

**Frequently Asked Questions  
Directors Registration and Licensing Law, 2014**

**General**

| No. | Comment  | Response  |
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| 1.  | Who does this Law apply to?  | <p>This Law only applies to directors of companies that are:</p> <ul style="list-style-type: none"> <li>• registered under the Mutual Funds Law (2013 Revision) as a regulated mutual fund; or</li> <li>• companies falling under section 5(4) AND paragraphs 1 and 4 of the Fourth Schedule of the Securities Investment Business Law (2011 Revision).</li> </ul> <p>It does not apply to trustees (who are regulated under the Banks and Trust Companies Law (2013 Revision)) or partners of partnerships.</p>  |
| 2.  | Does the Law apply to covered entities which have “Licence Under Termination” status?                            | Yes. If the entity is in “Licence Under Termination” status and directors are still appointed to the board, the directors fall under the Law.   |
| 3.  | Does the Law apply to covered entities which are in voluntary or official liquidation?                           | No. If an entity has appointed liquidators, the previous directors do not fall under the Law.   |
| 4.  | How long do I have to apply?   | <p>If you are a natural person who is a director on a covered entity on the date that the Law comes into force, your application for:</p> <ul style="list-style-type: none"> <li>• registration must be received by the Authority within 3 months after the Law comes into force; or</li> <li>• licensing must be received by the Authority within 3 months after the Law comes into force.</li> </ul> <p>In either case, if you are a director on a covered entity on the date that the Law comes into force and have submitted your application for registration or licensing, you can continue to act as a director until the Authority approves your application for registration or licensing.</p> |
| 5.  | What if I need help understanding whether I fall under the Law?  | You should seek independent legal advice from your Cayman Islands attorneys. They will be able to advise you on how to proceed.   |
| 6.  | The Law mentions “capacity”. What does this mean? When and how will the Authority assess directors for capacity? | The Cayman Islands Monetary Authority (the “Authority”) is in the process of developing industry guidance on capacity. In line with previous announcements, this guidance is not expected until 2015. The guidance will be prepared in accordance with the requirements of the Monetary Authority Law (2013 Revision).  |
| 7.  | I see that there is a database. Is this going to be public?  | No. This database will be maintained by the Authority in accordance with the confidentiality provisions under section 50 of the Monetary Authority Law (2013 Revision). In practice, this   |

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|                               |   | means that your information will not be made available to the public, and your information is protected from freedom of information requests. However, the public will be able to search for your name to see whether you have been registered or licensed in accordance with the Law. The results of any search for your licence or registration status will only show your name, the type of registration or licence you hold, your registration/licence number and the date on which you were licensed or registered. While the creation of a public database has been discussed, it does not form part of this Law.  |
| 8.                            | What happens if I commit an offence under the Law?    | If you have committed an offence under the Law the Authority will refer your matter to the Director of Public Prosecutions or the Attorney General's chambers. The Director of Public Prosecutions or the Attorney General will then determine how to proceed.   |
| 9.                            | When and how do I pay my application and annual fees? | On your initial application, you will have to pay your application fee and first year fee at the time of your application through the website. On or before 15 January of each year after your application is accepted, you will have to pay your annual fee.  |
| 10.                           | When do I have to pay penalties?                      | If you pay your annual fee after 15 January of any year after your application is accepted, you will have to pay that annual fee plus a penalty (of 1/12 the relevant annual fee for each month that the annual fee remains outstanding). Further information is available by emailing <a href="mailto:directorfees@cimoney.com.ky">directorfees@cimoney.com.ky</a> .  |
| 11.                           | I have a question on fees. Who do I speak to?         | You can send an email to <a href="mailto:directorfees@cimoney.com.ky">directorfees@cimoney.com.ky</a> . You will be contacted by the Authority's Finance Division.   |
| <b>Applications Generally</b> |   |  |
| <b>No.</b>                    | <b>Comment</b>  | <b>Response</b>  |
| 12.                           | How will I know where and when to apply?              | The registered office of each covered entity will receive a list from the Authority containing unique identification numbers for all of the directors that are associated with the covered entities of that registered office. The registered offices will contact each director and supply that director with the unique identification number (note that a director may receive the same unique number from a variety of registered offices; you should expect this and disregard any duplicates). The registered offices will also let you know the correct website address to register at.<br><br>If you have not received your information from the registered office, you may contact the Authority directly at <a href="mailto:DirectorsRegistration@cimoney.com.ky">DirectorsRegistration@cimoney.com.ky</a> . |
| 13.                           | What happens if I get more than one unique            | You will need to contact the Authority directly at   |

