

FUND TYPES — CAYMAN ISLANDS

Fund types overview: Cayman Islands

Cayman offers five distinct regulatory routes to market a fund — Registered, Licensed, Administered and Master Funds under the Mutual Funds Act, and the closed-ended Private Fund under the Private Funds Act — and choosing the right one from day one shapes cost, timeline and investor eligibility for the life of the vehicle.

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Overview

The Cayman Islands remains the leading domicile for offshore investment funds, and the Cayman Islands Monetary Authority (CIMA) operates a bifurcated regulatory architecture to accommodate the full spectrum of fund strategies. Open-ended vehicles — funds under which investors have, or are entitled to have, their interests redeemed at the investor's option — fall under the Mutual Funds Act and must fit within one of four categories: Registered, Licensed, Administered, or Master Fund. Closed-ended vehicles — private equity, venture capital, real estate and similar structures where investor capital is locked up for the fund's term — instead register under the Private Funds Act, introduced in 2020 to bring these previously unregulated structures within CIMA's supervisory perimeter.

For a promoter or fund manager, the choice of category is driven primarily by investor profile, the promoter's own service-provider relationships, and whether the vehicle is open- or closed-ended as a matter of strategy. All five categories share a common regulatory DNA — CIMA registration or licensing via the REEFS portal, an approved local auditor, annual audited financial statements filed within six months of financial year end, an annual Fund Annual Return, and baseline AML/CFT, economic substance notification and beneficial ownership obligations — but differ sharply on investor thresholds, minimum investment size, licensing intensity, and fees.

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Key features

Feature	Registered	Licensed	Administered	Master	Private Fund
Statute	MFA s.4(3)	MFA s.4(1)(a)	MFA s.4(1)(b)	MFA s.4(3)	Private Funds Act
Min. investment	US\$100,000 or listed	None mandated	None mandated	US\$100,000 (mirrors Registered)	None (drawdown structure)
Investor cap	None	None	None (>15)	Few direct investors (feeders)	None

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Feature	Registered	Licensed	Administered	Master	Private Fund
Timeline	~5 days–2 weeks	4–6 weeks	Similar to Registered	Similar to Registered	1–2 weeks; must register within 21 days of accepting commitments
Approx. annual fee*	CI\$4,125 (~US\$5,030)	CI\$3,675 (~US\$4,482)*	CI\$3,500 (~US\$4,268)*	CI\$3,075 (~US\$3,748)	~US\$4,270*

*Fee figures reflect CIMA's 1 January 2026 increase where confirmed; figures marked with an asterisk are pre-2026 and should be reconfirmed against the current CIMA fee schedule before publication or client use.

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Regulatory framework

CIMA's authority over funds flows from two statutes that intentionally split the market by redemption feature. The Mutual Funds Act requires any open-ended fund pooling investor funds for collective investment to either register or obtain a licence, unless it falls within the Administered Fund pathway, which substitutes a licensed administrator's oversight for direct CIMA licensing. The Private Funds Act operates on a parallel but separate registration model: because closed-ended funds do not offer redemption rights, they were historically outside CIMA's mutual funds perimeter; the 2020 reform closed that gap by requiring all closed-ended pooling vehicles to register within 21 days of accepting capital commitments, before drawing down investor capital.

Both regimes converge on a common post-registration compliance spine: annual filing of CIMA-approved audited financial statements and a Fund Annual Return within six months of financial year end; maintenance of AML/CFT officers; an annual economic substance notification; FATCA/CRS registration and reporting; and beneficial ownership compliance. Material changes to offering documents or fund particulars must be notified to CIMA within 21 days under both Acts.

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Practical considerations

- Map the investor base before choosing a category — a low minimum-ticket retail raise cannot use the Registered Fund route and will need Administered, Licensed, or a Limited Investor Fund structure instead.
- Open-ended vs closed-ended is a strategy decision, not just a drafting choice — choosing the wrong Act at inception can require a full re-registration if redemption mechanics change materially.
- Master-feeder structures need registration analysis for both the feeder(s) and, once the relevant threshold is met, the master itself — model this early with counsel.
- Budget for the cumulative annual cost across an umbrella platform — each additional sub-fund attracts its own annual fee on top of the base fee.

- CIMA's licensing intensity differs sharply between categories — a Licensed Fund's fit-and-proper review of operators can add 4–6 weeks to a launch timeline that a Registered Fund would not face.
- Confirm current CIMA fee figures before publication or client use — several category-specific fees were still being reconciled against the 1 January 2026 government fee increase at the time of writing.

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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.

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