

FUND TYPES — CAYMAN ISLANDS

The Cayman Administered Fund

The Administered Fund lets promoters go below the US\$100,000 investment threshold without seeking a full CIMA licence, by transferring day-to-day regulatory oversight to a Cayman-licensed fund administrator.

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Overview

The Administered Fund, registered under section 4(1)(b) of the Mutual Funds Act, occupies the middle ground between the Registered Fund and the Licensed Fund: it is designed for funds that want to offer a minimum investment below US\$100,000 and have more than 15 investors, but do not wish to undergo the Licensed Fund's substantive CIMA vetting. CIMA's requirement is structural rather than threshold-based: the fund must appoint, as its principal office, a CIMA-licensed mutual fund administrator in the Cayman Islands, and that administrator effectively assumes the supervisory function CIMA would otherwise perform directly. It is a comparatively niche category, reflecting that most promoters either meet the US\$100,000 threshold or accept the higher regulatory bar of a licence when distributing sub-threshold retail products.

The trade-off for promoters is straightforward: lower investment minimums and a materially lighter CIMA-facing application in exchange for higher ongoing administration fees and a deeper, statutorily defined oversight role for the administrator. The administrator is legally required to satisfy itself as to the promoter's reputation and administrative expertise, to confirm proper conduct of the fund's business, and to notify CIMA proactively of insolvency or compliance breaches — obligations that go well beyond a standard administration agreement's fund-accounting scope.

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Key features

Feature	Administered Fund	vs. Registered Fund
Minimum investment	None mandated	US\$100,000 per investor, or exchange listing
Core structural requirement	Principal office provided by a CIMA-licensed administrator	No administrator-oversight requirement of this kind
Administrator's duties	Assess promoter reputation; confirm proper conduct; notify CIMA of breaches	Ordinary administration services only
CIMA process	Similar filing, gated by the administrator's own due diligence	Application directly via REEFS; ~5 business days to 2 weeks
Fund-specific fee*	CI\$3,500 (~US\$4,268)*	CI\$4,125 (~US\$5,030)

*Post-1-January-2026 figure not independently confirmed for the Administered Fund; reconfirm before publication.

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Regulatory framework

Section 4(1)(b) of the Mutual Funds Act creates the Administered Fund category by making the appointment of a CIMA-licensed administrator, as principal office holder, the qualifying condition, rather than an investment-size test. The application is filed via REEFS together with the administrator's consent and confirmation of principal-office appointment, the fund's offering document or summary, the auditor's consent letter, certificate of incorporation, and MLRO details. Because the administrator is independently licensed and regulated by CIMA, subject to its own capital, fit-and-proper and ongoing supervisory requirements, CIMA is willing to rely on the administrator's ongoing gatekeeping in place of direct fund-level licensing scrutiny.

Ongoing obligations mirror the rest of the Mutual Funds Act regime, but with the added statutory layer that the administrator must proactively report to CIMA any material adverse development, including its own concerns about the promoter's conduct or the fund's solvency. This makes the administrator relationship far more consequential — legally, not just commercially — than in a standard Registered Fund.

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Practical considerations

- Choose the administrator carefully and early — because the administrator effectively stands in CIMA's shoes for ongoing oversight, its due diligence appetite will directly determine whether and how fast the fund can launch.
- Expect higher all-in administration fees than a comparable Registered Fund, reflecting the administrator's expanded statutory duties; model this into the fund's expense ratio from inception.
- This route is most commonly used for funds targeting a broader, lower-minimum investor base without wanting the Licensed Fund's personal vetting and longer timeline — confirm this is genuinely the driver before committing.
- If investor numbers are likely to stay at or below 15, compare against the Limited Investor Fund registration route, which may achieve a similar low-minimum outcome with lighter documentation.
- Be prepared for a real, not rubber-stamp, due diligence process on the promoter's background, track record and financial standing before the administrator will agree to act.
- If the fund later attracts enough US\$100,000-plus investors that the sub-threshold flexibility is no longer needed, evaluate converting to Registered Fund status to reduce reliance on the administrator's statutory oversight role.

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How Berkley can help

Berkley Fund Services administers Cayman Islands funds across all of CIMA's registration and licensing categories, handling NAV calculation, investor register maintenance, CIMA and Fund Annual Return filings, and coordination with a fund's auditor and directors. Promoters weighing up which Cayman category best fits a proposed structure are welcome to discuss their plans with Berkley's team before finalising an offering document.

ENQUIRIES **enquiries@berkleyfunds.com**

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