

## Cayman Islands funds – governance update

Service area / [Investment Funds](#)

Legal jurisdiction / [Cayman Islands](#)

Date / [October 2023](#)

Further to our update in [June 2023](#), all regulated Cayman Islands investment funds and regulated managers or advisers are reminded that the following governance rules issued by the Cayman Islands Monetary Authority (CIMA), come into force on 14 October 2023:

- Rule on Corporate Governance for Regulated Entities
- Rule and Statement of Guidance on Internal Controls for Regulated Entities

The focus of the new rules is to ensure that regulated entities are not only operationally compliant but also properly documenting that compliance. In many cases, particularly for private funds, this may mean a shift in emphasis towards formal rather than informal meetings of the fund's governing body and a formalised process for receiving and reviewing compliance, legal and service provider reports as well as monitoring and managing the fund's risks and internal controls.

The governing bodies of all regulated Cayman Islands investment funds and regulated managers or advisers should ensure that they meet before the end of the current year (if they have not already done so) to review their compliance with the new governance regime and applicable laws, regulations and CIMA rules generally.

We encourage our affected clients to discuss the new requirements with your usual Carey Olsen attorney contact, as we can provide governing bodies with the required annual updates on relevant Cayman Islands legal and regulatory developments, as well as a detailed guide on compliance with the governance regime.

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