

GOVERNANCE & OPERATIONS

Ongoing compliance for Cayman funds

CIMA's registration or licensing of a Cayman fund is only the starting point — a detailed annual calendar of audited accounts, Fund Annual Returns and fee payments follows for the life of the vehicle, with real penalties for missing them.

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Overview

Every CIMA-regulated Cayman fund, whether a Mutual Funds Act vehicle (Registered, Licensed, Administered or Master Fund) or a Private Funds Act vehicle, sits within a common ongoing compliance framework: annual audited financial statements from a CIMA-approved auditor, an annual Fund Annual Return filed via the REEFS portal, an annual CIMA fee, maintenance of AML/CFT officers, and annual economic substance and beneficial ownership compliance. The audit and Fund Annual Return are due within six months of the fund's financial year-end, with limited extensions available from CIMA on request.

CIMA takes non-compliance seriously: the Private Funds Act, for example, provides for penalties of up to US\$125,000 for failures such as late registration or missed filings, and CIMA's broader supervisory powers allow it to request information, inspect a fund, or impose conditions where compliance concerns arise. A government-wide fee increase took effect on 1 January 2026, and promoters and administrators should expect invoicing and fee structures to look somewhat different this cycle as the changes phase in through 2027, making it particularly important to reconcile CIMA invoices against budget rather than assume prior-year fee lines still apply.

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Key features

Obligation	Applies to	Timing
Audited financial statements	All Mutual Funds Act and Private Funds Act funds	Within 6 months of financial year-end (extendable, fee applies)
Fund Annual Return (FAR)	All Mutual Funds Act and Private Funds Act funds	Filed via REEFS alongside audited accounts
Annual CIMA fee	All categories	Due 15 January, regardless of fund year-end
Sub-fund fee (umbrellas)	Each sub-fund / alternative investment vehicle	Annually, per sub-fund
Material change notification	All categories	Within 21 days of the change

Obligation	Applies to	Timing
Economic substance notification	All categories (funds are excluded from substantive ES tests but must self-certify)	Annually
Beneficial ownership compliance	All categories	Ongoing (register or licensed CSP route)

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Regulatory framework

Both the Mutual Funds Act and Private Funds Act converge on this common post-registration compliance spine, though the Private Funds Act calibrates certain obligations — valuation, custody and cash-monitoring — specifically for illiquid, drawdown structures rather than daily-dealing open-ended funds. An extension to the six-month audit deadline is available from CIMA, typically for up to three additional months, at a per-month fee, but is not automatic and should be requested well ahead of the original deadline rather than after it has passed.

CIMA's beneficial ownership requirements have tightened in recent years, and promoters relying on older guidance should reconfirm current effective dates and requirements with counsel or their corporate services provider before assuming compliance. Umbrella structures carry a further layer of complexity: each sub-fund or alternative investment vehicle attracts its own annual fee in addition to the base fee, and consolidated or combined audit reporting across a master-feeder structure requires upfront coordination with the auditor rather than a year-end retrofit.

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Practical considerations

- Reconcile CIMA invoices against budget each cycle rather than assuming prior-year fee lines still apply, given the fee restructuring phasing in from 1 January 2026 through 2027.
- Request any audit deadline extension well ahead of the six-month cut-off — CIMA's extension process is not automatic and carries its own fee.
- Budget the 15 January fee deadline separately from the fund's own financial year-end — this is a common administrative miss for funds with non-calendar year ends.
- For umbrella platforms, map every sub-fund and alternative investment vehicle's individual fee and filing obligation at structuring stage, not after launch.
- Reconfirm current beneficial ownership requirements and effective dates with counsel or a licensed corporate services provider — this area has changed more than once in recent years.
- Treat the up-to-US\$125,000 penalty exposure under the Private Funds Act as a reason to build in compliance buffer time, not just a theoretical maximum.

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How Berkley can help

Berkley Fund Services administers the ongoing compliance calendar for Cayman funds across the Mutual Funds Act and Private Funds Act regimes — audit coordination, Fund Annual Return preparation, CIMA fee tracking, and AML/CFT, economic substance and beneficial ownership support — so that fee restructurings and filing deadlines are managed proactively rather than discovered at year-end. Promoters and directors are welcome to discuss their fund's specific compliance calendar with Berkley's team.

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