



Cayman Islands Private Funds Act Independent Oversight Solutions

ARE YOU COMPLIANT?

Since August 2020, the Cayman Islands Private Funds Act 2020 has required closed-ended investment funds domiciled in the Cayman Islands to register with the Cayman Islands Monetary Authority (CIMA) and to comply with the following operating conditions:

- Implementation of appropriate and consistent valuation procedures, which must be carried out at least annually
- Safe-keeping of fund assets including holding custodial assets in custody and verification of ownership and title of all other assets
- Monitoring of cash flows, including the checking of cash accounts and receipt of investor contributions
- Appointment of a Cayman Islands registered auditor

The requirements are based on similar rules within the European AIFMD (Alternative Investment Fund Managers Directive) where they are required to be performed by a depositary.

HOW CAN YOU BECOME COMPLIANT?

Under the Private Funds Act, these functions may be carried out by the manager of the private fund subject to independence from the investment management function as well as the identification, management, and disclosure of any conflicts to investors.

Alternatively, they may be outsourced to a third party such as INDOS Financial.

HOW INDOS CAN HELP

INDOS Financial, a JTC Group company, is an independent fund oversight business specialising in providing depositary services to alternative investment funds, including closed-ended private equity, real estate, infrastructure, and debt funds, as well as open-ended hedge funds. We also provide outsourced Anti-Money Laundering compliance and reporting officers for Cayman Islands funds.

We are the dominant independent depositary in the market and act for over 75 clients in Europe, the USA and Asia, who have entrusted us with oversight of assets in excess of \$35 billion. We are regulated by the UK Financial Conduct Authority.

The key services we provide are directly in line with those required under the Cayman Islands Private Funds Act 2020:

Custody - we can provide custody solutions through our network of sub-custodians or introduce firms to a suitable custodian for their needs

Asset verification - we are skilled at the verification of ownership and title of many types of fund assets across international markets

Cash flow monitoring - we have established connections with many banks that enable us to independently obtain and monitor cash flows of a fund

Valuation - we are experienced in oversight of the application of the valuation policy of the fund and we partner with a specialist firm should a full independent valuation be required

WHY APPOINT INDOS?

You can comply with the new Act by performing these operations internally or you can use the INDOS outsourced solution.

Outsourcing enables you to focus on your core business and reduce your compliance burden. It will also enhance fund governance and investors will take comfort from the independent oversight performed.

Plus, we provide our services with minimal disruption to your operations, tailoring them to your operating model and supporting funds where administration is performed in-house by the manager or outsourced to a fund administrator. In addition:

- We use our market-leading DEPOcheck system to deliver a first class, efficient service with a full audit trail of work performed
- We provide tailored reporting and an annual Type 2 SOC1 / ISAE 3402 controls assurance report to our clients
- Where required, we can also provide an outsourced AML officer solution, enabling you to meet your compliance needs through one service relationship
- We offer competitive fees

We would be delighted to follow up with an outline of our services, a timetable and process for on-boarding and a fee proposal.

YOUR INDOS FINANCIAL CONTACTS

North America

Wouter Platenga

(t) +1 786 233 8717

(e) wouter.platenga@jtcgroup.com

Europe & Asia

Jon Masters

(t) +44 (20) 3876 2222

(e) jonmasters@indosgroup.com

More information can be found at: www.indosgroup.com/services

Information on JTC Group, including regulatory notices, can be found at: JTCGroup.com