



9 October 2020

To: All Regulated Private Funds

## **Supervisory Issues and Information Circular**

### **Cancellation Procedures for Registered Private Funds**

The '**Cancellation of Licences issued pursuant to section 5 and Certificates of Registration issued pursuant to Sections 4(3), and 4(1)(b) of the Mutual Funds Law**' (the "Cancellation Procedures") is the applicable guidance for the de-registration/cancellation of regulated mutual funds. See [Investment Funds Regulatory Measures](#).

On 7 February 2020, The Private Funds Law, 2020 ("the PFL") came into effect and is applicable to all entities that meet the definition of "private fund" pursuant to the PFL.

The various regulatory measures applicable to private funds are currently being finalized. However, in the interim, registered private funds seeking to cancel their registration should refer to the Cancellation Procedures for regulated mutual funds. Other applicable guidance includes the Regulatory Policy on 'Exemption from Audit Requirement for a Registered Private Fund'.

#### **1. Good Standing of the Registered Private Fund**

Any Fund wishing to cancel its certificate of registration with the Authority must be in good standing with the Authority on the date of the cancellation of the certificate of registration. Good standing requires that a Fund must have paid all the prescribed fees, submitted all the required audited financial statements, and that there be no outstanding queries or regulatory filings with the Authority.

#### **2. Core Requirements for Cancellation of Registration of a Private Fund**

A Fund shall submit the following core requirements to the Authority regardless of the reason for cancellation in order to place the Fund in Licence under termination ("LUT") or Licence under Liquidation ("LUL") status:

- 2.1 The original certificate of registration, if issued by the Authority, must be returned for cancellation or in the case of a lost certificate, an affidavit signed by the operator(s), stating that the certificate will be returned to the Authority if found;
- 2.2 The prescribed de-registration/termination application fee which is payable for the surrender of the certificate of registration pursuant to the Monetary Authority Law ("MAL"); and

- 2.3 A certified copy of the resolution of the operators, shareholders or unit holders, which indicates the date on which the fund will cease or has ceased to carry on business as a Fund in or from the Cayman Islands.

### **3. Cancellation of a Certificate of Registration of a Private Fund**

The documentation that is required to cancel a certificate of registration varies depending on the reason for the cancellation of the certificate of registration. The following section outlines the reasons for cancellation and the [Cancellation Procedures](#) should be referenced regarding the respective documentation required for each scenario.

The documents outlined within the [Cancellation Procedures](#) for each scenario shall be submitted in addition to the core requirements listed above.

### **4. Reasons for Cancellation of a Certificate of Registration**

- a. Ceasing to Carry on Business
- b. Voluntary Liquidation of the Private Fund
- c. Court Supervised or Court Appointed Liquidation of the Private Fund
- d. Continuation as non-registered (Exempted) Private Fund
- e. Transfer to another Jurisdiction
- f. Funds that never carried on Business
- g. Does Not Meet Definition of a Private Fund
  - Single Investor Fund
- h. Funds Dissolving by way of a Merger
  - Terminating or Dissolving Fund
  - Surviving Fund

### **5. Additional Information**

- 5.1 The Authority may require additional information to be provided in order to cancel a Fund's certificate of registration.