

## Cayman Islands investment funds – Spring 2025 update

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### 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 (see [here](#)), 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.

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.

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- [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\$)
<b>Mutual funds</b>		
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)
<b>Private funds</b>		
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
<b>Mutual funds<sup>1</sup></b>	12,858	12,802	+56
<b>Private funds</b>	17,292	16,551	+741

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



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