information, documentation, attestations, identifiers, and product cross-references that should no longer be collected through fully bespoke intake, plus shared structural definitions for how the process behaves (for example what counts as acknowledgement, confirmation, pending position, or funding readiness) without prescribing identical data fields, documents, or timing across products
- Product overlays: The places where structure genuinely changes the requirement, treated as bounded additions to a stable common operating baseline rather than as justification for starting from zero
- Participant overlays: The narrow differences in need that arise from role, risk position, or control environment, but these must be explicit and governable

The practical implication is simple: standardize the rails, not the products. Derivatives markets offer a useful precedent: products grew more complex yet the shared trading and settlement conventions proliferated.

A baseline private-markets onboarding model



Shared product and relationship data sits at the center, with product and participant requirements bounded around it

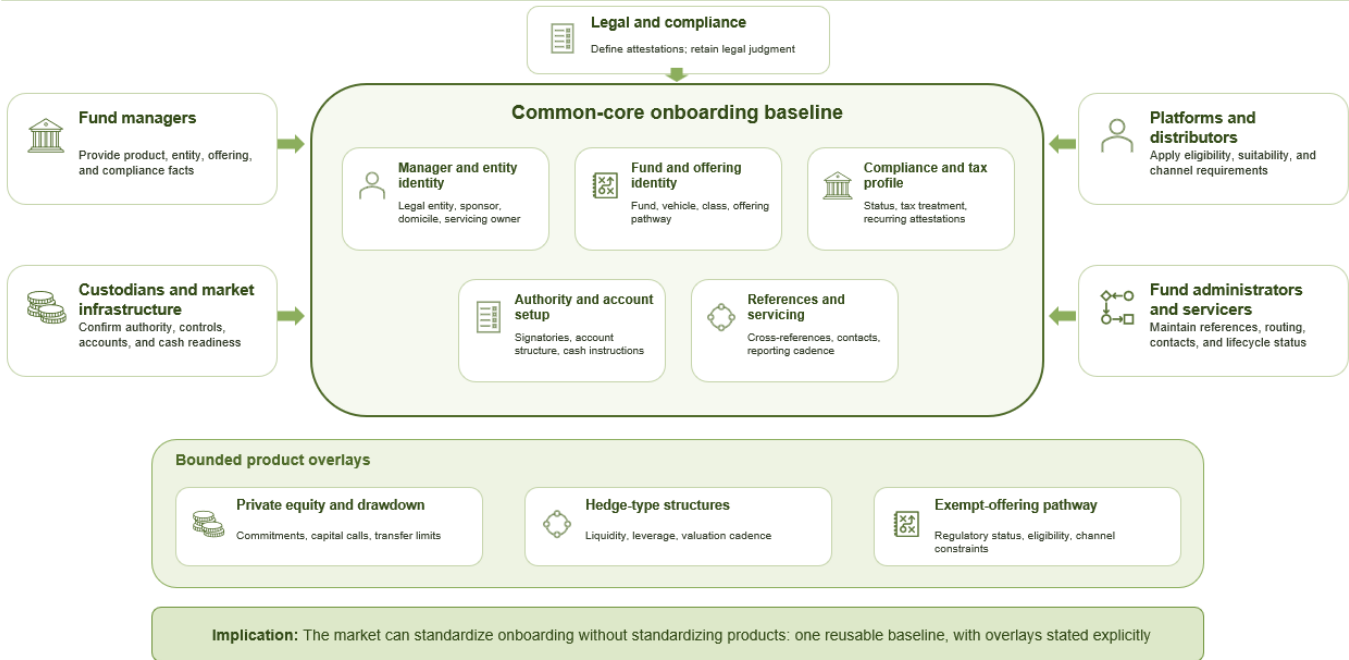


Exhibit 1. A baseline private-markets onboarding model

In this paper, the baseline private-markets onboarding model should be read as a front-end operating model, not a single onboarding event. It covers three related but distinct domains: product and provider onboarding, investor and eligibility onboarding, and the account, authority, and cash-readiness setup required to make the relationship operational. The greatest fragmentation today is the way data has to be moved between intermediaries, where managers, platforms, servicers, administrators, custodians, and market infrastructure providers repeatedly reconstruct the same product, entity, and control information through different intake processes with no standard identification tool. Some aspects of investor onboarding may lend themselves over time to more portable credentials or utility-like solutions, but the more immediate need for a common baseline sits in product and provider onboarding and the common data, attestation, and setup elements that sit beneath it. The exhibit should therefore be read as a model for organizing what is reusable across the chain, what is genuinely product-specific, and what remains participant-specific. The core, fundamental data set remains the same across the entire ecosystem.

III. Friction starts at onboarding and accumulates across the lifecycle

The private-markets operating model builds up operational friction through a sequence of connected weaknesses that begin at the front of the lifecycle and compound as a product moves through commitment, funding, servicing, and transfer.

