



16 March 2022

## **NOTICE**

### **RE: Updates to the 'Regulatory Policy – Exemption from Audit Requirement for a Private Fund'**

The Cayman Islands Monetary Authority (the "Authority") advises that the Regulatory Policy – Exemption from Audit Requirement for a Private Fund (the "Policy") has been updated to remove paragraphs 5.4.1 and 5.4.2 (and related paragraphs 6.1.1 and 6.1.2). Paragraphs 5.4.1 and 5.4.2 addressed circumstances in which a private fund has not launched, and therefore has not received any capital contributions.

By way of background, section 3(2) of the Private Funds Act (2021 Revision) ("PFA") states that Part 3 of the PFA shall not apply to a private fund until its receipt of capital contributions from investors. Part 3 of the PFA includes the audit requirement of a private fund per section 13. Consequently, as there is no audit requirement for private funds in such circumstances, it negates the need for an audit waiver application. Private funds in such circumstances should rather, pursuant to the Private Funds (Amendment) Regulations, 2021 ("Regulations"), submit to the Authority a declaration as specified in the Regulations. Declarations should be submitted via email to [ereporting@cima.ky](mailto:ereporting@cima.ky) and do not carry an associated fee.

The updated Policy has been posted to the Authority's website [here](#).