

UPDATE

# Registration deadline approaching fast: Cayman private funds and limited investor funds

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Recent legislation requiring the registration of Cayman private funds and limited investor funds provided a six month transition period which will expire on 7 August 2020.

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## Background – new registration requirements

Legislation was adopted by the Cayman Islands in February 2020 introducing registration requirements for:

- certain closed-ended investment funds known as "private funds"<sup>1</sup>; and
- those open-ended fund vehicles, known as "limited investor funds", which had previously been exempted from registration under the Mutual Funds Law (2020 Revision) (as amended, the **Mutual Funds Law**) because the fund's equity interests were held by 15 or fewer investors, a majority of whom had the power to appoint or remove the fund's operator<sup>2</sup>.

## The Transition Period

Private funds and limited investor funds existing prior to 7 February 2020, as well as new private funds launched between 7 February 2020 and 6 August 2020, have until **7 August 2020** to register with the Cayman Islands Monetary Authority (CIMA) (the **Transition Period**). In contrast, any new limited investor funds established after 7 February 2020 were required to comply with the relevant registration requirements under the Mutual Funds Law upon launch.

## Failure to register by 7 August 2020

Private funds and limited investor funds which fail to register with CIMA during the Transition Period will be operating in contravention of the Private Funds Law, 2020 (the **Private Funds Law**) or the Mutual Funds Law, as applicable, leading to a risk of investigation by CIMA and subsequent enforcement action.

## Next steps

For advice on whether your fund vehicle(s) need to register under the Private Funds Law or the Mutual Funds Law, or for assistance with a registration, please contact your usual Mourant contact or, alternatively, please get in touch with one of the contacts named below.

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<sup>1</sup> For more information, see our Guide on [Private equity funds in the Cayman Islands](#).

<sup>2</sup> For more information, see our Guide on [Mutual funds in the Cayman Islands](#).

## Contacts

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**Hayden Isbister**  
Managing Partner, Mourant Ozannes  
Cayman Islands  
+1 345 814 9125  
hayden.isbister@mourant.com



**Paul Christopher**  
Managing Partner, Mourant Ozannes  
Hong Kong  
+852 3995 5700  
paul.christopher@mourant.com



**Alex Last**  
Partner, Mourant Ozannes  
Cayman Islands  
+1 345 814 9243  
alex.last@mourant.com



**Catherine Pham**  
Partner, Mourant Ozannes  
Cayman Islands  
+1 345 814 9247  
catherine.pham@mourant.com



**Neal Lomax**  
Partner, Mourant Ozannes  
Cayman Islands  
+1 345 814 9131  
neal.lomax@mourant.com