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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council

To: Code of Conduct Group (Business Taxation)

Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Cayman Islands: final legislation and assessment under criterion 2.2
= Private Funds (Amendment) Law, 2020
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CAYMAN ISLANDS



PRIVATE FUNDS (AMENDMENT) LAW, 2020

(Law 30 of 2020)

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PUBLISHING DETAILS

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CAYMAN ISLANDS



PRIVATE FUNDS (AMENDMENT) LAW, 2020

(Law 30 of 2020)

Arrangement of Sections

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CAYMAN ISLANDS

(Law 30 of 2020)

I Assent,

Martyn Roper
Governor

Date: 7th day of July, 2020

PRIVATE FUNDS (AMENDMENT) LAW, 2020

(Law 30 of 2020)

A LAW TO AMEND THE PRIVATE FUNDS LAW, 2020 TO CLARIFY THE DEFINITION OF **"PRIVATE FUND"** IN THE LAW; TO REQUIRE THAT CONFLICTS OF INTEREST ARISING IN RELATION TO VALUATION, SAFEKEEPING OF FUND ASSETS AND CASH MONITORING ARE MANAGED AND MONITORED; TO REMOVE THE POWER OF CABINET TO EXEMPT PERSONS OR BUSINESSES FROM THE APPLICATION OF THE LAW; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the Private Funds (Amendment) Law, 2020.

Amendment of section 2 of the Private Funds Law, 2020 - interpretation

2. The *Private Funds Law, 2020*, in this Law referred to as the "principal Law", is amended in section 2 by deleting the definition of the words "private fund" and by substituting the following definition—

"private fund" means a company, unit trust or partnership that offers or issues or has issued investment interests, the purpose or effect of which is the pooling of investor funds with the aim of enabling investors to receive profits or gains from such entity's acquisition, holding, management or disposal of investments, where—



- (a) the holders of investment interests do not have day-to-day control over the acquisition, holding, management or disposal of the investments; and
- (b) the investments are managed as a whole by or on behalf of the operator of the private fund, directly or indirectly,

but does not include —

- (i) a person licensed under the *Banks and Trust Companies Law (2020 Revision)* or the *Insurance Law, 2010*;
- (ii) a person registered under the *Building Societies Law (2020 Revision)* or the *Friendly Societies Law (1998 Revision)*; or
- (iii) any non-fund arrangements”.

Amendment of section 16 - valuation, section 17 - safekeeping of fund assets and section 18 - cash monitoring

3. The principal Law is amended in sections 16(4)(b)(ii), 17(4)(b)(ii) and 18(1)(b)(ii) by inserting **after the word “identified”**, where it appears in those sections, **the words “, managed, monitored”**.

Amendment of section 31 - regulations

4. The principal Law is amended in section 31 by repealing subsection (1)(d).

Passed by the Legislative Assembly the 1st day of July, 2020.

Hon. Barbara Conolly
Deputy Speaker

Zena Merren-Chin
Clerk of the Legislative Assembly