Operational friction compounds across the lifecycle



Each stage has a distinct operating issue and a corresponding market response

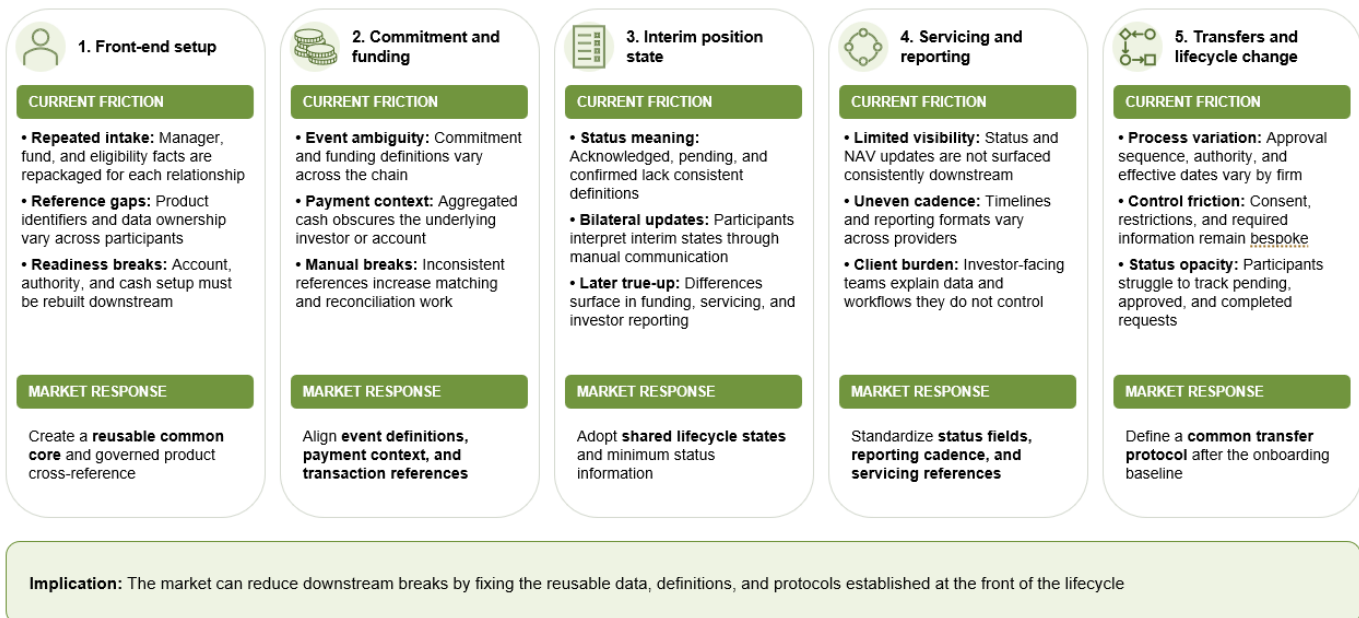


Exhibit 2. Operational friction compounds across the lifecycle

A. Onboarding and eligibility

Across the market, the same core information is requested repeatedly in different forms by different participants. Managers are asked to assemble familiar diligence packages for each new platform, custodian, or service-provider relationship. Eligibility requirements are often captured through narrative questionnaires and manually interpreted representations rather than structured data fields. Core entity, fund, and compliance information is repackaged multiple times. Reference data is often incomplete or inconsistent.

III. Friction starts at onboarding and accumulates across the lifecycle

The same fragmentation is felt acutely by custodians, fund administrators, and related servicing participants, even where they are not the first point of intake. In practice, account-opening readiness, authority validation, banking setup, registry continuity, and downstream servicing often depend on product and entity information that has already been collected elsewhere in the chain but is not available in a sufficiently reusable form. That leaves operational participants rebuilding or reassessing core facts to support custody, fund accounting, transfer-agent, Anti-Money Laundering (AML) / Know Your Customer (KYC), and lifecycle-event workflows that sit closer to the actual movement of cash, positions, and records.

One potential approach is a reusable reference package that links existing manager, administrator, platform, custody, and servicing identifiers without requiring the market to abandon internal records or create a new universal identifier structure. In this paper, that reusable package is referred to as the Private Markets Product Reference Key (PMPRK) framework.

Market Perspective: repeated intake without a shared baseline

Participants described product onboarding as a sequence of institution-specific intake exercises rather than a single operating process. Depository Trust & Clearing Corporation (DTCC)'s Alternative Investment Product (AIP), platforms, and fund administrators ask for the same inputs, often in different languages and formats. One participant estimated that 70 to 75 percent¹ of subscription document information is consistent across sponsor or product structure. The lien letter illustrates the pattern: it is commonly required, but content, signatory, and freshness expectations vary by institution.

B. Commitment, confirmation, and funding

In alternatives, lifecycle events do not always align neatly, and that is not inherently problematic. The issue is that the market often lacks common conventions for how those events are expressed, communicated, and reconciled.

In drawdown structures, each capital call becomes its own funding event. In aggregated distribution models, a single payment may represent multiple underlying investors or accounts. Without common frameworks for event definition, reference data, and supporting communication, the burden of interpretation grows quickly.

¹ Research resulting from PwC and SIFMA hosted workshops

III. Friction starts at onboarding and accumulates across the lifecycle

Part of the friction lies in how participants distinguish acknowledgement, confirmation, booked position, and final settlement. Some workflows support acknowledgement and pending-position treatment before final NAV or settlement, while others still rely on bilateral communication and later true-up. The issue is not that every product should follow one sequence, but that the market lacks common conventions for expressing and reconciling those states across participants.

