

CAYMAN ISLANDS



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**THE MUTUAL FUNDS (AMENDMENT) LAW, 2011**

**(LAW 32 OF 2011)**

**THE MUTUAL FUNDS (AMENDMENT) LAW, 2011**

**ARRANGEMENT OF SECTIONS**

1. Short title
2. Amendment of section 2 of the Mutual Funds Law (2009 Revision) - definitions
3. Amendment of section 4 - regulated mutual funds
4. Transitional provision

CAYMAN ISLANDS

Law 32 of 2011.

I Assent

Duncan Taylor

Governor.

20<sup>th</sup> December, 2011

**A LAW TO AMEND THE MUTUAL FUNDS LAW (2009 REVISION) TO  
PROVIDE FOR THE REGISTRATION OF MASTER FUNDS; AND TO  
PROVIDE FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Mutual Funds (Amendment) Law, 2011. Short title
  
2. The Mutual Funds Law (2009 Revision), in this Law referred to as the “principal Law”, is amended in section 2 by inserting, in the appropriate alphabetical sequence the following definitions - Amendment of section 2  
of the Mutual Funds  
Law (2009 Revision) -  
definitions

“feeder fund” means a mutual fund that conducts more than 51% of its investing through another mutual fund;

“master fund” means a mutual fund that is incorporated or established in the Islands that holds investments and conducts trading activities and has one or more regulated feeder funds;

“regulated feeder fund” means a regulated mutual fund that conducts more than 51% of its investing through another mutual fund;”.
  
3. The principal Law is amended in section 4 as follows - Amendment of section 4  
- regulated mutual funds

- (a) in subsection (3) by deleting paragraphs (a) and (b) and substituting the following paragraphs -

“(a) it is a mutual fund -

- (i) in which the minimum aggregate equity interest purchasable by a prospective investor is eighty thousand dollars (or its equivalent in any other currency);
  - (ii) the equity interests of which are listed on a stock exchange (including an over-the-counter market) specified by the Authority by notice in the Gazette; or
  - (iii) that is a master fund and the minimum aggregate equity interest purchasable by a prospective investor in the master fund is eighty thousand dollars (or its equivalent in any other currency) or the equity interests of the master fund are listed on a stock exchange (including an over-the-counter market) specified by the Authority by notice in the Gazette;
- (b) unless an exemption from this requirement has been granted by the Authority, there is filed with the Authority -
- (i) the prescribed details in respect of the mutual fund’s current offering document, or
  - (ii) in the case of a master fund where there is no offering document, there is filed with the Authority the prescribed details with respect to such master funds;”;

- (b) by inserting after subsection (4) the following subsection -

“ (4A) Subsection (4)(a) does not apply to a master fund.”;

and

- (c) in subsection (8) -

- (i) by inserting between the words “document” and “if” the words “or the prescribed details of a master fund that is without an offering document”; and
- (ii) in paragraph (a) by inserting between the words “document” and “filed” where they occur for the second time in that paragraph, the words “or the prescribed details of a master fund that is without an offering document”.

Transitional provision

4. A master fund existing at the commencement of this Law that is required to comply with section 4(3) of the principal Law shall comply within ninety days of

the commencement of this Law unless this period is extended by regulations for a further period not exceeding sixty days.

Passed by the Legislative Assembly the 5<sup>th</sup> day of December, 2011.

Mary J. Lawrence

Speaker.

Zena Merren-Chin

Clerk of the Legislative Assembly.