



Cayman Monetary Regulatory Authority International

At the forefront of financial regulation, the Cayman Monetary Regulatory Authority International (CMRAI) is dedicated to upholding the highest standards of financial oversight and compliance. Our mission is to safeguard the stability and integrity of the global financial system by ensuring that financial services operate within a framework of transparency, accountability, and excellence.

As a trusted partner to financial institutions worldwide, CMRAI provides rigorous supervision, innovative solutions, and strategic guidance to foster a secure and thriving financial environment. With decades of experience and a commitment to global standards, we stand as a pillar of trust and security in an ever-evolving financial landscape.

With a legacy of excellence in financial oversight, the Cayman Monetary Regulatory Authority International (CMRAI) is a beacon of trust in the international financial community. Our role extends beyond regulation; we are innovators, collaborators, and protectors of the global financial ecosystem. By fostering compliance, promoting best practices, and embracing technological advancements, CMRAI ensures that financial services remain resilient and adaptable in a dynamic global market.

Our comprehensive approach to regulation encompasses a deep understanding of financial risks and a proactive stance on emerging challenges. We are committed to empowering financial institutions with the tools and guidance necessary to navigate complex regulatory landscapes, thereby contributing to global economic stability and growth.

Statement of Guidance Licensing - Mutual Funds

- 1. Statement of Objectives** This criteria is applicable to applications for licensed funds. There is a need for rigorous criteria to be applied when processing all applications for licenses. In order to ensure that the Cayman Islands retains its reputation as a leading and well regulated international financial centre it is imperative that all entities required to be licensed under the regulatory laws are licensed in accordance with a firm and clearly defined licensing criteria. The Authority recognises that high standards of licensing are the necessary foundation for effective regulation and supervision.
- 2. Fit and Proper Direction and Management**
 - 2.1.** It is a requirement of applicants to show that they are controlled and managed by persons that are fit and proper. In determining whether a person is fit and proper all relevant circumstances will be considered and will include that persons possess:
 - a) Honesty, integrity and reputation;
 - b) Competence and Capability
 - c) Financial Soundness
 - 2.2.** Applicants should refer to the Statement of Guidance on Fitness and Propriety for further details on the criteria used by the Authority when determining whether persons are fit and proper.
- 3. Ownership and control**
 - 3.1.** Unless a corporate director is appointed, a minimum of two individuals must be named as directors for all funds. In the case of corporate directors, one director is acceptable if that corporation is licensed by the Authority or is otherwise acceptable to the Authority and a current register of directors Policy and Research DivisionPage 1 of 3 should be filed with the licence application. Any change in directors must be approved by the Authority.
 - 3.2.** The day-to-day operation of a Mutual Fund should be conducted by at least two individuals. The Authority must be notified of any change in investment managers, advisors and other service providers within the fund structure.
- 4. Internal Systems and Controls** Within the Mutual Fund structure there must be compliance and procedural manuals and internal controls to ensure effective management and compliance with the law.
- 5. Record Keeping** Management information should be both timely and accurate and supported by full and accessible records. Such records should be accessible by the Authority. Approval is required by the Authority to locate records overseas. Applicants should refer to the Authority's Statement of Guidance on the Nature, Accessibility and Retention of Records.
- 6. Know Your Customer Policy** All licence holders must comply with the Money Laundering Regulations, 2000.
- 7. Compliance with industry standards** All licensees are expected to be in compliance with their respective industry standards, where such standards exist. This will assist in ensuring that business is carried out in conformance with the professional standards normally expected of a licensee in that particular sector.
- 8. Supporting Documentation**
 - 8.1.** All licensees are required to have their accounts annually and the audit report signed off by a local auditor in accordance with the Local Audit Sign Off rule. Policy and Research DivisionPage 2 of 3 Applicants must supply an auditor's letter of consent.
 - 8.2.** Applicants that are required to appoint an administrator must supply an Administrator's letter of consent. The letter must include the name of the Fund, acceptance of appointment as administrator and a summary of the services to be provided.
 - 8.3.** Evidence of listing on a Stock Exchange must be included with the application where applicable. If the Fund is in the process of being listed, confirmation of the listing must be provided once approved. Policy and Research DivisionPage 3 of 3