

INVESTMENT MANAGERS

Comparing investment manager licences: BVI vs Cayman

The BVI and Cayman light-touch manager regimes solve the same commercial problem — letting a fund manager operate without a full licence — through opposite regulatory logics: one caps you by size, the other by client type, and that difference should drive the jurisdiction choice.

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Overview

Note: “SIBA” refers to two unrelated statutes that happen to share an acronym — the BVI's Securities and Investment Business Act, 2010, and the Cayman Islands' Securities Investment Business Act. Each reference below is jurisdiction-specific.

The BVI Approved Manager regime is fundamentally a size-gated carve-out: any qualifying BVI company or limited partnership can act as manager or adviser to eligible funds provided AUM stays under US\$400 million (open-ended) or US\$1 billion in aggregate commitments (closed-ended), regardless of how sophisticated the underlying investors are. The Cayman Registered Person regime is, by contrast, a client-type-gated carve-out: there is no AUM ceiling, but the manager must serve exclusively sophisticated persons, high-net-worth persons, group affiliates, or business already regulated overseas. Both regimes are administered by their respective apex regulator and both sit as an alternative to, not a replacement for, each jurisdiction's full investment business licence.

This structural difference has real consequences. A large, institutionally-backed closed-ended fund with only a handful of sophisticated investors but well over US\$1 billion in commitments would outgrow BVI's Approved Manager cap quickly but could remain a Cayman Registered Person indefinitely. Fee levels are broadly comparable in the low-to-mid five figures annually, though Cayman's registration fee runs roughly three to four times the BVI Approved Manager annual fee, a point promoters weighing pure cost should note.

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Key features

Feature	BVI Approved Manager	Cayman Registered Person
AUM / commitment caps	US\$400m (open-ended) / US\$1bn commitments (closed-ended)	None — no AUM ceiling under this gateway
Application / annual fee	US\$1,200 / US\$1,800 (confirm current schedule)	~US\$6,098 (CI\$5,000) / ~US\$6,098

Feature	BVI Approved Manager	Cayman Registered Person
Approval timeline	File ≥7 days pre-launch; provisional operation while FSC reviews	REEFS filing; can take several weeks (estimates vary)
Ongoing obligations	Unaudited financials within 6 months of FYE; annual and AML returns; no audit/PI insurance required	Annual declaration only; no audit required; mandatory AML/CFT officer appointments
Eligibility criteria	BVI company or LP only; manages BVI or recognised-jurisdiction funds	Sophisticated/HNW client business, group-only business, or overseas-regulated equivalent
Investor-count restriction	Indirect, via the underlying fund's own category	No fixed headcount cap — gated by investor quality, not count

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Regulatory framework

The BVI Approved Manager regime derives from subordinate legislation made under BVI SIBA, supplemented by FSC guidelines. The application runs through a BVI registered agent or legal advisor and is lodged with the FSC at least seven days before intended commencement, after which the applicant may trade provisionally for a defined period while the FSC completes review. Cayman's Registered Person pathway runs through CIMA's REEFS online portal, requiring client lists, director and shareholder questionnaires, an organisational chart, and AML compliance-officer details; directors must independently be registered under the Director Registration and Licensing Act 2014.

Ongoing supervision differs meaningfully in intensity even though both are light-touch relative to a full licence. The BVI regime requires annual unaudited financial statements and several calendar-driven filings but no audit, compliance officer, or capital and insurance requirements. Cayman's Registered Person track requires only an annual declaration and fee — no financial statements at all — but layers on more prescriptive AML/CFT governance, including a formally appointed compliance officer structure subject to periodic independent AML audit.

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Practical considerations

- Choose BVI where the fund's investor base includes some less-sophisticated but still qualifying investors and AUM will stay comfortably under the caps; choose Cayman where AUM is expected to scale well beyond US\$1bn but the investor base will remain institutional throughout.
- A manager running both a BVI and a Cayman fund from the same platform will typically need separate approvals in each jurisdiction — the regimes are not mutually recognised.
- Model the all-in annual regulatory cost over the fund's expected life, not just at launch, since Cayman's Registered Person annual fee is materially higher than BVI's Approved Manager fee.
- Any manager still relying on older Cayman guidance describing a no-filing “excluded” category should have that structure re-papered as a Registered Person immediately.

- Where the manager already holds a licence from a recognised overseas regulator, evaluate whether that status independently qualifies it for Cayman Registered Person status via the overseas-regulation gateway.
- Confirm current CIMA processing-time service standards before quoting a timeline to a client
- estimates vary across sources.

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How Berkley can help

Berkley Fund Services works alongside BVI and Cayman investment managers and their legal counsel to keep the fund-level filings, investor records and administrator-facing obligations that accompany each manager regime running smoothly. Managers weighing up their licensing options are welcome to discuss a proposed structure with Berkley's team.

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