



CHANGES TO CAYMAN FUNDS

The Private Funds Law 2020 and Mutual Funds (Amendment) Law 2020 came into effect on 7 February 2020 (“**Date of Commencement**”) in the Cayman Islands.

CHANGES FOR MUTUAL FUNDS

The Mutual Funds Law 2020 enforces that investment funds where the equity interests in the fund are held by 15 or fewer investors are required to register with the Cayman Islands Monetary Authority (**CIMA**). These funds are also required to pay an annual registration fee and file documentation confirming the ability to appoint and remove the funds operator. Existing funds will need to comply with the Mutual Funds (Amendment) Law, 2020 by 7 August 2020.

NEW PRIVATE FUNDS LAW

The Private Funds Law 2020 (“**PF Law**”) enforces that all closed-ended Cayman fund vehicles falls within the definition of a “private fund” and are required to register and be regulated under the CIMA. Private Funds covered by the legislation must be registered by 7 August 2020. This applies to (1) private funds which were carrying on business on the Date of Commencement of the PF Law and (2) private funds which commence business within the six month transitional period from 7 February 2020 to 7 August 2020.

Private funds that launch on or after 7 August 2020 must submit an application for registration to CIMA within 21 days of accepting capital commitments from investors.

The definition of “private fund” captures any company, unit trust or partnership whose principal business is the offering and issuing to investors of its participating, non-redeemable investment interests, the purpose or effect of which is the pooling of investor funds with the aim of spreading investment risks and enabling investors to receive profits or gains from such a vehicle’s investment activity, where (a) the holders of investment interests do not have day-to-day control over the vehicle’s investment activities; and (b) the investments are managed as a whole by or on behalf of the fund operator for reward based on the vehicle’s assets, profits or gains.



ONGOING REQUIREMENTS FOR CAYMAN PRIVATE AND MUTUAL FUNDS

- > Pay annual fee by 15 January each year
- > File annual return with CIMA
- > Annual audit by a CIMA approved audit firm within six months of the funds financial year end. Audit is required for first full year following registration so if 31 December then for year ended 31 December 2021
- > Retain records in accordance with CIMA's published rules
- > Inform CIMA of any material changes to the information submitted in the registration application or offering documents within 21 days of any changes

The PF Law also imposes requirements regarding asset valuations, safekeeping / custody of assets, cash monitoring and identification of securities, where applicable. These services may be conducted by independent third party providers such as JTC.



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ABOUT JTC KENSINGTON

JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC, offering trust, fiduciary and corporate services and fund administration.

JTC is a publicly listed, award-winning provider of fund, corporate and private wealth services to institutional and private clients.

Founded in 1987, we have c.700 people working across our global office network and are trusted to administer assets of c.US\$110 billion.

The principle of true shared ownership is fundamental to our culture and aligns us completely with the best interests of our clients.

We value shared ownership

- > We operate around the principle that if our people have a stake in the business, they will do a better job for our clients.

We value relationships

- > We aim to work with clients who share our belief in the importance of building strong relationships over time.

We invest in our people

- > Over 70% of our employees hold a relevant professional qualification or are working towards this through our dedicated JTC Academy.

We embrace technology

- > Our market-leading systems and operating platforms are robust, powerful and flexible.



REGULATION AND TERMS OF BUSINESS

JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC Group. Kensington Trust Group entities that carry on regulated business are (respectively): regulated by the Labuan Financial Services Authority, the Companies Commission of Malaysia and the Monetary Authority of Singapore.

JTC Group entities that carry on regulated business are (respectively): regulated by the British Virgin Islands Financial Services Commission; the Cayman Islands Monetary Authority; the Guernsey Financial Services Commission; the Jersey Financial Services Commission; the Commission de Surveillance du Secteur Financier and the Ordre des Experts-Comptables (Luxembourg); the Financial Services Commission (Mauritius); De Nederlandsche Bank (Netherlands); the South African Financial Sector Conduct Authority as an authorised financial services provider; chartered and regulated to provide trust services by the South Dakota Division of Banking in South Dakota (USA); a member of l'Association Romande des Intermédiaires Financiers (Switzerland); licensed by the Isle of Man Financial Services Authority and authorised and regulated by the Financial Conduct Authority (UK).

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