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|   | identifying number?  | <a href="mailto:DirectorsRegistration@cimoney.com.ky">DirectorsRegistration@cimoney.com.ky</a> . The relevant Division will be able to provide you with the correct number.   |
| 14.   | I am sure that I am a director on a covered entity. What happens if I don't get my unique identifying number through a registered office service provider? | You will need to contact the Authority directly at <a href="mailto:DirectorsRegistration@cimoney.com.ky">DirectorsRegistration@cimoney.com.ky</a> . The relevant Division will be able to provide you with the correct number.  |
| 15.   | Can I send in an application by mail or email?   | No. Applications will only be accepted via the web portal. Any application received from any other means will not be processed, and will be destroyed by the Authority.   |
| 16.   | How do I pay?  | Payment will only be accepted via the web portal. The web portal accepts debit and credit cards from Visa and MasterCard. Payment received by any other method will be returned at the sender's costs. Please note that, should you choose to pay with a Visa debit or MasterCard debit card, your financial institution may charge you a higher exchange rate. The Authority will not refund the difference.   |
| 17.   | What information is material for the purposes of the Law?  | All information provided to the Authority by you is considered material, and will be treated accordingly. The Authority expects that, if there is any change to the information provided to the Authority, you will update all of the information that you provide to the Authority within 21 days (as provided in the Law). If there are no changes to the information you provided to the Authority, you will be asked to confirm that at the time that you submit your annual fee. |
| 18.   | Why does the Law require me to provide information on my criminal or disciplinary past?  | The Authority needs to see all of the information that it receives about any disciplinary or court action against you so that it can make a determination on whether your application is sufficient.  |
| 19.   | How long do I have to apply?   | If you know you have a complicated history, the Authority asks that you apply as early as possible to make sure that their application is processed within the application periods. You may not think you have a complicated history but the application process may show that you do. You must apply as soon as possible.  |
| <b>Applicants for Registration under Part II of the Law</b> |  |   |
| 20.   | How do I register?   | Applications will only be accepted through the web portal.<br><br>Once you receive your Unique ID, you can log onto the web portal. On your first login you will be required to set your password.  |
| 21.   | Can a company be registered?   | No. Registration is limited to natural persons. Companies must apply for a licence as a corporate director.   |
| 22.   | What personal information will you require from an applicant for registration?   | Applicants for registration will be required to provide:  |

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|     |  | <ul style="list-style-type: none"> <li>• full legal name</li> <li>• date and place of birth</li> <li>• nationalities</li> <li>• principal and postal addresses</li> <li>• email address and telephone number</li> <li>• whether you have been convicted of a criminal offence involving fraud or dishonesty</li> <li>• whether you are the subject of an adverse finding, financial penalty, sanction, disciplinary action or proceeding by a regulator, self-regulatory organisation or a professional disciplinary body</li> </ul>  |
| 23. | How long will an application take to be approved?  | Applicants should receive confirmation of registration within 48 hours.   |
| 24. | What if I haven't been approved in 48 hours?   | In these instances, it means that the Authority requires additional information from you before your application can be finalised. If you are a director on covered entities on the date that the Law comes into force, then you can continue to act as a director on those entities until the Authority processes your application. If you are not a director on the date that the Law comes into force, then you may not act as a director until the Authority processes your application. It is therefore recommended that you apply for registration well in advance of the launch date of your covered entity. |
| 25. | What if my application is refused?   | <p>If your application is at risk of being refused, the Authority will contact you and provide you with reasons why your application may be refused and provide you with an opportunity to make representations. If your application is subsequently refused, you will be contacted by the Authority and notified of the refusal for your application.</p> <p>If you are a director on the date the Law comes into force and your registration is refused, you will be able to take advantage of the reconsideration request procedure set out in section 26 of the Law.</p>  |
| 26. | What if my application is accepted?  | You will receive a notice from the Authority providing you with confirmation of registration. In order to maintain good standing, you will be required to pay an annual fee no later than 15 January of each year and reconfirm the information provided by you at the time of your application.  |
| 27. | What if, during the course of the year, I act on the board of more than 20 covered entities? | You will be required to apply for a licence prior to taking on your 20th covered entity. You can act for more than 19 entities pending approval of your application. If your licence is approved, you will be required to surrender your registration and pay the appropriate surrender fee. The application and first year annual fee that you submitted for your registration will not be refunded. If your   |

