

CAYMAN ISLANDS



**Mutual Funds Act
(2021 Revision)**

MUTUAL FUNDS (ANNUAL RETURNS) REGULATIONS

(2021 Revision)

Supplement No. 5 published with Legislation Gazette No. 14 of 12th February, 2021.

PUBLISHING DETAILS

Revised under the authority of the *Law Revision Act (2020 Revision)*.

The Mutual Funds (Annual Returns) Regulations, 2006 made the 29th November, 2006 as amended by Law 56 of 2020.

Consolidated with —

The Mutual Funds (Annual Returns) (Amendment) Regulations, 2012 made the 22nd November, 2012

The Mutual Funds (Annual Returns) (Amendment) Regulations, 2015 made the 8th September, 2015

The Mutual Funds (Annual Returns) (Amendment) Regulations, 2016 made the 13th December, 2016

The Mutual Funds (Annual Returns) (Amendment) Regulations, 2020 made the 16th March, 2020.

Originally enacted —

Law 56 of 2020-7th December, 2020.

Consolidated and revised this 31st day of December, 2020.

Note (not forming part of these Regulations): This revision replaces the 2018 Revision which should now be discarded.



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Arrangement of Regulations

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CAYMAN ISLANDS**Mutual Funds Act
(2021 Revision)****MUTUAL FUNDS (ANNUAL RETURNS)
REGULATIONS
(2021 Revision)****Citation**

1. These regulations may be cited as the *Mutual Funds (Annual Returns) Regulations (2021 Revision)*.

Returns

2. (1) In respect of each financial year of a regulated mutual fund, accurate and complete returns for the fund containing the particulars set forth in the Schedule shall be completed and submitted to the Authority or, if the fund has sub-funds in its structure, for each sub-fund in its structure, in such manner as the Authority may from time to time direct, within six months after the end of the financial year to which it relates or within such extension of that period as the Authority may allow.
 - (1A) For returns for sub-funds, the Schedule applies —
 - (a) to the extent it is relevant to sub-funds;
 - (b) as if a reference to a regulated mutual fund were a reference to a sub-fund; and
 - (c) with any other necessary changes.

- (2) The returns shall be submitted to the Authority through an auditor appointed under section 8 of the principal Act or such other person as may be designated by the Authority.
- (3) In completion of the returns, the mutual fund shall have regard to any explanatory material issued with respect thereto by the Authority.
- (4) The operator of a regulated mutual fund shall ensure the fund complies with paragraphs (1) and (1A).
- (4A) An operator who contravenes paragraph (4) commits an offence and is liable to a fine of five hundred dollars.
- (5) The only responsibility of an auditor under these Regulations is to submit to the Authority in a timely manner each return received by the auditor from the operator of a regulated mutual fund and such auditor shall not be liable for the accuracy or completeness of any returns submitted by such auditor pursuant to paragraph (2).
- (6) In this regulation —
 - “**return**” means annual return;
 - “**segregated portfolio company**” is defined in section 212 of the *Companies Act (2021 Revision)*; and
 - “**sub-fund**”, of a regulated mutual fund, includes any or all of the following in the fund’s structure —
 - (a) a segregated portfolio in a segregated portfolio company structure;
 - (b) a sub-trust of a trust or in an umbrella or master unit trust structure; and
 - (c) a class of shares, units or interests in a company, trust or partnership for which the fund maintains individually presented separate accounts.

Fee

3. (1) The fee for submitting each return under regulation 2(1) is \$300.
- (2) However, if a regulated mutual fund has twenty-five sub-funds or more, the fee for all of the sub-funds is \$7,500.

Validation

4. (1) The *Mutual Funds (Annual Returns) (Amendment) Regulations, 2016* apply as regulation 2 of the *Mutual Funds (Annual Returns) (Amendment) Regulations, 2012*, which introduced regulation 3, was in force for the period from 30th January, 2013 to 16th December, 2016.
- (2) Any fees paid or returns made under these Regulations during the period referred to in regulation 4(1), are validated and taken to have been lawfully charged, collected, paid and received.



