

## Cancellation of a Certificate of Registration of a Regulated Mutual Fund

### Introduction

The Cayman Islands Monetary Authority proposes new rule for the cancellation of a licence or certificate of registration of regulated mutual funds.

### Cancellation of a Certificate of Registration of a Regulated Mutual Fund

The Cayman Islands Monetary Authority (the “Authority”) has proposed a new rule on the cancellation of a licence or certificate of registration of regulated mutual funds. Under the new proposals the fund shall make an application to the Authority for the cancellation of a licence or certificate of registration when the fund intends to cease to carry on, or has ceased to carry on, business as a fund pursuant to the Mutual Funds Law (2013 Revision) (“Mutual Funds Law”) on the earlier of 21 days from the date the fund ceases to carry on business or before the 31 December of the year the fund ceases to carry on business. The Authority considers that the term “ceasing to carry on business”, or “ceasing to trade”, means there is no ongoing investing with a view to receiving profits or gains from the acquisition, holding, management or disposal of investments, but does not include the disposal of assets for purpose of redeeming investors from a fund.

The key message is that funds should not delay notification to the Authority that they have “ceased to carry on business” and should, at the latest, consider notification prior to the year-end. This notification will also reduce the following years regulatory fees by half.



**Chris Humphries**

Managing Director

Tel: 1 (345) 814-7911

[chris.humphries@stuartslaw.com](mailto:chris.humphries@stuartslaw.com)

## Guidance

This publication is for general guidance and is not intended to be a substitute for specific legal advice. Specialist advice should be sought about specific circumstances.

If you require further information, please contact us at [info@stuartslaw.com](mailto:info@stuartslaw.com) or email one of attorneys below:



**Chris Humphries**  
Managing Director  
Tel: +1 (345) 814-7911  
[chris.humphries@stuartslaw.com](mailto:chris.humphries@stuartslaw.com)



**Jonathan McLean**  
Partner  
Tel: +1 (345) 814-7930  
[jon.mclean@stuartslaw.com](mailto:jon.mclean@stuartslaw.com)



**Megan Wright**  
Partner  
Tel: +1 (345) 814-7904  
[megan.wright@stuartslaw.com](mailto:megan.wright@stuartslaw.com)

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