Market Perspective: cash moves faster than context

Several participants noted that the industry still lacks a broadly adopted approach for handling interim economic states between acknowledgement and final confirmation. While some firms operationalize provisional recognition through pending-position treatment or interim booking, others defer recognition until reconciliation steps are completed, resulting in multi-furcated processes hindering a consistent client experience. As a result, workflows that depend on consistent event interpretation, including funding, servicing, and investor reporting, often require additional coordination, manual assessments, and downstream adjustment.

C. Servicing and transparency

Some opacity is intrinsic to the nature of private assets. But much of what market participants experience as opacity is operational.

Event status is not always visible. Timelines are not always communicated in a useful way, resulting in different standards and data being displayed. Updates may exist somewhere in the chain but not in a cadence or format that downstream participants can rely on.

Advisors and sponsors often absorb the reputational burden of opacity without controlling the underlying workflow, resulting in disjointed client experiences.

Market Perspective: opacity becomes a client-experience problem

Participants closest to investors described inconsistent status visibility across managers and service providers. Pending transactions may be reflected differently across custodians, including different approaches to delayed NAV. That inconsistency can frustrate advisors and investors trying to understand whether a transaction can be sold, transferred, or relied upon.

D. Transfers and lifecycle change

Transferability and lifecycle change are increasingly part of the private markets product promise. In practice, however, the operating model often remains thinner than the economics suggests.

Market Perspective: transfer mechanics lag the product promise

Participants described transfer processes that can take months where NAV confirmation, control checks, approval sequencing, and documentation requirements do not align amongst custodians, market infrastructure providers (e.g., AIP) clearing firms and sponsors. They also pointed to unresolved questions around control location, data authority, manager consent, and effective-date treatment.

The issue is not simply processing speed. Transfers between institutions are often governed by non-standard data requirements, inconsistent conventions for approval and effective date, uneven control-location views, and structure-specific constraints such as lockups, gates, and manager consent. In some cases, the party holding the data needed to process a transfer may not have authority to provide it without manager approval.

These frictions weigh investor confidence in portability and secondary liquidity. They also reinforce the need for sequencing discipline: A remediation effort on transfers should follow an onboarding baseline.

The market may also benefit from alignment of structural process components for transfers without mandating a single operating model. That would mean shared understanding of basic sequencing (for example initiation, confirmation, manager consent where required, NAV or pricing reliance, approval, and settlement or book-entry update), the categories of information that must pass at each stage, and the disposition of the request (pending, approved, rejected, or completed). Participants could adopt those conventions selectively while still applying product-specific rules for gates, consent, and timing.

These failures do not sit neatly inside operations. They help shape the economics and credibility of the channel. Slower onboarding delays manager access to distribution, unreliable transfer and lifecycle workflows between institutions weaken confidence in product portability and secondary liquidity. Over time, the cost of exceptions, controls, and manual interventions becomes a tax on scale. As these processes grow more complex, the effects extend beyond operations to product distribution, advisor adoption, servicing activities, and the reliability of cash movement and transfer workflows.

IV. Who will take the lead on moving first?

Creating something akin to a common operating baseline is not a new idea within the industry. Participants are well aware of the issues, yet only a handful have taken steps toward a resolution. The interlocking changes that should be made by managers, distributors, custodians, etc. pose a chicken-and-the-egg dilemma: who will go first and who will follow?

Circumstances in the markets today should compel participants to jointly act. Those circumstances include the meteoric rise of private credit vehicles, the need for private equity stakes to be monetized through secondary markets or other means, and the U.S. government's support² for expanding access to alternative assets in retirement accounts. Market structure is moving toward broader access to private assets, increasing pressure on the industry to prepare for a larger investor base. The time for avoidance and delay is swiftly closing with politicians, investors and other market participants putting the onus for action on the industry.

The burden of fragmentation is shared, but not evenly. Market participants experience friction differently. No participant sees the whole burden clearly enough to fix it alone, and the costs of duplication do not always sit with the same party that would need to change its behavior to reduce them.

Participants generally viewed existing onboarding utilities such as DTCC Alternative Investment Product (AIP)³ as directionally useful but structurally incomplete for broader private-markets workflows. Several noted that AIP evolved primarily around non-traded REIT and BDC-style broker-control environments rather than the full servicing complexity of drawdown structures, hedge funds, omnibus funding, model portfolios, or transfer-heavy workflows. The challenge raised repeatedly was not whether additional functionality could be built, but whether enough of the ecosystem would adopt it simultaneously to justify the investment. The position taken in this paper is that AIP remains the right rail for the flows it already carries, and that a common core should be designed to extend through it rather than around it.

² Executive Order 14330, Democratizing Access to Alternative Assets for 401(k) Investors, <https://www.whitehouse.gov/presidential-actions/2025/08/democratizing-access-to-alternative-assets-for-401k-investors/>

³ DTCC Alternative Investment Products, <https://dtcclearning.com/products-and-services/alternative-investment-products.html>

IV. Who will take the lead on moving first?

Participants noted that operational economics remain uneven across products. Some structures may justify industrial-scale servicing infrastructure, while others may remain intentionally high-touch and bespoke because investor count, servicing complexity, or product economics do not support greater operational investment.

