



Ministry of Finance Financial Services Secretariat

Financial Services Industry Advisory Wednesday, 15 February 2012

Master Funds with One Regulated Feeder Fund

(George Town, Grand Cayman) – The Mutual Funds (Amendment) Law, 2011 came into force on 22 December 2011; its effect is to cause master funds, which have one or more feeder funds that are regulated by the Cayman Islands Monetary Authority (CIMA), to be registered with CIMA.

The Government of the Cayman Islands is aware that an interpretation is held by some practitioners that a master fund which has only one regulated feeder fund is not required to be registered with CIMA. Both the Government and CIMA disagree with this interpretation on the grounds that the Mutual Funds (Amendment) Law, 2011 means that a master fund with one or more regulated feeder funds is required to be registered with CIMA. Government's intentions were that all master funds with one or more feeder funds would be registered with CIMA and that the registration occurs on a timely basis.

Out of an abundance of caution, and to avoid any ambiguity, the Government will draft a further amending Bill to the Mutual Funds Law to ensure absolute clarity that a master fund with even one regulated feeder fund, must be registered with CIMA. It is expected that this further amendment will be taken to the Legislative Assembly before the current 21 March 2012 deadline by which master funds should register with CIMA.

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For more information

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