

# LEGAL UPDATE

## Guidance for Directors registered with the Cayman Islands Monetary Authority (CIMA) under The Directors Registration and Licensing Law

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### Renewal of Director registration

Directors who are registered with CIMA in accordance with The Directors Registration and Licensing Law, 2014 (“DRLL”) in connection with being a Director of an entity that is registered with CIMA (e.g. registered Mutual Fund or an investment management or investment advisory entity that has “*Excluded Person*” status under the Securities Investment Business Law (2015 Revision)) (a “**Covered Entity**”) should by this time of the year have received a reminder from CIMA to renew registration via the CIMA portal <https://gateway.cimaconnect.com/>. A Director should renew his or her registration with CIMA if he or she will continue to be a Director of one or more Covered Entity that either (1) will carry on business for some or all of 2017, or (2) is in the process of winding down such business but the process will not cease prior to 31 December 2016.

### Resignation from a Covered Entity

CIMA has stated<sup>[i]</sup> that if a Director no longer wishes to be registered or licensed as a Director of a Covered Entity, the Director must liaise with the Covered Entity’s registered office and ensure that CIMA receives written resolutions or an updated register of directors, stamped by the Registrar of Companies, to duly notify CIMA of the Director’s resignation from that Covered Entity.

Resignation of a Director from a Covered Entity will not automatically result in a surrender of the Director’s registration or licence under the DRLL.

### Surrender of Director registration

CIMA has also stated<sup>[ii]</sup> that if a Director no longer wishes to be registered or licensed as a Director in accordance with the DRLL, he or she must first resign as a Director of all Covered Entities, then log into the CIMA portal, complete the requisite information under “Surrender”, and pay the relevant surrender fee (US\$731.71).

Once the Director has paid the surrender fee, CIMA will check its records to confirm that the Director is no longer listed as a Director on any Covered Entity. If he or she remains as a Director on a Covered Entity, CIMA has stated that it will be unable to process the Director’s surrender application.

In addition to submitting the surrender fee, the Director is required to submit a formal letter which **MUST** contain the following information:

1. that he or she has resigned as a Director of all Covered Entities;
2. that he or she no longer plans to act as a Director on any Covered Entity; and
3. that if he or she would like to act on any other Covered Entity or wishes to resume directorship services after he or she has surrendered his or her registration or licence, he or she will re-apply under the DRLL.

The Director is responsible for updating his or her records accordingly and must complete the requirements to surrender his or her registration or licence before the 31<sup>st</sup> December in order to avoid accruing next year's annual fees, as well as penalties calculated at 1/12th of the annual fee for every month or part of a month after the 15th of January in each year that the fee is not paid.

As stated above, Directors who will continue to provide directorship services and wish to remain current with their registration or licence status under the DRLL **MUST**, on or before the 15<sup>th</sup> of January in each calendar year, renew their registration or licence through the CIMA portal.

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**For specific advice on renewal or surrender under the DRLL or resignation from a Covered Entity, please contact any of:**

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<sup>[i]</sup> CIMA's Supervisory Issues & Information Circular– Second Edition issued in October 2016

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