The industry has also failed to draw the line cleanly enough between variation that is genuinely required and variation that is merely inherited. Legitimate product nuances have been allowed to justify far more front-end customization than the underlying requirements often require.

The ownership gap: pain is shared, incentives are split, therefore improvement stalls



Progress requires a clear commitment from each part of the market

Participant	Direct burden	Why action stalls	Required commitment
 Fund managers	Repeated diligence, document repackaging, and legal or compliance review	Larger firms can absorb the cost; smaller firms lack leverage to set a standard	Supply and maintain the common product, offering, and compliance record
 Platforms and distributors	Product intake, eligibility interpretation, and exception handling	No platform wants to own a market standard or assume another firm's controls	Accept the common core as the starting point and make overlays explicit
 Administrators and servicers	Fragmented inputs across onboarding, reporting, and lifecycle events	They receive upstream variation and cannot standardize the chain alone	Maintain cross-references, servicing contacts, routing, and event status
 Custodians and market infrastructure providers	Authority, control, cash readiness, and settlement exceptions	Liability and safekeeping obligations make local requirements feel safer	Align on reusable evidence while retaining institution-specific judgment

Bottom line: Shared standards work only when managers supply the core, intermediaries accept it, servicers maintain it, and a market body governs it

Exhibit 3. The ownership gap: pain is shared, incentives are split, and movement stalls

It should be noted that participants already have a great deal in common. For example, large parts of the downstream infrastructure already operate on shared conventions. Custody flows rely on established position and settlement frameworks. DTCC and National Securities Clearing Corporation (NSCC) infrastructure already support broad portions of public-market processing and reporting. Market participants routinely exchange valuation files, tax reporting, performance data, and transfer-related messaging through existing operational rails. The persistent fragmentation sits further upstream: product onboarding, eligibility handling, operational reference data, acknowledgement and confirmation treatment,

IV. Who will take the lead on moving first?

servicing coordination, and transfer readiness. On the evidence in this paper, the first move will be on the industry participants to nominate a qualified industry association to take lead as a neutral convener, with fund managers and administrators supplying the common core and the largest platforms and custodians committing to accept it as submitted.

V. A baseline operating model: Common core, product overlays, and participant overlays

The practical point is that much of this upstream baseline information and data already exist, albeit in fragmented form. Real participant questionnaires, onboarding packages, and custody-review templates contain recurring fields around manager and fund identity, offering type, exemption status, funding mechanics, reporting cadence, tax treatment, liquidity, transfer restrictions, servicing contacts, and operational routing. The market's constraint is the absence of a governed upstream baseline. A governed baseline should also ingest the reference data needed to support downstream workflows that participants can reuse consistently across the chain.

A recurring industry observation is that no participant today owns a sufficiently shared product record. Managers maintain product records that are reconstructed inside the intake environments of distributors, custodians, administrators, servicers, and control functions. Some degree of platform-specific intake is both reasonable and necessary, particularly where advisor experience, suitability handling, or control requirements differ by channel. The problem is that too much of the same underlying product and provider information is rebuilt before legitimate differentiation begins.

A common product record also requires a more disciplined product-identity layer. The market does not necessarily need a private markets equivalent of a universal security identifier as the first step. However, it should have a reliable convention for cross-referencing the same product instance across participants. At the very least, participants repeatedly identified the need to better align manager references, fund references, vehicle and feeder structures, class distinctions, administrator records, platform references, custody records, and servicing identifiers. Without that discipline, even well-structured onboarding packages fragment downstream as products move across onboarding, servicing, reporting, funding, and transfer workflows.

Several participants described a gradual shift toward more data-forward servicing models in which documents increasingly become supporting artifacts rather than the primary operational object. In that model, standardized operational data, event states, attestations, and servicing references become the authoritative layer, supported by more consistent mechanisms for storing, transmitting, and reconciling that information across participants. Documents continue to serve as evidence and legal support, but the operational process increasingly depends on structured data that can move reliably between platforms, administrators, custodians, and servicing functions. Derivatives markets provide an analogous model: standardized data and processing conventions can support complex products without making the products uniform.

Participants also repeatedly described the absence of durable operational memory across the chain. Tax treatment, eligibility handling, servicing contacts, transfer restrictions, funding conventions, and lifecycle references are often rediscovered relationship by relationship rather than maintained as reusable operational context attached to the product and servicing record itself.

V. A baseline operating model: Common core, product overlays, and participant overlays

The distinction matters because some requirements look like genuine common-core candidates, such as taxonomy, reporting cadence, funding method, tax status, valuation, and reporting inputs. Other elements are more clearly participant overlays, including local signature standards, proprietary transfer forms, custodian-specific acknowledgements, and institution-specific control mechanics. These categories define the architecture of the baseline model. Product overlays preserve legitimate differences in commitment mechanics, liquidity, custody, leverage, suitability, or eligibility logic without displacing the core. Participant overlays capture narrower differences driven by role, risk position, or control environment, but force those additions to remain explicit and governable.

VI. The first build: A minimum viable market standard

The next question is prioritization. The market does not need to build the full target state at once; it needs to decide what the first usable version should contain.