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|  |   | application is refused, the Authority will be in contact with you to plan a course of action.  |
| 28.  | I have a question on registration. Who do I speak to?                       | You can send an email to <a href="mailto:DirectorsRegistration@cimoney.com.ky">DirectorsRegistration@cimoney.com.ky</a> . You will be contacted by the Authority's Investments and Securities Division.  |
| <b>Applicants for Licensing as a Professional Director under Part III of the Law</b> |   |  |
| 29.  | How do I get a licence?   | Applications will only be accepted through the web portal.<br><br>Once you receive your Unique ID, you can log onto the web portal. On your first login you will be required to set your password.   |
| 30.  | Can a company be licensed as a professional director?                       | No. Licensing as a professional director is limited to natural persons. Companies must apply for a licence as a corporate director.  |
| 31.  | What personal information will you require from an applicant for licensing? | Applicants for licensing will be required to provide: <ul style="list-style-type: none"> <li>• full legal name</li> <li>• date and place of birth</li> <li>• nationalities</li> <li>• principal and postal addresses</li> <li>• email address and telephone number</li> <li>• a fully completed Personal Questionnaire (already available on the Authority's website at <a href="http://www.cimoney.com.ky">www.cimoney.com.ky</a>)</li> <li>• three reference letters, at least one of which must be from a bank</li> <li>• a copy of a recent police clearance certificate</li> </ul>                                  |
| 32.  | How long will an application take to be approved?                           | Applicants should receive confirmation of licensing within four weeks.   |
| 33.  | What if I haven't been approved in four weeks?                              | In these instances, it means that the Authority requires additional information from you before your application can be finalised. If you are a director on covered entities on the date that the Law comes into force, then you can continue to act as a director on those entities until the Authority processes your application. If you are not a director on the date that the Law comes into force, then you may not act as a director until the Authority processes your application. It is therefore recommended that you apply for your license well in advance of the launch date of your 20th covered entity. |
| 34.  | What if my application is refused?  | If your application is at risk of being refused, the Authority will contact you and provide you with reasons why your application may be refused and provide you with an opportunity to make representations. If your application is subsequently refused, you will be contacted by the Authority and notified of the refusal for your application.  |

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|  |   | If you are a director on the date the Law comes into force and your application for licensing is refused, you will be able to take advantage of the reconsideration request procedure set out in section 26 of the Law.  |
| 35.  | What if my application is accepted?   | You will receive a notice from the Authority providing you with confirmation of licensing. In order to maintain good standing, you will be required to pay an annual fee no later than 15 January of each year and reconfirm the information provided by you at the time of your application.  |
| 36.  | What if, during the course of the year, I act on the board of fewer than 20 covered entities?   | You may retain your license or choose to apply for registration as a director. You can act for more than 19 entities pending approval of your application for registration. If your registration is approved, you will be required to surrender your registration, pay the appropriate surrender fee, and ensure that you are acting for no more than 19 entities. The application and first year annual fee that you submitted for your licence will not be refunded. If your application is refused, the Authority will be in contact with you to plan a course of action. |
| 37.  | What insurance coverage do I need?  | You must be covered by a plan that has D&O insurance. This can be a plan you get on your own, one that is offered by the covered entities you act on, part of a group plan, or any other acceptable coverage. Insurance does not have to be from a Cayman Islands insurer, but should be from a reputable insurer familiar with this type of insurance.  |
| 38.  | I think I fall under one of the exceptions for licensing as a professional director and should be a registered director instead. How can I be sure? | You should seek independent legal advice from your Cayman Islands attorneys. They will be able to advise you on how to proceed.<br><br>Even if you do fall within one of the exceptions for licensing as a professional director, you will still need to register under Part II of the Law.  |
| 39.  | I have a question on licensing as a professional director. Who do I speak to?   | You can send an email to <a href="mailto:DirectorsLicensing@cimoney.com.ky">DirectorsLicensing@cimoney.com.ky</a> . You will be contacted by the Authority's Fiduciary Division.   |
| <b>Applicants for Licensing as a Corporate Director under Part IV of the Law</b> |   |  |
| 40.  | How does my company apply for a licence?  | Applications will only be accepted through the web portal.<br><br>Once you receive your company's Unique ID, you can log onto the web portal. On your first login you will be required to set your password.   |
| 41.  | What companies can apply?   | The following companies may apply for a licence as a corporate director: <ul style="list-style-type: none"> <li>• ordinary companies registered under the Companies Law (2013 Revision)</li> <li>• ordinary non-resident companies</li> </ul>  |

