

Consultation on fund board composition standards

The NED is undertaking a wide-ranging consultation with regulators, investors and the industry at large on fund board composition standards. The consultation starts now and finishes at the end of May.

The aim of the consultation is to find out if an agreed minimum standard on fund board composition might be adopted by regulators and industry participants. The consultation will also seek views, especially from investors, on the introduction of a simple system of grading fund boards, by composition.

It would also be very helpful to know what investors, regulators and fund directors think about fund board composition transparency. Should managers be required to make information on who is on their boards public, if they are marketing those funds to third parties?

The NED has devoted much time and effort collecting information on the composition of fund boards over the last few months. To date we have analysed the composition of 1,018 funds of 50 the largest, and mainly alternative, asset managers. (Over the next quarter we will be adding to these totals significantly.)

Our analysis shows that the average board size of these funds is 3.44. The average number of independents per board is 71%. It also shows that 79% of those with independents on their boards use directors from different organisations and entities. [Continued on page 2 >>](#)

Cayman directors cancelled

In follow-up to a public warning that it issued on December 14, CIMA has carried out its threat to cancel the registrations of 1,228 Cayman directors. CIMA says that these directors are in breach of Cayman's Director Registration and Licensing Act.

The warning that CIMA sent out last December went to a list of 1,369 registered Cayman directors. That means the warning was heeded by just 141 directors, or 10% of those that CIMA contacted. 90% chose to ignore this and the various other warnings that CIMA has sent them.

At the same time as CIMA has struck off 1,228 of its registered directors the FATF announced it was putting Cayman on its watchlist for 'increased monitoring' for money laundering purposes. [Continued on page 6 >>](#)

10th anniversary year

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This form can be completed and saved in Acrobat Reader and then emailed to [Tamara Sims](#)

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