In practical terms, the first deliverable should be a version 1.0 Market Practices package containing a reusable intake package, an illustrative field dictionary, a structured attestation library, freshness and versioning rules, and a pilot protocol for market participants. Appendix A shows what part of that first artifact could look like.

Transfers and lifecycle events warrant dedicated market attention, but they should be sequenced after the first onboarding baseline rather than folded into it prematurely. The reason is practical. Many transfer failures are downstream expressions of the same missing foundation: inconsistent product records, unclear authority, non-standard account and investor reference data, uneven servicing contacts, and divergent control expectations. A v1 onboarding baseline would not solve transfers by itself, but it would create the operating foundation on which a serious transfer-standardization workstream could be built. The first market step should therefore be onboarding and operational readiness; the next adjacent workstream should be transfers, re-registration, approval status, effective-date conventions, and lifecycle-event processing.

The first phase should therefore be narrow enough to be credible and concrete enough to matter: a minimum viable market standard for the front end of the lifecycle, focused on private-fund structures distributed through exempt-offering pathways, including private-equity drawdown structures and hedge-fund-type structures, while excluding NSCC/Fundserv registered alternative wrappers such as interval funds, BDCs, and tender-offer funds, which already clear through established registered-fund rails and present a different and largely solved intake problem.

- **A common onboarding taxonomy and product-identity convention:** A shared structure for manager and entity identity, fund and offering identity, product-instance cross-references, compliance and tax attestations, eligibility, authority and account setup, cash readiness, and reference data.
- **A small common data and document package:** A stable baseline set of information and supporting materials that should travel with a product and its manager across relationships.
- **A structured attestation library:** A reusable set of recurring representations and certifications captured in a more disciplined form than repeated free-form questionnaires, inclusive of regulatory and operational standards.
- **A narrower treatment of recurring legal blockers:** A specific workstream to isolate the recurring custody, control, transfer, tax, and documentation issues that repeatedly delay onboarding and trigger disproportionate customization, rather than treating each one as fully bespoke.
- **A baseline-plus-overlay operating model:** A requirement that supplemental requests be classified clearly as common-core requirements, product overlays, or participant overlays.

VI. The first build: A minimum viable market standard

- **A limited pilot rather than a universal mandate:** A practical test to determine where the baseline meaningfully reduces duplication, where overlays remain too broad, and where governance questions become real.
- **A lifecycle process protocol framework:** Shared structural definitions for how key events behave across the chain, including acknowledgement, confirmation, pending position, funding readiness, servicing status, and transfer disposition, without prescribing identical data fields, documents, or timing. Participants could align on expected sequencing and information categories while retaining product-specific rules for NAV treatment, settlement, and consent.

The market should not mistake sequencing for reprioritization. Transfers are the clearest, second-phase workstream because they expose the cost of weak upstream operating foundations. Once a common onboarding and operational-readiness baseline is tested, the same market practices discipline can be applied to transfer datasets, workflow sequencing, approval-status conventions, effective-date rules, and participant responsibilities.

Minimum viable standard for a private-markets onboarding model



A practical split between what should be common across the chain and what should remain an explicit overlay.

Domain	Common core	Product overlay	Participant overlay
 Manager and entity identity	Legal entity, jurisdiction, ownership, regulatory status, tax ID or LEI	Usually none or minimal	Local registrar, paying-agent, and KYC support
 Fund and offering identity	Fund, structure, offering path, domicile, class, vehicle, service-provider map	Drawdown or hedge terms, liquidity, parallel vehicles, leverage	Platform intake fields and local product classification
 Compliance, tax, and eligibility	AML and KYC representations, tax status, beneficial ownership	Product suitability logic and investor eligibility thresholds	Channel attestations and local legal or risk requirements
 Authority and account setup	Signatories, resolutions, account setup, cash instructions, authority to transact	Product control or funding mechanics	Custodian controls and platform approvals
 Product reference layer	Manager, fund, vehicle, class, servicing, custody, platform, and event references	Structure-specific events, timing, and funding identifiers	Internal mappings and local workflow tags
 Legal and control documents	Governing documents, investor letter, risk disclosure, compliance policies	Side letters, subscription agreements, and structural amendments	Control letters, local approvals, and legal supplements
 Protocols and process standards	Exchange protocols, message formats, acknowledgement, service levels, refresh process	Product workflows, NAV frequency, event triggers, exceptions	Local process variants, integrations, and playbooks

Key principle: Reuse the common core across the chain. Keep product differences bounded and participant requirements visible

Exhibit 4. Minimum viable standard for a baseline private-markets onboarding model

VII. Governance, reliance, and overlay discipline

A common operating baseline will only hold if it is owned, maintained, and governed by a credible standing body with the authority and membership to make standards stick. Defining the framework is the first step. Confirming it does not collapse back into bespoke practice requires institutional continuity that outlasts any single working group or publication cycle.

A qualified industry association, one with committee infrastructure, cross-participant membership, regulatory relationships, and an institutional track record is best positioned to steward this framework rather than any single firm, platform, or administrator. Under this proposal, such a body would establish a dedicated standing structure to own the private markets operational baseline from publication forward. An industry-leading trade association for broker-dealers, investment banks, and asset managers operating in U.S. capital markets illustrates the kind of institution capable of playing this role.

