

The NED

Risk and Governance

Independent intelligence on fund governance issues

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Cayman's bitter Tangerine

The Court of Appeal's ruling in the case of vicarious liability brought against DMS, which claims to have 'the most complete fund governance platform' in Cayman, for the alleged wilful neglect against Dawn Cummings, leaves more questions than answers.

This case goes back a very long time. The NED first covered it in November 2012; a lot has been written about it since then.

In summary; Dawn Cummings was an Executive Director with DMS from May 2010 until September 2018. During her time with DMS she was an independent director of Tangerine Investment Management, the investment manager for funds established by Axiom which provided loans to English law firms, before its collapse in 2012. When it collapsed there were various allegations of fraud.

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Time for a fundamental rethink

Across many industries, including asset management, people are using this crisis to ask fundamental questions about their business practices. This is now beginning to happen in fund governance too. A lot of what we have all taken for granted is being re-evaluated at present.

Most fund governance practices have been in place for a long time without anyone questioning any of them. Very little to nothing has changed in the way funds have been governed – especially at board level – since the international asset management industry got going in the late 1980s. Whilst we are all locked down this would be an ideal time to ask some big questions.

The NED will be running a series of e-events over the coming months to address and perhaps challenge the broad and basic pillars of fund governance. To get the debate going we thought we would raise what we believe are the big questions that the industry might like to address now. Some of these were also brought up in the e-event that The NED hosted on April 28.

For example, what is the purpose of the board, for those funds that have them? Are they, or should they be, the real ultimate decision-making body for that fund? Or should it be the manager?

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IFI Global Research

The Briefing Report

ESG's impact on the fund industry

The NED

Alternative Fund Governance:
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The Tracker

The impact of Brexit on EU jurisdictions

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