

# The NED

Independent intelligence on fund director issues

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## Which way director regulation in the Caribbean?

### Cayman likely to bring in a director disqualification law.

Each domicile is different. Every one of them has to weigh up various different factors when determining its rules and regulations on corporate governance and fund director matters. The Caribbean locations of the BVI and Cayman are used overwhelmingly by sophisticated investors. Their rules and regulations are therefore likely to be somewhat different not just from the EU jurisdictions but also from other offshore centres too.

As has been reported in The NED, Cayman has come under a lot of outside pressure to make changes to its rules and regulations on various non executive fund director matters. A number of large institutional investors have made their views on this subject very public. Many expect that the Cayman Islands Monetary Authority (CIMA) will respond. It is anticipated that CIMA will be in a position to make an announcement of some changes to the current regime before long – perhaps even before the summer break. There will doubtless be much comment on all of this in The NED later in the year.

But before any reform occurs The NED thought it would be helpful to cover what the current rules and regulations are regarding non executive fund director matters in the Caribbean's main fund jurisdictions of the BVI as well as those in Cayman.

[Continued on page 2 >>](#)

## Fund Governance Forum to be launched

The NED is launching a body to raise standards of governance in the alternative asset management industry called The Fund Governance Forum (FGF). The FGF is being launched to provide a forum for investors to express their views on fund governance topics. Investors will be able to debate governance issues with managers, service providers and non executive directors.

In particular it is hoped that the FGF will become a means for the alternative fund industry to reach a more commonly accepted set of standards on directors' issues than exists today.

[Continued on page 5 >>](#)

## Contents

<b>Which way director regulation in the Caribbean?</b>	<b>1</b>
<i>Change is expect in Cayman</i>	
<b>The Fund Governance Forum</b>	<b>1</b>
<i>A body is launched to represent all viewpoints</i>	
<b>NED News</b>	<b>7</b>
<b>Getting investors involved</b>	<b>12</b>
<i>They need to become more direct, says Charlotte Valeur</i>	
<b>The gold standard</b>	<b>14</b>
<i>How Hermes BPK goes about governance</i>	
<b>D&amp;O insurance</b>	<b>16</b>
<i>When did you last review your policy, asks Shyam Moorjani</i>	
<b>The NED Directory</b>	<b>18</b>
<i>(information on how to join the database)</i>	

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