- (3) However, regulation 4(2) does not authorise or validate the retention of a fee paid to any extent that the amount paid was more than the amount provided for under regulation 3(2).

SCHEDULE*(Regulation 2)***PARTICULARS TO BE INCLUDED IN ANNUAL RETURNS IN
RESPECT OF REGULATED MUTUAL FUNDS****A. General Information**

1. Name of fund
2. Certificate number issued for the fund by the Authority
3. Legal structure of fund
4. Particulars of fund operator(s):
 - (a) name(s); and
 - (b) e-mail address(es)
5. Year/reporting period covered by the return
6. Name and address of investment manager
7. Name and address of administrator
8. Address of registered office
9. Name of auditor
10. Name and address of legal counsel:
 - (a) onshore; and
 - (b) offshore
- 10A. Legal entity identifier (if applicable);
- 10B. Operating structure —
 - (a) Is this report for a master fund or a regulated feeder fund?
 - (b) Are there any investors in the master fund that are not regulated feeder funds? If so, how many?
 - (c) If a master fund -
 - (i) Name and number of all feeder funds;
 - (ii) Certificate number(s) issued for the regulated feeder fund(s) by the Authority;
 - (iii) Legal entity identifier (if applicable);



- (iv) Country of domicile;
 - (v) Name of regulator (if applicable); and
 - (vi) Country of regulator (if applicable);
 - (d) If a regulated feeder fund -
 - (i) Name of master fund;
 - (ii) Certificate number issued for the master fund by the Authority; and
 - (iii) Legal entity identifier, (if applicable); and
 - (e) Is the fund a money market fund?
- 10C. Investment manager —
- (a) Legal entity identifier, (if applicable);
 - (b) Name of regulator (if applicable);
 - (c) Country of regulator (if applicable);
 - (d) Name of sub-advisors or sub-managers to whom investment manager functions have been delegated (if applicable); and
 - (e) Country of sub-advisors or sub-managers to whom investment manager functions have been delegated (if applicable); and
 - (f) Is the investment manager independent?
- 10D. Mutual Fund Administration —
- (a) Name of net asset value calculation agent sub-delegated (if applicable);
 - (b) Country of net asset value calculation agent sub-delegated (if applicable);
 - (c) Name of registrar and transfer agent contracted;
 - (d) Country of registrar and transfer agent contracted;
 - (e) Name of registrar and transfer agent sub-delegated (if applicable);
 - (f) Country of registrar and transfer agent sub-delegated (if applicable);
 - (g) Name of regulator for net asset value calculation agent contracted (if applicable);
 - (h) Country of the regulator for net asset value calculation agent contracted (if applicable);
 - (i) Is the net asset value calculation agent independent?
 - (j) Name of regulator for registrar and transfer agent contracted (if applicable);
 - (k) Country of regulator for registrar and transfer agent contracted (if applicable); and



- (l) Is the registrar and transfer agent independent?
 - 10E. Auditor —
 - Has the auditor, as last notified to the Authority, resigned or indicated that it will not perform the audit for the next year?
 - 10F. Custodian —
 - (a) Name of custodian contracted;
 - (b) Country of custodian contracted;
 - (c) Name of regulator (if applicable);
 - (d) Country of regulator (if applicable);
 - (e) Name of any sub-custodians (if applicable); and
 - (f) Country of any sub-custodians (if applicable);
 - 10G. Jurisdiction(s) of the investors —
 - (a) Number of domestic investors;
 - (b) Total number of investors;
 - (c) Percentage of net asset value held by domestic investors;
 - (d) Number and percentage of retail investors (foreign and domestic);
 - (e) Number and net asset value holdings of investors per type for the top five types (high net worth individuals, politically exposed persons (foreign and domestic), other natural persons, non-bank financial institutions, trusts, non-financial corporations);
 - (f) Number and net asset value holdings of nominee investors per type for the top five types (high net worth individuals, politically exposed persons (foreign and domestic), other natural persons, non-bank financial institutions, trusts, non-financial corporations); and
 - (g) Number of investors and net asset value holdings per country for the top five countries
 - 11. Other
- B. Operating Information**
- 12. Amount of investments held, by type of instrument, to the extent available
 - 13. Type of fund by:
 - (a) investment strategy; and
 - (b) operating structure
 - 14. Stock exchange on which the equity interests are listed, if applicable

