

CAYMAN ISLANDS



MUTUAL FUNDS (AMENDMENT) BILL, 2023

Supplement No. 9 published with Legislation Gazette No. 26 dated 30th August, 2023.

**A BILL FOR AN ACT TO AMEND THE MUTUAL FUNDS ACT (2021 REVISION) TO
INCLUDE REFERENCES TO THE BENEFICIAL OWNERSHIP REGIME; AND FOR
INCIDENTAL AND CONNECTED PURPOSES**

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce (FSC)



Memorandum of
OBJECTS AND REASONS

This Bill amends the Mutual Funds Act (2021 Revision) to include references to the beneficial ownership regime.

Clause 1 provides the short title and commencement of the legislation.

Clauses 2 to 4 amend sections 31, 33 and 35 of the Mutual Funds Act (2021 Revision), respectively, by changing references to Part XVIIIA of the Companies Act (2021 Revision), Part 12 of the Limited Liability Companies Act (2021 Revision) or Part 8 of the Limited Liability Partnership Act (2021 Revision) to references to the Beneficial Ownership Transparency Act, 2023.

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Arrangement of Clauses

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A BILL FOR AN ACT TO AMEND THE MUTUAL FUNDS ACT (2021 REVISION) TO INCLUDE REFERENCES TO THE BENEFICIAL OWNERSHIP REGIME; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

1. (1) This Act may be cited as the Mutual Funds (Amendment) Act, 2023.
- (2) This Act comes into force by Order made by the Cabinet.

Amendment of section 31 of the Mutual Funds Act (2021 Revision) - powers of Authority in respect of licensed mutual fund administrators

2. The *Mutual Funds Act (2021 Revision)*, in this Act referred to as the “principal Act”, is amended in section 31(1) by repealing subparagraph (ab) and substituting the following subparagraph —

“(ab) a licensed mutual fund administrator who is a “corporate services provider”, as defined in the *Beneficial Ownership Transparency Act, 2023*, has contravened that Act;”.

Amendment of section 33 - powers of Authority, etc., to search in accordance with search warrant

3. The principal Act is amended in section 33(1) as follows —



- (a) in the chapeau, by deleting the words “this Act, Part XVIIA of the *Companies Act (2021 Revision)*, Part 12 of the *Limited Liability Companies Act (2021 Revision)* or Part 8 of the *Limited Liability Partnership Act (2021 Revision)*” and substituting the words “this Act or the *Beneficial Ownership Transparency Act, 2023*”; and
- (b) by repealing subparagraphs (iv) and (v) substituting the following subparagraphs —
- “(iv) to take possession of, and secure against interference any record that appears to indicate that any offence under this Act or the *Beneficial Ownership Transparency Act, 2023* has been, is being or is about to be committed; and
 - (v) to inspect and take copies of any record on the premises that appears to indicate that an offence under this Act or the *Beneficial Ownership Transparency Act, 2023* has been, is being or is about to be committed, or, if this is not practical, to take away or deliver any such records to the Authority.”.

Amendment of section 35 - obligation of auditors

4. The principal Act is amended in section 35(2)(e) by repealing subparagraph (ia) and substituting the following subparagraph —
- “(ia) in respect of a licensed mutual funds administrator, the *Beneficial Ownership Transparency Act, 2023*, if the licensee is a “corporate services provider” as defined in that Act;”.

Passed by the Parliament the day of , 2023.

Speaker

Clerk of the Parliament