A. Proposed structure: Three tiers modeled on proven precedent.

Industry associations have governed living market standards in analogous contexts for decades. A standing committee for policy and advocacy, an operations forum for practitioner-level implementation, and an advisory council for standard-setting, versioning, and change governance together provide a proven model for doing so. The Uniform Practices Manual for mortgage-backed securities, first published in 1981 and continuously maintained since, demonstrates that this structure can sustain a living operational standard across a heterogeneous participant base over a longer horizon.

The same three-tier structure could be applied to private markets, adapted to the specific participant composition and governance requirements of the alternatives lifecycle.

The proposed Private Markets Operations Committee would be the senior standing body, housed within the steward association's relevant Operations & Technology committee structure. It would carry responsibility for market-practice recommendations across the alternatives lifecycle, regulatory engagement on operational matters, and oversight of the two tiers below it. Membership would span the full participant chain: fund managers, platforms and distributors, custodians and market infrastructure providers, fund administrators and servicers, and transfer agents. The committee would meet on a defined cadence and maintain a public-facing mandate and member roster on the steward association's website.

The proposed Private Markets Operations Forum would be the practitioner working body and the operational home of the working group that produced this paper. The Forum would handle implementation guidance, field-level questions, pilot coordination, and the practical work of applying the common-core framework across participant combinations, product structures, and distribution channels. It would report to the Committee and escalate governance questions rather than resolve them unilaterally.

The proposed Private Markets Standards Advisory Council (PMSAC) would be the standard-setting body. It would own the common-core baseline, govern versioning and change, approve updates to Appendix A and the field dictionary, and publish current versions in the steward association's Market Practices & Model Documentation Library. The PMSAC would serve as the direct analogue of the TBA Guidelines Advisory Council, with defined cross-participant membership, a formal change process, and a public record of decisions and effective dates.

B. Versioning, change process, and the living standard

The common-core baseline should be treated as a living framework from the moment of first publication. A standard that cannot evolve will either fossilize into irrelevance or be quietly abandoned as participants work around it. Industry associations have demonstrated in other markets that version-controlled, publicly maintained standards can sustain reliance over long periods if the update process is disciplined and transparent.

Each version of the baseline would carry a version number, an effective date, and a named maintainer. Changes to a common-core field would trigger a version increment, a change-log entry, and a defined notification period before the new version became operative. Participants would maintain a record of the version used for onboarding, supporting downstream audit and dispute resolution. The PMSAC would publish a forward calendar of planned review cycles so participants could prepare for updates.

The proposed change-approval mechanism for private markets would require more deliberate design than the negative-consent process used for mortgage-backed securities markets. The TBA market's participant base is relatively homogeneous; a proposed change that draws no objection within a defined window becomes effective. Private markets have a more heterogeneous participant composition, and managers, platforms, custodians, administrators, and market infrastructure providers have materially different stakes in a standard change. The PMSAC should therefore require affirmative approval from a defined quorum that includes at least one representative from each major participant category before a common-core change becomes effective. Overlay modifications could follow a lighter process consistent with their narrower scope.

C. Overlay discipline

A baseline model will likely fail if overlays become an unbounded substitute for current bespoke practice. The governance structure must therefore treat overlay discipline as an ongoing responsibility, not a one-time design choice.

All supplemental requirements should be classified explicitly as product overlays or participant overlays when submitted to the PMSAC. The PMSAC would review overlay submissions on a defined schedule and publish a registry showing approved additions across the market. That visibility would create pressure on participants whose overlays are outliers and enable periodic rationalization as practices converge.

An overlay that replicates a common-core field in different languages should not be approved. An overlay that addresses a genuine product-structural difference or a documented control requirement that cannot be satisfied by the common core should be approved, recorded, and made visible. Over time, overlays that have been widely adopted across participants are candidates for promotion into the common core through the standard change process.

D. Legal judgment, control requirements, and reuse boundaries

The governance structure should be clear about what the common baseline standardizes and what it does not. It standardizes evidence, reference data, recurring representations, freshness, and version control where reuse is practical. It does not outsource legal judgment, control requirements, or institution-specific reliance decisions.

That boundary is especially important for AML, KYC, customer due diligence (CDD), sanctions, beneficial ownership, tax, custody-control language, transfer documentation, investor instructions, and related legal acknowledgements. Participants may rely on a better-organized and consistently versioned evidence layer, but they retain their own legal, regulatory, and control obligations where those remain institution-specific. The PMSAC's mandate explicitly excludes issuing legal opinions or creating safe harbors; it governs operational data, documentation structure, attestation format, and reference conventions.

E. Accountability, supply, and reliance

A functioning governance structure should answer the accountability questions that the market often asks before it relies on the baseline. Who supplies each part of the common core? Who is responsible for maintaining it? What representations attach to it? What happens when a supplied record is incorrect or stale?

Under the proposal, supply responsibility would be allocated as follows. Fund managers and their counsel would supply and attest to the entity, fund, offering, and compliance layers of the common core. Fund administrators would confirm and maintain the cross-reference map, servicing contacts, and operational routing fields because they often serve as the operational hub across platform relationships. Platforms and custodians would supply their participant-overlay fields. The steward association, through the PMSAC, would own the taxonomy, versioning framework, and public registry. No participant would be asked to rely on another participant's legal judgment; each would supply and maintain the factual and operational data it is best positioned to know.