15. Minimum subscription amount disclosed in the offering document
 16. Has trading of the equity interests been suspended?
 17. Have all or substantially all the participating equity interests been redeemed?
 18. Have there been any regulatory investigations in respect of the fund?
 19. Has the offering document changed?
 20. Has the operator made a decision to terminate the fund?
 - 20A. Has the fund side-pocketed investments during the reporting period?
 - 20B. Has the fund implemented a gate on redemptions or withdrawals during the reporting period?
 - 20C. How many operator meetings were held during the reporting period?
 - 20D. Total number of side letters signed with investors
 21. Other
- C. Financial Information**
22. Type of audit opinion
 23. Generally accepted accounting principles followed by the fund
 24. Generally accepted auditing standards used
 25. Reporting currency of the audited accounts
 26. Total assets
 27. Net asset value at beginning of period
 28. Total subscriptions for period
 29. Total redemptions for period
 30. Total dividends/distributions for period
 31. Net income/net increase in net assets from operations
 32. Net asset value at end of period
 33. Expenses (broken down as far as possible as below, if not aggregated):
 - (a) professional;
 - (b) administration;
 - (c) management; and
 - (d) performance



- 33A. Asset and Liability Allocation —
- (a) Investment by the regulated feeder fund into a master fund;
 - (b) Long position equities;
 - (c) Short positions;
 - (d) Debt instruments;
 - (e) Other funds;
 - (f) Money market instruments
 - (g) Derivatives - assets & liabilities;
 - (h) Margin account with third party;
 - (i) Accounts receivable;
 - (j) Due from brokers or custodian;
 - (k) Other assets;
 - (l) Accounts payable;
 - (m) Due to brokers or custodian;
 - (n) Other liabilities;
 - (o) Total cash;
 - (p) Cash held in banks licensed in the Islands under the Banks and Trust Companies Act (2021 Revision); and
 - (q) Liquidity index for assets
- 33B. Leverage
- 33C. Allocation of equity and debt securities by jurisdiction of issuer —
- (a) Currency and counterparty sector of issuers of investments held by funds;
 - (b) Direct investments where the funds' holding represents ten percent or more of an entity; and
 - (c) Total end assets
34. Other
- Return submitted by:
- Date:

**Publication in consolidated and revised form authorised by the Cabinet this 5th of
January, 2021.**

Kim Bullings
Clerk of the Cabinet



ENDNOTES

Table of Legislation history:

SL #	Law #	Legislation	Commencement	Gazette
	56/2020	Citation of Acts of Parliament Act, 2020	3-Dec-2020	LG89/2020/s1
24/2020		Mutual Funds (Annual Returns) (Amendment) Regulations, 2020	17-Mar-2020	LG19/2020/s2
		Mutual Funds (Annual Returns) (Amendment) Regulations (2018 Revision)	23-Mar-2018	GE24/2018/s4
73/2016		Mutual Funds (Annual Returns) (Amendment) Regulations, 2016	16-Dec-2016	GE100/2016/s6
40/2015		Mutual Funds (Annual Returns) (Amendment) Regulations, 2015	15-Sep-2015	GE69/2015/s1
8/2012		Mutual Funds (Annual Returns) (Amendment) Regulations, 2012	30-Jan-2013	GE11/2013/s1
1/2006		Mutual Funds (Annual Returns) Regulations, 2006	27-Dec-2006	G26/2006/s1





(Price: \$4.00)

