



# NOTICE

4 September 2019

## MUTUAL FUNDS LAW (2019 REVISION)

### Registering/Licensing as a Regulated Fund - Frequently Asked Questions

The Cayman Islands Monetary Authority (the "Authority") outlines below, responses to some recent frequently asked questions relating to the registration/licensing process for funds seeking to be regulated pursuant to the Mutual Funds Law (as revised) ("MFL"):

**1. What are the requirements to register/license a fund pursuant to Section 4(3)/ Section 4 (1)(b)/ Section 4 (1)(a) of the MFL?**

**Answer:** Please see information as outlined in Appendix A.

**2. Under what circumstances will the Authority reject a fund's registration/licence application?**

**Answer:** A fund's registration/licence application will be rejected where the documentation submitted is incorrect or incomplete. Listed below are some of the common reasons why the Authority will reject an application:

- All operators are not identified on the REEFS application form;
- Director(s) specified are not registered/licensed or are non-compliant pursuant to the Director Registration and Licensing Law, 2014 Revision (the "DRLL");
- The Investment Manager ("IM") named to the fund is not authorized pursuant to the Securities Investment Business Law (as revised) (the "SIBL");
- Registration/licence application fee omitted;
- Incorrect / Incomplete attachments<sup>1</sup>; and
- Inconsistency in documentation – e.g. Name of the fund submitted through REEFS differs from the Certificate of Incorporation/Certificate of Registration<sup>2</sup>.

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<sup>1</sup> For example the Offering Document not being in compliance with the Regulatory Rule on Contents of Offering Document – Licensed Funds; attaching the incorrect Auditor's/ Administrator's letter of consent/ OM etc.

**3. What date will be reflected on a fund's registration certificate/licence where the initial application has been rejected?**

**Answer:** The registration/licence date of a fund will be date that a complete application has been received by the Authority - i.e. the re-submission date when the fund has submitted all documents, fees and information as required pursuant to the MFL (see question #1).

**4. How can a fund determine the DRLL status of directors in order to avoid the rejection of its application?**

**Answer:** Prior to submitting an application, service providers should confirm with the proposed director that he/she is compliant with the DRLL. It is the director's responsibility to advise the fund, at the time of being proposed as a director, of his/her status pursuant to the DRLL and if not in compliance, to regularize such status prior the submission of the fund's application.

**5. How can a fund determine the SIBL status of an IM in order to avoid the rejection of its application?**

**Answer:** Prior to submitting an application, service providers should confirm that the proposed IM is duly authorized pursuant to the SIBL. It is the IM's responsibility to advise the fund, at the time of being proposed as an IM, of their status pursuant to the SIBL and if not in compliance, to regularize such status prior the submission of the fund's application.

**-END-**

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<sup>2</sup> In order to have the name of the fund appear on the Certificate of Registration/Licence exactly how it appears on the COI/COR, the name has to be inputted correctly into REEFS.

## Appendix A

<b>Registered Funds (MFL- Sec. 4(3))</b>	<b>Master Funds (MFL- Sec. 4(3))</b>	<b>Administered Funds (MFL- Sec. 4 (1)(b))</b>	<b>Licensed Funds (MFL - Sec. 4 (1)(a))</b>
REEFS Application form (Form: APP-101-22)	REEFS Application form (Form: APP-101-53)	REEFS Application form (Form: APP-101-22)	REEFS Application form (Form: APP-101-22)
Affidavit for electronic records	Affidavit for electronic records	Affidavit for electronic records	Affidavit for electronic records
Auditor's letter of consent	Auditor's letter of consent	Auditor's letter of consent	Auditor's letter of consent
Administrator's letter of consent	Administrator's letter of consent	Administrator's letter of consent	Administrator's letter of consent
Certificate of Incorporation/Registration	Certificate of Incorporation/Registration	Certificate of Incorporation/Registration	Certificate of Incorporation/Registration
Offering Document	Offering Document	Offering Document	Offering Document
Applicable Fee CI\$3,500 (US\$4,268.29) + CI\$300(US\$365.85) Admin Fee + CI\$250(US\$304.88) per Segregated Portfolio up to max of 25 (if applicable)	Applicable Fee CI\$2,500 (US\$3,048.78) + CI\$300(US\$365.85) Admin Fee + CI\$250(US\$304.88) per Segregated Portfolio up to max of 25 (if applicable)	Applicable Fee CI\$3,500 (US\$4,268.29) + CI\$300(US\$365.85) Admin Fee + CI\$250(US\$304.88) per Segregated Portfolio up to max of 25 (if applicable)	Applicable Fee CI\$3,500 (US\$4,268.29) + CI\$300(US\$365.85) Admin Fee + CI\$250(US\$304.88) per Segregated Portfolio up to max of 25 (if applicable)
REEFS MLRO Application form (Form: MLO-154-99)	REEFS MLRO Application form (Form: MLO-154-99)	REEFS MLRO Application form (Form: MLO-154-99)	REEFS MLRO Application form (Form: MLO-154-99)

			<p>Documents required for appointed directors:</p> <ul style="list-style-type: none"> <li>- completed Personal Questionnaires,</li> <li>- three references (one financial reference and two character reference),</li> <li>- police clearance certificates, notarized or certified colour copy of government issued photo identification,</li> <li>- resume/CV; and</li> <li>- certified copies of academic/professional qualifications as listed in the PQ</li> </ul> <p>-If seeking to be licensed pursuant to the Retail Mutual Funds (Japan) Regulations (2018 Revision) (the "Regulations")<sup>3</sup>, any additional information as required pursuant to the Regulations.</p>
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<sup>3</sup> Retail Mutual Funds (Japan) Regulations (2018 Revision), Available online at: [https://www.cima.ky/upimages/commonfiles/RetailMutualFundsJapanRegulations2018Revision\\_1524077998.PDF](https://www.cima.ky/upimages/commonfiles/RetailMutualFundsJapanRegulations2018Revision_1524077998.PDF)