



Industry Professionals serving as non-executive directors to Alternative Funds

We bring you the first of our IPAF Bulletin. Each newsletter will bring you news from a different director from our panel. Following the recent opening of IPAF Cayman, we bring you news from [Simon Cawdery](#) in the [Cayman Islands](#).

Cayman Developments



News from Simon Cawdery, Cayman Islands

We continue to see good growth of funds coming to the Cayman Islands. Over the last 2 years, there has been a rise of about 5% a year in mutual fund registrations in Cayman fuelled by the strength of the global financial market and Cayman's increasing penetration into Latin America and Asia. This comes on the back of declines during the period 2009 – 2011 as the economy contracted and the hedge fund industry retrenched.

CIMA registration

The CIMA Director registration process now seems to be largely complete and was relatively painless for all involved. With all the data at CIMA's fingertips the question clearly arises as to whether this is the first step in a process of limiting the number of directorships per individual or whether there will be a milder evolution in the process which will result in a fee per directorship rather than the current single fee per individual performing directorships. Either way it seems clear that additional transparency is likely around the corner; the data on who has what directorships now exists and if investors start demanding access it would be difficult for CIMA to hold out for too long.

A way to offer more substance in Cayman?

With the debate over governance vs substance set to run and run, hedge funds may want to consider the opportunities offered by Cayman Enterprise City. This venture is designed to streamline the process for international businesses setting up operations

in the Cayman Islands. To give a better understanding we conducted a Q&A with Charles Kirkconnell, CEO, Cayman Enterprise City. We have put a few excerpts below. Please click [here](#) for full interview.

Q&A on Cayman Enterprise City

1. What is Cayman Enterprise City and why is it unique?

The Cayman Islands Government recently set the jurisdiction apart from other favourable tax jurisdictions with the development of Cayman Enterprise City (“CEC”), an award-winning knowledge- and technology-focused special economic zone. CEC enables international businesses to easily and cost-effectively establish a genuine staffed physical presence in the Cayman Islands, creating an opportunity for such businesses to efficiently generate active business income in an offshore jurisdiction.

2. What are the advantages for and how can Hedge Funds utilise Cayman Enterprise City?

International companies establishing in CEC benefit from Cayman’s general jurisdictional advantages (no corporate tax, no capital gains tax, no payroll tax and no income tax) as well as a series of attractive concessions granted by the Cayman Islands Government. These include an automatic access to 100% foreign ownership, fast-track 3-4 week set up of operations, zero import duties for business related items, five year work/residency visas for any staff from anywhere in the world granted within five working days and significantly reduced business licencing and work visa fees.

3. What sorts of Trading or Investing companies are currently domiciled in Enterprise City?

Businesses focused on trading in commodities and derivatives (whether physically or electronically) that do not require to be licenced by the Cayman Islands Monetary Authority (“CIMA”) may be licenced by the Special Economic Zones Authority (“SEZA”). This means businesses engaged in financial service activities other than those conducted by monetary institutions may be licenced. Further, businesses engaged in activities auxiliary to commodity and/or derivative focused financial service activities (except insurance and pension funding) may be licenced by SEZA. Businesses engaged in the furnishing of physical or electronic marketplaces for the purpose of facilitating the buying and selling of stocks, stock options, bonds or commodity contracts may therefore be licenced.

How can IPAF Cayman help?

For those hedge funds wishing to establish an offshore presence in Cayman (whether it be in the Special Economic Zone or outside), IPAF's Cayman team are available to help. We can assist in the establishment of an actual office presence or the use of outsourced consultants to provide offshore substance (whether that be risk managers, marketing support, securities trading or other roles). Please just drop any one of the team an email or call us and we can talk through the logistics as well as some of the benefits.

About Simon Cawdery

Simon Cawdery is resident in Cayman and an investment manager with global multi-asset class research and management experience including equity, credit, hedge funds, private equity and real estate funds. His specialities are Investment Management, Regulation and Business Development.

He can be contacted on simon.cawdery@ipafgroup.com.

About IPAF

IPAF provides Industry Professionals – independent, knowledgeable and experienced people - as non-executive directors to Alternative Funds. IPAF is run from London with a [panel of 16 directors](#), across 8 jurisdictions including Cayman, Ireland, Switzerland, the Channel Islands, Malta, Bermuda, Barbados and the UK, all of whom are independent of each other. No additional fee is charged by IPAF to a fund that chooses a member of its panel as a director: the fund only pays the director's fees. For more information please contact us on 020 7340 6316 or email info@ipafgroup.com

Executive Directors: Caroline Hoare, Stella Murrell, Nicola Floyd