



November 2014

Rule

Cancellation of Licence or Certificate of Registration of Regulated Mutual Funds

1. Statement of Objectives

To set out the Cayman Islands Monetary Authority's ("Authority") Rule on the Cancellation of a Licence or Certificate of Registration of regulated mutual funds (hereinafter referred to as the "Rule") which is issued pursuant to the Authority's powers under section 34(1)(a) of the Monetary Authority Law, as amended from time to time ("MAL").

2. Introduction

2.1 Section 34 of the MAL provides that the Authority may issue rules:

34. (1) After private sector consultation and consultation with the Financial Secretary, the Authority may –

- (a) issue or amend rules or statements of principle or guidance concerning the conduct of licensees and their officers and employees, and any other persons to whom and to the extent that the regulatory laws may apply;

.....

2.2 This document establishes the Rule on the Cancellation of a Licence or Certificate of Registration of regulated mutual funds and must be read in conjunction with the Regulatory Procedure on the Cancellation of a Licence or Certificate of Registration of regulated mutual funds.

3. Scope of Application

This Rule applies to all mutual funds regulated by the Authority under the Mutual Funds Law, as amended from time to time ("MFL").

4. Rules

4.1 A regulated mutual fund ("Fund") shall make an application to the Authority for the Cancellation of a Licence or Certificate of Registration when the Fund intends to cease to carry on, or has ceased to carry on, business as a Fund pursuant to the MFL on the earlier of:



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- 4.1.1 21 days from the date the Fund ceases to carry on business; or
 - 4.1.2 Before December 31 of the year the Fund ceases to carry on business.
- 4.2 For the purposes of this Rule, a Fund ceases to carry on business on the date stated in the resolution of the operators or the participating investors (such as shareholders and unit holders) wherein it is resolved that the Fund will cease or has ceased to carry on business as a Fund in or from the Cayman Islands, unless the Authority has grounds to believe that the date the Fund has ceased to carry on business is a date other than the one indicated in the resolution, or no resolution has been passed or filed with the Authority. For greater certainty, a Fund to which a liquidator has been appointed is deemed to have ceased to carry on business.
- 4.3 In order to cancel its Licence or Certificate of Registration, a Fund shall pay the licence surrender fee and submit all the documentation as prescribed by the Authority in the Regulatory Procedure on the Cancellation of a Licence or Certificate of Registration of regulated mutual funds.

5. Enforcement

Whenever there has been a breach of the Rule, the Authority may impose penalties pursuant to section 34 of the MAL. In addition, the Authority's policies and procedures as contained in its enforcement manual, and, any other powers provided in the MFL and the MAL will apply.