

Welcome to the latest edition of **'IMS fund focus'**, our client newsletter, bringing relevant local developments and our own news and views to clients and other fund professionals. In this edition, we look at the latest developments to the Cayman funds regulatory regime.

COVID-19

Whilst all staff are currently working from home, IMS continues to operate at full service.

The current climate surrounding the coronavirus pandemic has tested the Business Continuity Plans ("BCP") of many organizations, including our own. In the Cayman Islands, the annual threat of hurricanes means a constant review and analysis of our BCP. We are proud to say that our move to cloud-based IT infrastructure during 2019 meant that our 'switch' to implement our BCP was seamless and our operations are running smoothly. All service lines continue to operate in full force. Following the Cayman Islands Government's 'shelter in place' order, all of our staff are now working remotely. Should you need to speak with a particular member of staff, their contact details are available on our website www.ims.ky. Alternatively, you can reach out to our management at contactus@ims.ky and we will get back to you as soon as practicable.

Mastering Remote Working

Remote working is all about using the right tools to ensure continued productivity and stay connected. IMS has ensured, through adoption of a solid cloud infrastructure, that we can continue to provide our industry leading governance services to our valued clients without interruption. As such, our employees are able to work from anywhere with an internet connection; and during the current COVID-19 coronavirus pandemic, the Cayman Islands state of the art communications networks continue to ensure our excellence in the services we provide. Whilst working remotely, our staff have identical access to emails, calendars, files and government and other systems that they have when they are in the office. We are therefore able to 'meet' with our clients virtually via Zoom and Microsoft Teams (*our preferred means of video communication*), continue to hold our clients' board meetings and deal with all client matters from the Cayman Islands using the foregoing videoconferencing applications or by telephone, meaning that, for want of a better term, it's 'business as usual' (excluding the social distancing etc.).

FATCA & CRS Reporting Deadlines

The IRS has extended the deadline for FATCA reporting and therefore the Cayman Islands DITC has adjusted their FATCA and CRS reporting deadlines accordingly.

The Internal Revenue Service (IRS) recently updated their FATCA FAQs to provide an extension of the FATCA reporting deadline for Model 1 IGA countries for FATCA reports in respect of the 2019 reporting year. As a result, the Cayman TIA has further extended the Cayman Islands FATCA reporting deadline for

the 2019 reporting year to November 16, 2020. The CRS reporting deadline has also extended to November 16, 2020.

For more information, contact us, your usual FATCA & CRS service provider or your usual Cayman legal counsel.

New CRS Compliance Form

The Cayman Islands DITC now requires an annual compliance form to be completed by 31 December each year.

The DITC has now released its new CRS compliance form and has stated that while this form is not required to be submitted until 31 December, they wished to provide the industry with advanced notice and early release of the form. The new form can be found [here](#) and the DITC has also issued guidance to assist with the completion of the form [here](#).

For more information, contact us, your usual FATCA & CRS service provider or your usual Cayman legal counsel.

Beneficial Ownership Regime Update

Due to changes in the Cayman Islands, the definition of a beneficial owner has been revised to “an entity holding twenty-five percent or more shares or voting rights”

Changes to the Companies Law, the Limited Liability Companies Law and the Partnerships Law coming into effect 15 May 2020 have resulted in a change to the definition of a beneficial owner. A beneficial owner which was defined as a holding of greater than twenty-five percent (25%) is now defined as “an entity holding of twenty-five percent (25%) or more of the shares or voting rights in a company”.

As a result, the deadline for beneficial ownership filings have been extended to 15 May 2020, with submissions needing to capture the new legal definition for BO. We realize that these changes may not impact many of our clients' entities, but it is certainly something to be aware of for entities which are not exempt from the requirements to maintain beneficial ownership registers.

For more information, contact us or your usual Cayman legal counsel.

A note on Private Funds Law, 2020

In our last newsletter we commented on the new Private Funds Law and the necessary requirements. We now hope to provide some further clarity.

A number of questions have arisen in light of the new Private Funds Law and the Cayman Islands Monetary Authority has now released FAQs in response to these [here](#). We highlight the most important points below.

1. The registration requirements are only directed at “pooled investment vehicles”. That is to say that a single investor fund that has no intention of accepting investment from other parties is exempt from the registration requirements.
2. The ‘four eyes’ principle is extended to Private Funds and therefore each fund will require a minimum of two directors which are natural persons. This also applies to general partners or corporate directors whereby two natural persons must be named in respect of these companies.
3. The minimum USD100,000 investment will apply to existing investors. Therefore, any investors with a holding below USD100,000 will either need to increase their holding or be redeemed out of the fund.

For more information, contact us or your usual Cayman legal counsel.

FAQs on Limited Investor Funds

Since the date of our last edition of IMS Fund Focus in February, the Cayman Islands Monetary Authority has also issued FAQs for recent the Mutual Funds Amendments Law.

The FAQs can be found [here](#), which deal with questions relating to the registration process and ongoing requirements for a fund formerly exempted pursuant to section 4(4) of the Mutual Funds Law (2020 Revision) (now known as the “Limited Investor Fund”)

Recent noteworthy articles and publications



IMS' Ebony Myles-Berry recently published a fascinating article in HedgeWeek magazine on the attitudes towards improving board diversity in the Alternative Investments industry. At IMS we echo Ebony's views and proudly support diversity in the boardroom and the workplace.

Read the article [here](#).

The IMS Team is Expanding

From time to time, we will include in our newsletters any developments within IMS. We are very proud of the caliber and expertise of our fund directors; and are happy to announce having brought Ruan Van Vuuren on board in March 2020.



Ruan van Vuuren, CA, CAIA, Acc.Dir, CFE, is a Chartered Accountant (South Africa), Chartered Alternative Investment Analyst, Certified Fraud Examiner, and Accredited Director (Institute of Chartered Secretaries of Canada). Ruan serves on the board of investment funds in the Cayman Islands and is registered pursuant to the Directors Registration and Licensing Law 2014. Prior to joining IMS, he was a Chief Analyst in the Investments Supervision Division of the Cayman Islands Monetary Authority (CIMA) where his role included fund registrations, supervision of liquidations, consulting on new regulation, guidance on industry directives and risk analysis of licensees. Prior to working with CIMA, Ruan was a senior manager with PwC in their asset management division, where he was responsible for a team of auditors and a portfolio of clients, including investment companies and alternative investment funds.

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Events where you can meet us

As a professional services organization, we recognize the importance of being accessible to clients, investors and other interested industry bodies and parties and therefore members of our fiduciary team and management regularly attend conferences and other relevant events to ensure we are up to date on all industry issues and able to meet to discuss how our services can help our clients and potential clients ensure solid corporate governance practices are in place.

In the current climate all of our planned events have been cancelled however please feel free to reach out to us by phone or email if you have any topics you would like to discuss with us.

Our Services:

Independent Directors • AML Officer Services
Corporate Directors for SPVs • Governance Committee Members
Trustee Services • Holder of Management or Voting Shares
Incorporation and Registered Office Services
Company Secretarial Services
Other Bespoke Fund Governance Services

Contact us:

International Management Services Ltd
PO Box 61 Harbour Centre, Grand Cayman KY1-1102, Cayman Islands
Tel: +1 (345) 949 4244 Email: contactus@ims.ky