

## Cayman Islands Private Funds Law, 2020\*

On 7 February 2020, the Cayman Islands Government published the Private Funds Law, 2020 and the Private Funds (Savings and Transitional Provisions) Regulations 2020 (together, the "Law").

The Law provides for the registration of certain closed-ended funds (termed "private funds") with the Cayman Islands Monetary Authority ("CIMA"). The main provisions of the Law, including what constitutes a private fund, are summarised in the update<sup>1</sup> we published when the Law was in draft bill form.

The Law commenced on 7 February 2020 (the "Commencement Date").

### When will private funds need to register?

The regulations provide certain transitional provisions for private funds that have commenced carrying on business at any time prior to the date which is six months after the Commencement Date (each a "transitional private fund").

For these purposes, a private fund will be carrying on business if it has received capital contributions from investors for the purpose of investment.

A transitional private fund will have **six**

**months from the Commencement Date** to register with CIMA and comply with the Law.

No registration fee will be payable upon the initial registration of a transitional private fund but an annual fee will be payable in January of each following year.

Any private fund which commences carrying on business after this six month transitional period will need to register with CIMA in accordance with the timing requirements set out in the Law.

### When will transitional private funds be required to file audited accounts?

A transitional private fund will be required to file audited accounts with CIMA within six months of the end of each financial year. This requirement will apply with respect to the current financial year in which the transitional private fund first registers with CIMA and for each financial year thereafter.

For example, if a transitional private fund has a 31 December year end and registers with CIMA in June 2020, it would first be required to file audited accounts with CIMA in respect of its financial year ending 31 December 2020.

---

\* Updated pursuant to CIMA Press Release dated 3 March 2020.

<sup>1</sup> <https://maples.com/Knowledge-Centre/Industry-Updates/2020/01/Cayman-Islands-Private-Funds-Bill-2020>

Audited accounts that are filed with CIMA must be audited by an approved Cayman Islands- based auditor.

Lawyers from the Maples Group will be reaching out to clients in due course to discuss how the Law may affect them and the process required to register their private funds.

If you would like further information, please contact your regular Maples Group contact or any of the contacts listed below.

## **Cayman Islands**

### **Jon Fowler**

+1 345 814 5526

jon.fowler@maples.com

### **Michael Richardson**

+1 345 814 5532

michael.richardson@maples.com

### **Iain McMurdo**

+1 345 814 5378

iain.mcmurdo@maples.com

### **Grant Dixon**

+1 345 814 5507

grant.dixon@maples.com

### **Jonathan Green**

+1 345 814 5466

jonathan.green@maples.com

### **Julian Ashworth**

+1 345 814 5413

julian.ashworth@maples.com

### **Philip Dickinson**

+1 345 814 5410

philip.dickinson@maples.com

Sheryl Dean

+1 345 814 5294

sheryl.dean@maples.com

## **Dubai**

### **Philip Ireland**

+971 4 360 4073

philip.ireland@maples.com



UPDATE

## Hong Kong

**Anthony Webster**

+852 2871 3001

anthony.webster@maples.com

**Ann Ng**

+852 3690 7475

ann.ng@maples.com

**Terence Ho**

+852 2971 3097

terence.ho@maples.com

**Sharon Yap**

+852 2971 3079

sharon.yap@maples.com

## London

**Harjit Kaur**

+44 20 7466 1655

harjit.kaur@maples.com

**Heidi de Vries**

+44 20 7466 1651

heidi.devries@maples.com

## Singapore

**Tom Katsaros**

+65 6922 8503

tom.katsaros@maples.com

**February 2020**

© MAPLES GROUP

This update is intended to provide only general information for clients and professional contacts of Maples Group. It does not purport to be comprehensive or to render legal advice.