

Cayman Islands investment funds - Spring 2025 update

Briefing Summary: Our investment funds team outline the latest developments within the investment funds market in the Cayman Islands, including the further changes to the Beneficial Ownership Regime, recent regulatory publications, CIMA annual fee increases and the latest CIMA fund statistics.

Service Area: Investment Funds, Fund Regulation and Compliance

Location: Cayman Islands

Content Authors: Emily Cornhill

Created Date: 16 April 2025

Further changes to the Beneficial Ownership Regime in the Cayman Islands

In our Autumn 2024 newsletter, we considered the recently updated beneficial ownership regime for Cayman Islands Monetary Authority ("CIMA") Registered Funds, in particular highlighting that investment funds registered under the Mutual Funds Act (as revised) or the Private Funds Act (as revised) no longer benefit from an exemption and will need to appoint a contact person under the alternative route to compliance or, otherwise, maintain a register of beneficial owners.

In a further development, the Beneficial Ownership Transparency (Legitimate Interest Access) Regulations, 2024 ("LIA Regulations") came into force on 28 February 2025 (see [here](#) for the LIA Regulations, and [here](#) for the accompanying guidance).

The LIA Regulations provide for certain members of the public to be granted access to specific beneficial ownership information on the register of beneficial owners (being name, country of residence, nationality, month and/or year of birth and nature of control of each individual registrable beneficial owner, and name, registered office, legal form, registration number and nature of control of each reportable legal entity) if that member of the public can demonstrate that they have a "legitimate interest" in the information.

Key Contacts



Jasmine Amaria
PARTNER, LONDON
+44 (0)20 7614 5628



Emily Cornhill
PARTNER,
CAYMAN ISLANDS
+1 345 749 2061

[EMAIL JASMINE](#)

[EMAIL EMILY](#)



Jarrod Farley
PARTNER,
CAYMAN ISLANDS
+1 345 749 2004

[EMAIL JARROD](#)



Anthony McKenzie
PARTNER, SINGAPORE
+65 6911 8311

[EMAIL ANTHONY](#)



Michael Padarin
PARTNER,
HONG KONG SAR
+852 3628 9006

[EMAIL MICHAEL](#)

OFFSHORE LAW SPECIALISTS

BERMUDA BRITISH VIRGIN ISLANDS CAYMAN ISLANDS GUERNSEY JERSEY

CAPE TOWN HONG KONG SAR LONDON SINGAPORE

[careyolsen.com](#)

In summary, the “legitimate interest” test limits access to journalists, academics, members of a civil society organisation aimed at combating money laundering or terrorist financing and those involved in a potential or actual business relationship with a legal person who (i) can provide sufficient evidence that they have legitimate interest in the information for the purpose of preventing, detecting, investigating, combating or prosecuting money laundering or terrorist financing; and (ii) pay the required fee (being US\$37 for one legal person and US\$122 for multiple legal persons).

Although the LIA Regulations do not provide for a general search for information on specific individuals and do not impact regulated funds that utilise the alternative route to compliance by appointing a contact person, they will impact any regulated fund that elects not to benefit from the alternative route to compliance.

Recent regulatory publications

CIMA recently released the following publications which are relevant to regulated entities within the Cayman Islands, including regulated funds:

- **Supervisory Information Circular – CIMA Regulatory Update: January to June 2024.** This report provides a comprehensive overview of CIMA’s recent regulatory activities, findings from thematic reviews, and key initiatives.
- **Supervisory Information Circular – Complaints-handling and Regulatory Expectations.** This circular sets out how regulated entities should implement and embed effective complaints-handling policies/procedures within their organisation. This will assist regulated entities in addressing complaints effectively and in accordance with CIMA’s expectations.
- **Supervisory Information Circular – Importance of a Comprehensive Crisis Management Framework and CIMA’s Commitment to Implementation.** This circular underscores the importance of a robust crisis management framework and outlines CIMA’s commitment and plans for coordinating and executing the implementation of an appropriate framework across the financial services industry.

These updates aim to provide regulated entities with the latest information and guidelines to ensure compliance and enhance the overall regulatory framework in the Cayman Islands.

CIMA annual fee increases

The following increases to CIMA’s annual fees for regulated funds were implemented with effect from 1 January 2025:

| Fee description | Previous fee (US\$) | Current fee (US\$) |
|---|------------------------|-----------------------|
| <i>Mutual funds</i> | | |
| Each of (i) annual registration fee, (ii) non-refundable application fee and (iii) annual licence fee | 4,268 | 4,482 |
| Annual registration fee in respect of a master fund | 3,049 | 3,201 |
| Annual registration fee payable by a Mutual Fund which has sub-funds | 305 | 366 (no max cap) |
| <i>Private funds</i> | | |
| Annual registration fee | 4,268 | 4,482 |
| Annual registration fee for alternative investment vehicles | 305 | 366 (no max cap) |
| Additional annual registration fee for each segregated portfolio, where applicable | 0 | 366 (no max cap) |
| Annual registration fee payable by a Private Fund which has sub-funds | 0 | 366 (no max cap) |

CIMA fund statistics

CIMA has published its investment fund statistics for Q4 2024.

The full statistics can be viewed [here](#) but, as shown in the key statistics table below, there is a net increase in the number of funds registered with CIMA during 2024, demonstrating the continued attractiveness of the Cayman Islands as a jurisdiction for the establishment of investment funds.

Registered funds 2024 Registered funds 2023 Change

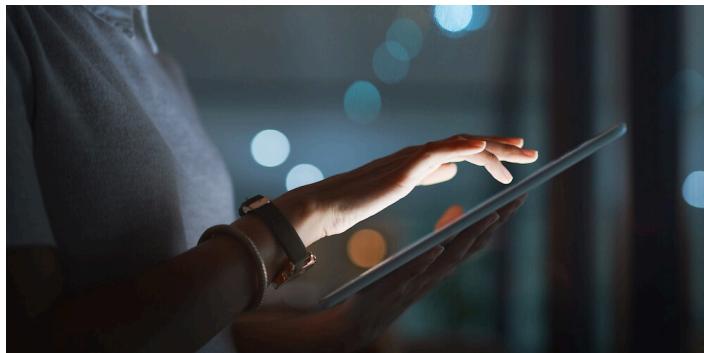
| | | | |
|---------------------------------|--------|--------|------|
| Mutual funds¹ | 12,858 | 12,802 | +56 |
| Private funds | 17,292 | 16,551 | +741 |

¹ Including all types of mutual funds (registered, administered, licensed and limited investor), as well as master funds

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Please note that this briefing is intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied upon as such. © Carey Olsen 2026



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