

FUND TYPES — CAYMAN ISLANDS

The Cayman Registered Fund

The workhorse of the Cayman fund industry, the Registered Fund lets promoters reach sophisticated investors quickly by self-certifying a US\$100,000 minimum investment rather than seeking a CIMA licence.

01

Overview

The Registered Fund, established under section 4(3) of the Mutual Funds Act, is by a wide margin the most commonly used Cayman fund vehicle — accounting for the large majority of the Cayman mutual fund population. It suits open-ended hedge funds, liquid alternatives strategies and other collective investment vehicles marketed to institutional and high-net-worth investors, where either the minimum aggregate equity interest purchasable by each investor is at least US\$100,000, or the fund's equity interests are listed on a CIMA-approved stock exchange. Because the threshold is self-certifying rather than requiring substantive CIMA vetting of the promoter or offering, the Registered Fund route is the fastest and lightest-touch of the licensed/registered categories.

Registered Funds remain fully subject to CIMA's ongoing regulatory perimeter notwithstanding the lighter entry bar: an approved auditor, a properly constituted administrator, AML/CFT officers, and CIMA's rules on NAV calculation, safekeeping of fund assets and corporate governance all apply from day one. The category also houses the “Limited Investor Fund” sub-variant (15 or fewer investors, a majority of whom can remove the operators), which must likewise register but benefits from reduced offering-document requirements — relevant to smaller club deals and seed vehicles.

02

Key features

Feature	Registered Fund	vs. Administered Fund
Minimum investment	US\$100,000 per investor, or exchange listing	No minimum — the Administered Fund route exists to go below US\$100,000
Investor cap	None	None (but must exceed 15)
CIMA process	Form APP-101-22; ~5 business days to ~2 weeks to formal certificate	Similar filing, but the administrator's own due diligence precedes it
Annual CIMA fee*	CI\$4,125 (~US\$5,030)	CI\$3,500 (~US\$4,268)*
Distinguishing feature	Self-certified threshold; no CIMA vetting of promoter	Administrator bears ongoing supervisory duty in place of the threshold test

*Post-1-January-2026 fee figures are confirmed for the Registered Fund; the Administered Fund figure is pre-2026 and should be reconfirmed.

03

Regulatory framework

Section 4(3) of the Mutual Funds Act permits registration where the threshold test above is satisfied. The application is filed electronically via CIMA's REEFS portal, accompanied by a certified copy of the certificate of incorporation, consent letters from the fund's approved auditor and administrator, the offering document, the MLRO application form, and the applicable fee. CIMA's own guidance states registration is typically confirmed on its public register within approximately five business days, though practitioner experience is closer to two weeks from submission to a formal Certificate of Registration.

Once registered, the fund sits within the Mutual Funds Act's ongoing-obligations regime: audited financial statements from a CIMA-approved, Cayman-based auditor filed within six months of financial year end (extendable by up to three months on request); an annual Fund Annual Return filed via REEFS; the annual CIMA fee due by 15 January; notification of any material change to the offering document within 21 days; maintenance of AML/CFT officers; annual economic substance notification; FATCA/CRS registration and reporting; and beneficial ownership register compliance.

04

Practical considerations

- Confirm the US\$100,000 threshold is genuinely met at the investor level across every share class or series — mixed classes with lower minimums can inadvertently disqualify the whole fund from Registered status.
- If any investor ticket could fall below US\$100,000, plan for an Administered Fund or Limited Investor structure instead, or use side-letter and minimum-ticket mechanics carefully.
- Many promoters begin trading or subscribing investors shortly after REEFS submission — this carries execution risk if CIMA queries the application, so build in a buffer for institutional closing conditions.
- A Registered Fund that later becomes a Master Fund does not need to change its registration category, but the triggering event must be tracked and notified.
- Budget the January fee cycle — the annual CIMA fee is due 15 January regardless of the fund's own financial year end, a common administrative miss for non-calendar-year funds.
- Watch the sub-fund fee if operating as an umbrella — each additional sub-fund attracts its own annual fee, materially changing the platform's total cost of ownership.

05

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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