

The NED

Independent intelligence on fund director issues

Issue 28 • December 2013

Questions in Cayman following CIMA reforms

The consultation process on corporate governance reform that CIMA first announced on January 14 this year has finally drawn to a close. After various twists and turns over this past 11 months CIMA has at last published its Statement of Guidance (SOG) for Regulated Mutual Funds (in draft).

Industry reaction has been muted. But those that The NED has spoken to are reasonably satisfied. It has been widely noted that CIMA has incorporated many of the changes that were suggested to it, especially by AIMA and the Law Society.

Changes to the draft SOG were being made right up to the last minute. In a document that went out on December 9 the following was included: "The Operator must be independent and exercise independent judgement always acting in the best interests of the Regulated Mutual Fund." By the end of the week that had been changed to: "The Operator must exercise independent judgment, always acting in the best interests of the Regulated Mutual Fund."

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AIFMD board risk oversight problem emerging

No one knows how many people there are with risk management experience available to serve on boards of AIFMD funds. The NED asked those responsible for providing information of this kind in Guernsey, Jersey, Ireland, Luxembourg and Malta. Their lack of knowledge could be a problem. The fear is that that these people are in very short supply. There is no obvious solution to what could be termed an AIFMD generated risk oversight crisis.

Fund boards have of course always had a risk oversight role but those that fall under AIFMD now bear additional responsibilities that are codified by the Directive. In the pre AIFMD era it would be fair to say that some boards, at least, paid little more than lip service to their risk responsibilities.

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Companies and Associations mentioned in this issue:

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ALFI	Fund Fiduciaries
Appleby	HMRC
Anson	Intertrust
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Benchmark Financial	SEC
Carne	JTC
Castle Hall	Travers Thorp
CBI	Alberga
CIMA	Walkers
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