F. Adoption path: Staged, evidence-driven, and commercially attractive

The market cannot move to full adoption immediately, and the governance model does not require it to. A more realistic path is staged implementation: establish the PMSAC and the Committee at publication, run the limited pilot described in Section VIII through the Operations Forum, publish v1.0 of the baseline in the steward association's Market Practices & Model Documentation Library, and let adoption broaden through demonstrated operational benefit rather than mandate.

Market standards become credible through use before they become universal. The TBA market's Uniform Practices Manual did not achieve broad adoption through mandate; it became the reference standard because participants found that operating against it reduced friction and ambiguity in ways that bilateral arrangements could not replicate. The same dynamic is available here. Major platforms, custodians, and administrators that align their intake to the published baseline create commercial pressure on those who have not yet done so. Deviation becomes visible, and visible deviation becomes commercially costly over time.

That institutional continuity is what a working group alone cannot provide. Working groups produce papers; committees maintain standards. The transition from one to the other is what converts a market practices proposal into durable market infrastructure.

A common operating baseline typically matters when the market believes it can be governed, relied upon, and adopted without collapsing back into bespoke practice. The industry's next challenge is therefore not simply defining the framework. It is addressing practical questions that determine whether the framework can function.

VIII. The path to adoption: Minimum viable standard, limited pilot, visible deviation

The path to adoption is not a single mandate or a grand redesign. It is a staged market practices sequence: define a usable baseline, test it across a limited group of participants, make deviations visible, and let adoption broaden through evidence rather than aspiration.

1. Build a usable first version

- The market should start with a minimum viable standard containing the narrowest set of requirements that can materially reduce repeated onboarding friction across private-fund structures distributed through exempt-offering pathways
- This version should be deliberately narrow in scope and practical in form. It should include a common onboarding taxonomy, a minimum data and document package, a structured attestation library, protocols / process standards, and freshness and versioning rules. Appendix A provides an illustrative v1 common-core field set that can help anchor that first build.
- The baseline should also be treated as market infrastructure. Its value lies not only in standardizing what is collected, but in making better automation, cleaner servicing, and more scalable downstream processing possible.

2. Test the model in practice

- A usable first version should then be tested through a limited pilot across a representative group of participants. The purpose of that pilot is not to prove universality. It is to determine whether a common-core package actually reduces repeated work, whether product overlays remain bounded, and whether participant overlays can be made explicit enough to reduce ambiguity and rework.
- The standard should be version-controlled and treated as a living framework. That means defined update cycles, change logs, and clear expectations around how participants know what version they are relying on and when changes become effective.

Success should be defined in operational terms and measured against a baseline captured before the pilot starts: elapsed days from package submission to platform acceptance, duplicate information requests per onboarding, the share of common-core fields accepted without rework, and the number of participant overlays applied per relationship.

3. Make deviations visible and let adoption build

- A functioning baseline cannot eliminate exceptions. It can help make them legible. Supplemental requests should therefore be classified clearly as common-core requirements, product overlays, or participant overlays. That discipline is what allows the market to compare, govern, and narrow deviations over time rather than allowing them to expand invisibly.

VIII. The path to adoption: Minimum viable standard, limited pilot, visible deviation

- Adoption is more likely to broaden when market participants see that the baseline reduces cost, ambiguity, and operating friction in practice and when advisors and end investors experience clearer status visibility, more predictable timelines, and fewer unexplained delays in subscription, funding, servicing, and transfer events. Market pressure matters for that reason as well. Major platforms, intermediaries, and service providers can accelerate adoption by aligning intake to a common baseline once doing so improves operational continuity, reduces repeated bilateral reconstruction, and strengthens the client and advisor experience through more transparent lifecycle communication.

IX. The current model is survivable; but it's no longer sustainable

Alternatives do not need uniform products to scale. They do need a more disciplined operating baseline.

Today's model remains too dependent on repeated document exchange, narrative interpretation, fragmented reference data, and participant-specific process design in areas where the underlying requirements overlap far more than current practice admits. The problem is more visible at the front of the lifecycle, where onboarding, eligibility, authority, account setup, servicing readiness, and trade initiation still behave as if each relationship were entirely new.

The industry now has a more useful framing. The question is not whether private-market products are too complex for full uniformity. They are. The question is whether the industry can align around a common 80 percent operational framework for private markets processes, rather than rebuilding the same workflows relationship by relationship.

The opportunity is to separate reusable common-core requirements from legitimate product and participant overlays. Complexity does not disappear, nor should it. But it becomes more bounded, more legible, and less operationally corrosive.

Alternatives can continue functioning through bilateral workarounds and high-touch operating models for some time. The more important question is whether the industry can transition to scalable infrastructure without a more reusable front-end baseline.

The next practical step is a cross-participant market practices effort to define, test, and publish a version 1.0 onboarding baseline focused on reusable operational foundations, common-core fields, overlay taxonomy, and a first practical implementation package.

Appendix A. Illustrative v1 common-core field set

This appendix illustrates how a first version of a market standard could distinguish between fields that are broadly reusable across participants, requirements that are more appropriately treated as participant-specific overlays, and transfer-related elements that are likely to require a subsequent phase of market practices work.

