

Cayman Islands Funds and Regulatory Update: Q3 2021

Insights - 27/10/2021

We are pleased to note that the third quarter of 2021 has been relatively quiet on the regulatory front in the Cayman Islands. As we approach year-end there are, however, a number of key deadlines for investment funds.

Summary of deadlines and recent regulatory notices

<u>Private Funds filing deadline - 31 October 2021</u>	<p>The deadline for the first filing of audited accounts and the associated FAR form and Related Fund Entity form by all Private Funds with the Cayman Islands Monetary Authority (CIMA) is 31 October 2021.</p>
<u>Economic substance notification filings for partnership investment funds</u>	<p>All Cayman Islands exempted limited partnerships (including investment funds) will be required to make an annual economic substance notification through their corporate services provider. For partnerships formed on or after 30 June 2021, the first filing will be due in January 2022 and for existing partnerships formed prior to 30 June 2021, the first filing will be due in January 2023.</p>
<u>Advance planning to minimise 2022 fees (termination of vehicles)</u>	<p>If you have any Cayman vehicles that you are considering terminating, there are a number of active steps that should be taken before the end of the calendar year in order to reduce or eliminate certain annual fees and costs for 2022.</p>

We are also delighted to note that Ogier has recently won **Best Offshore Law Firm** at this year's Hedgeweek Americas Awards, for the second consecutive year. This prestigious award is voted for

by Hedgeweek subscribers, including investors, managers and other key industry participants. More than 41,000 votes were cast for this year's awards and we are grateful to all of our clients, colleagues and friends who supported us.

Private Fund - CIMA filing deadline - 31 October 2021

On 1 September 2021, the Cayman Islands Monetary Authority (**CIMA**) announced the release of a Related Fund Entity form (**RFE form**), which must be submitted through CIMA's portal at the same time as the submission of the related FAR form to be filed with CIMA for all private funds registered under the Private Funds Act (Revised) (**Private Funds**). The RFE form is intended to capture information regarding certain related fund entities (i.e. entities established by or on behalf of the promoter of the Private Fund which may account for certain regulatory, tax and other structuring needs of one or more groups of persons) which may themselves not meet the definition of a Private Fund.

As advised in our earlier [briefing](#), due to the delay in publishing the RFE form in particular, the deadline for the first filing of audited accounts and the associated FAR forms and RFE forms by all Private Funds has been extended to 31 October 2021, which deadline is fast approaching. Due to the extension, a Private Fund which had a financial year end falling on or prior to 30 April must file its FAR and RFE forms for both the 2020 and 2021 financial years, as applicable, by 31 October 2021. CIMA will not consider a completed FAR form to have been filed unless the related RFE forms have also been filed.

For further information, please see our client advisory, [CIMA releases FAR form and Related Fund Entity form for Cayman Islands Private Funds - filing deadline extended](#).

The extension relates only to the FAR forms and RFE forms for Private Funds. For the avoidance of doubt, FAR forms relating to open-ended mutual funds registered under the Mutual Funds Act (Revised) (**Mutual Funds**) must still be filed within six months of the relevant financial year end.

Economic substance notification filings for partnership investment funds

As discussed in our [Cayman Islands Funds and Regulatory Update: Q2 2021](#) the Cayman Islands economic substance regime (**ES Regime**) has been expanded, so as to now bring into scope Cayman Islands partnerships. Notwithstanding this expansion, an investment fund (including, but not limited to, all Mutual Funds and Private Funds) structured as a Cayman Islands exempted limited partnership is exempt from the requirement to meet any economic substance test in Cayman, as is any partnership through which an investment fund directly or indirectly invests or operates (which will generally include an exempted limited partnership acting as a general partner of an investment fund).

Although such partnerships will be exempt from economic substance reporting obligations, all exempted limited partnerships (including investment funds), will be required to make an annual economic substance notification (**ES Notification**) through their corporate services provider (typically a registered office service provider) confirming whether or not they are in scope of the ES Regime and, if relevant, the exemption upon which they are relying, as a pre-requisite to the filing of a partnership's annual return with the Registrar or Partnerships (normally required by 31 January in each year).

For partnerships formed **on or after 30 June 2021**, the first ES Notification will be due in **January 2022** and existing partnerships formed **prior to 30 June 2021**, the first ES Notification will be due in **January 2023**. The Cayman Islands Department of International Tax Co-operation has published updated [Practice Points](#) relating to the submission of ES Notifications.

For further information please see our briefing: [Cayman Islands funds: economic substance notification filings for partnerships](#).

Termination of Cayman vehicles - advance planning to minimise 2022 fees

If you have any Cayman vehicles that you are considering terminating, there are a number of active steps that should be taken before the end of the calendar year in order to reduce or eliminate certain annual fees and costs for 2022.

Please see our briefing [Termination of Cayman vehicles - advance planning to minimise 2022 fees](#) for further information regarding termination options and for details of the assistance which Ogier and its affiliated corporate administration business, Ogier Global, can provide, including, acting as voluntary liquidator.

For advice concerning any of the above matters, please contact your usual Ogier attorney or any of the contacts listed in this briefing.

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Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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Regulatory information can be found under [Legal Notice](#)

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