



The Mutual Funds (Annual Returns) (amendment) Regulations, 2015

An amendment was passed to the Mutual Funds (Annual Returns) Regulations, 2006 (the Regulations) requiring that additional information be added and reported via the Fund Annual Return (FAR) form, which accompanies the audited financial statements of Cayman Island Monetary Authority (CIMA) regulated funds.

What's new?

The new information required under Section 2 of the Regulations updates the general information, operating information and financial information sections of the form.

1. General information

Under the current general section of the FAR form and in addition to the currently required information, the following details are required on the:

- legal entity identifier; and
- fund operating structure, to include:
 - whether the form is for a master or regulated feeder fund; and
 - details of investors in the master fund that are not regulated feeder funds.
- master fund, to include:
 - name and number of all feeder funds;
 - CIMA certificate numbers and legal entity identifiers;
 - country of domicile; and
 - name and country of regulator (if applicable).
- regulated feeder fund, to include:
 - name of the master fund; and
 - CIMA certificate numbers and legal entity identifiers for the master fund.
- investment manager, to include:
 - legal entity identifier;
 - name and country of regulator (if applicable); and
 - name and country of sub-advisors or sub-managers to whom investment management function has been delegated (if applicable).

- administrator, to include:
 - name and country of the NAV calculation agent sub-delegated (if applicable); and
 - name and country of registrar and transfer agent sub-delegated (if applicable).
- auditor, to include:
 - has the auditor resigned or indicated that it will not perform the audit for following year.
- custodian, to include, name and country of:
 - custodian;
 - regulator (if applicable); and
 - sub-custodians (if applicable).

2. Operating information

Under the current operating section of the FAR form and in addition to the currently required information, the following details are required:

- has the fund any side-pocketed investments during the reporting period;
- has the fund implemented a gate on redemption or withdrawals during the reporting period; and
- how many operator meetings were held during the reporting period?



3. Financial information

Under the current financial section of the FAR form and in addition to the currently required information, the following details are required:

- leverage; and
- allocation of equity and debt securities by jurisdiction of issuer.

How we see it?

The additional reporting requirements will in no doubt add to the already significant burden of regulatory reporting currently facing funds. Although the amendments would be viewed as not being any more onerous than current reporting obligations under Annex IV or Form PF, the new requirements will nonetheless lead to additional obligations on funds and increased information gathering exercises for preparers of the FAR form.

Contact

If you have any questions on the above please contact a member of our team.

Niamh Meenan

Partner, Financial Services Audit
D +353 (0)1 6805 614
E niamh.meenan@ie.gt.com

John Glennon

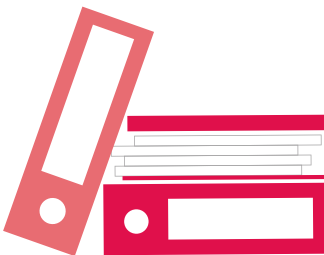
Partner, Financial Services Audit
D +353 (0)1 6805 630
E john.glennon@ie.gt.com

David Lynch

Director, Financial Services Audit
D +353 (0)1 6805 923
E david.lynch@ie.gt.com

Maura Cronin

Director, Financial Services Audit
D +353 (0)1 6805 947
E maura.cronin@ie.gt.com



24-26 City Quay, Dublin 2, D02 NY19

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