The inclusion of transfer-related elements in this appendix is intended to identify the natural second-phase workstream, not to expand the first-phase onboarding standard. The first phase should establish the reusable product, account, authority, servicing, and reference-data foundation. The second phase should apply the same common-core and overlay discipline to transfer and lifecycle events.

Domain	Illustrative fields / documents	Likely status	Why it matters
Manager / sponsor identity	• Manager name • Sponsor name • Entity type • Domicile • Operating entity • Servicing contacts	• Common core candidate	• Recurring identity and operating facts appear across participant intake and custody review.
Fund / offering identity	• Fund name • Offering type • Exempt vs registered status • Class / series • Transfer restrictions • Liquidity terms	• Common core candidate	• Core product-definition fields are repeatedly collected across participants in different formats.
Funding and transaction setup	• Upon-subscription vs capital call • Pricing methodology • Reporting cadence • Acknowledgement • Confirmation expectations	• Common core candidate	• These fields drive account, cash, and event readiness and should not depend on bilateral reconstruction.

Appendix A. Illustrative v1 common-core field set

Product identity/ Cross Reference	• Manager reference • fund reference • vehicle / feeder indicator • class / series • administrator record • platform reference • custody or servicing reference • product cross-reference key	• Common core candidate	• Participants can confirm that data, documents, attestations, cash instructions, servicing contacts, and transfer restrictions relate to the same product instance.
Tax / reporting profile	• K-1 vs 1099 • UBTI • Leverage • Valuation / reporting inputs • Audit / reporting cadence	• Common core candidate	• Tax and reporting treatment are recurring front-end requirements and shape downstream servicing.
Operational routing and servicing	• Administrator / transfer-agent contacts • Distribution and reporting contacts • File-delivery expectations	• Common core candidate	• Operational readiness depends on known servicing parties and clear communication paths.
Institution-specific control mechanics	• Custodian acknowledgements • Local signature standards • Institution-specific control language	• Participant overlay	• These reflect local control environments and are less likely to be standardized away entirely.
Transfer / re-registration documentation	• Proprietary transfer forms • Medallion / wet-signature rule • Effective-date handling • Approval status	• Phase-two transfer candidate	• Transfers are the clearest adjacent workstream because requirements remain highly bespoke and operationally inconsistent.

Some of these fields already map, at least in part, to existing participant templates and message infrastructure. The objective is not to replace what already works. It is to define a governed shared baseline where overlap is already substantial but still handled through different forms, classifications, and operating conventions.

Post-trade servicing and transfers are the next more natural extension of this work. The same logic applies identifying the repeatable operating requirements, separating them from legitimate participant-specific differences, and define where common datasets, approval conventions, timing rules, and confirmation steps would reduce friction without forcing artificial uniformity. This paper does not attempt to define the next standard in its entirety. It does suggest that transfers are the clearest area where a second-phase market practices effort could build on the baseline established here.

Appendix B. Illustrative Private Markets Product Reference Key (PMPRK) Framework

The PMPRK framework described in this paper is intended as an illustrative operational reference model rather than a mandated identifier utility or centralized registry.

Its purpose is to establish a governed cross-reference structure capable of linking the same product instance consistently across managers, administrators, platforms, custodians, market infrastructure providers, and servicing providers without requiring participants to abandon existing internal identifiers.

The framework is intentionally limited in scope. It focuses on reusable operational product-reference alignment across onboarding, servicing, funding, reporting, and transfer workflows.

The framework does not attempt to standardize the underlying records or authoritative systems that hold:

- valuation or pricing data,
- investor-position identifiers,
- portfolio holdings,
- transfer-agent books and records,
- regulatory filing references,
- or legal ownership determinations.

The objective is operational alignment and reusable servicing context rather than holistic lifecycle data normalization. In practice, a single record for one feeder vehicle would carry the manager LEI, the fund reference, a master-feeder indicator, the administrator record ID, the platform and custody references, and a version and effective date, so a platform, an administrator, and a custodian can each confirm they are servicing the same product instance.

Reference layer	Illustrative fields	Purpose
Entity layer	• Manager LEI • GP entity name • Domicile • Operating entity	• Establishes the legal and operational anchor for the sponsoring organization.

Appendix B. Illustrative Private Markets Product Reference Key (PMPRK) Framework

Fund layer	• Fund reference • Fund legal name • Fund LEI • Where applicable • Offering type	• Establishes the primary fund-level operational reference.
Vehicle / feeder layer	• Master-feeder indicator; • Offshore/onshore designation • Parallel vehicle indicator • AIV indicator	• Captures the structural distinctions that frequently create onboarding and servicing fragmentation.
Class / series layer	• Economic class • Currency class • Investor-type designation • Series reference	• Normalizes recurring class and series treatment across participants.
Cross-reference layer	• Manager reference • Administrator record ID • Platform reference • Custody reference • Clearing reference • Servicing reference	• Aligns the same product instance across operational participants and servicing environments.
Governance and freshness layer	• Version date • Effective date • Record owner; • Freshness status • Last attestation date	• Supports operational reliance, refresh discipline, and auditability.