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|     |  | <p>registered under the Companies Law (2013 Revision)</p> <ul style="list-style-type: none"> <li>• exempted companies registered under the Companies Law (2013 Revision)</li> <li>• foreign companies registered under the Companies Law (2013 Revision)</li> </ul> <p>Companies that do not fall under one of the above categories cannot act as a director on any covered entity.</p>   |
| 42. | What if my company only acts on one covered entity?  | All companies, no matter the number of covered entities they act on, must hold a licence under the Law, a companies management licence or a mutual fund administrators licence.   |
| 43. | My company holds a companies management licence or a mutual fund administrators licence. Does it need a licence under this Law too?  | No. Corporate directors holding a companies management licence or a mutual fund administrators licence do not need a licence under this Law.  |
| 44. | My company holds a companies management licence or a mutual fund administrators licence. It also has subsidiaries acting as directors on covered entities. Those subsidiaries are not licensed under any Law. Do those subsidiaries need a licence under this Law too? | If the subsidiaries of the company are not licensed under the companies management law or the mutual fund administrators law, they will need to be licensed.  |
| 45. | What information on the corporate director will you require from an applicant for licensing?   | <p>The corporate director will need to provide:</p> <ul style="list-style-type: none"> <li>• evidence that it is duly incorporated, and registered as a foreign company (if applicable)</li> <li>• evidence of its shareholders or members (usually by way of a register of shareholders or members)</li> <li>• evidence of its directors (usually by way of a register of directors)</li> <li>• memorandum and articles of association or equivalent</li> <li>• if a foreign company, evidence that it is in good standing in its home country</li> <li>• a list of all of the parent companies and subsidiary companies in its structure, and the registered and principal offices of each company</li> </ul> |
| 46. | What personal information will you require from an applicant for licensing?  | <p>The natural persons sitting on the board of the corporate director, or beneficially owning more than 10% of the voting interests in the corporate director, are required to provide:</p> <ul style="list-style-type: none"> <li>• full legal name</li> <li>• date and place of birth</li> <li>• nationalities</li> <li>• principal and postal addresses</li> <li>• email address and telephone number</li> <li>• a fully completed Personal Questionnaire (already available on the Authority's website at <a href="http://www.cimoney.com.ky">www.cimoney.com.ky</a>)</li> <li>• three reference letters, at least one of which must be from a bank</li> </ul>  |

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|     |  | <ul style="list-style-type: none"> <li>• a copy of a recent police clearance certificate</li> </ul>  |
| 47. | How long will an application take to be approved?                          | Applicants should receive confirmation of licensing within four weeks.   |
| 48. | What if the application hasn't been approved in four weeks?                | In these instances, it means that the Authority requires additional information from the corporate director or its shareholders/directors before its application can be finalised. If the corporate director is a director on covered entities on the date that the Law comes into force, then it can continue to act as a director on those entities until the Authority processes your application. If the corporate director is not a director on the date that the Law comes into force, then it may not act as a director until the Authority processes its application. It is therefore recommended that the corporate director apply for its license well in advance of the launch date of your covered entity. |
| 49. | What if the corporate director's application is refused?                   | If the application is at risk of being refused, the Authority will contact the corporate director and provide it with reasons why its application may be refused and provide you with an opportunity to make representations. If its application is subsequently refused, the corporate director will be contacted by the Authority and notified of the refusal for its application.   |
| 50. | What if the corporate director's application is accepted?                  | The corporate director will receive a notice from the Authority providing you with confirmation of licensing. In order to maintain good standing, the corporate director will be required to pay an annual fee no later than 15 January of each year and reconfirm the information provided by it at the time of its application.  |
| 51. | How do I know if the corporate director has acceptable insurance coverage? | It must be covered by a plan that has D&O insurance. This can be a plan it gets on its own, one that is offered by the covered entities it acts on, part of a group plan, or any other acceptable coverage. Insurance does not have to be from a Cayman Islands insurer, but should be from a reputable insurer familiar with this type of insurance.  |
| 52. | I have a question on licensing as a corporate director. Who do I speak to? | You can send an email to <a href="mailto:DirectorsLicensing@cimoney.com.ky">DirectorsLicensing@cimoney.com.ky</a> . You will be contacted by the Authority's Fiduciary Division.   |