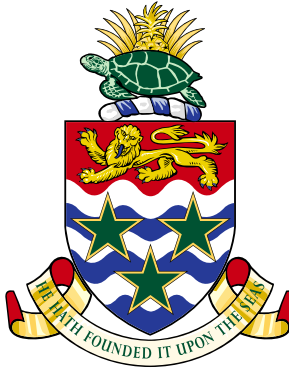


CAYMAN ISLANDS



**MUTUAL FUNDS (VALIDATION) BILL,
2026**

Supplement No. 4 published with Legislation Gazette No. 47 dated 2nd October, 2026.

A BILL FOR AN ACT TO PROVIDE FOR THE VALIDATION OF THE ASSESSMENT, CHARGING, PAYMENT AND COLLECTION OF THE FEE FOR SUBMITTING AN ANNUAL RETURN BY A MUTUAL FUND WHOSE FINANCIAL YEAR ENDED ON OR BEFORE 31ST DECEMBER, 2025 WITHOUT STATUTORY AUTHORITY; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce



Memorandum of OBJECTS AND REASONS

This Bill seeks to provide for the validation of the assessment, charging, payment and collection of the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025 without statutory authority.

In 2025 the mutual fund fees framework was adjusted by the Mutual Funds (Fees) (Amendment) Regulations, 2025 the effect of which was to consolidate the fee for submitting an annual return and the fee for annual registration into a single annual payment from 2026 onwards. As a consequence of this consolidation of fees, regulation 3 of the Mutual Funds (Annual Returns) Regulations (2021 Revision), which provided for the fee for submitting an annual return, was repealed. The need for validation of this fee is an unintended consequence of the entering into force of the Mutual Funds (Annual Returns) (Amendment) Regulations, 2025 on 19th December, 2025.

Clause 1 provides the short title of the legislation.

Clause 2 provides for the definition of words used in the legislation. The clause defines the words “Authority” and “mutual fund”.

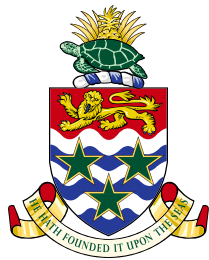
Clause 3 provides for the validation of the assessment, charging, payment and collection of the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025 without statutory authority.

The clause also provides that any notice, invoice, demand, assessment or any other administrative action of the Authority for the purpose of charging or collecting the fee is validated and deemed to have been lawful.

Further, clause 3 seeks to make it clear that any fee for submitting an annual return that would have been payable by a mutual fund whose financial year ended on or before 31st December, 2025, but for the commencement of the Mutual Funds (Annual Returns) (Amendment) Regulations, 2025 on 19th December, 2025, remains payable and may be recovered by the Authority.

Clause 4 provides that this validating legislation does not affect any order or determination made by a court with respect to the assessment, charging, payment and collection of the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025 without statutory authority prior to the commencement of this validating legislation.

CAYMAN ISLANDS



MUTUAL FUNDS (VALIDATION) BILL, 2026

Arrangement of Clauses

Clause	Page
1. Short title	7
2. Interpretation	7
3. Validation of assessment, charging, payment and collection of the fee for annual returns.....	8
4. Orders or determinations by court not affected	9



CAYMAN ISLANDS



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A BILL FOR AN ACT TO PROVIDE FOR THE VALIDATION OF THE ASSESSMENT, CHARGING, PAYMENT AND COLLECTION OF THE FEE FOR SUBMITTING AN ANNUAL RETURN BY A MUTUAL FUND WHOSE FINANCIAL YEAR ENDED ON OR BEFORE 31ST DECEMBER, 2025 WITHOUT STATUTORY AUTHORITY; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Act may be cited as the Mutual Funds (Validation) Act, 2026.

Interpretation

2. In this Act —

“**Authority**” means the Cayman Islands Monetary Authority established under section 5(1) of the *Monetary Authority Act (2020 Revision)*; and

“**mutual fund**” has the same meaning as in section 2 of the *Mutual Funds Act (2025 Revision)*.

Validation of assessment, charging, payment and collection of the fee for annual returns

3. (1) The payment of the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025, and the assessment, charging and collection of the fee by the Authority without statutory authority from the commencement of the *Mutual Funds (Annual Returns) (Amendment) Regulations, 2025* on 19th December, 2025 is validated and is deemed to have been —
- (a) lawfully paid by the mutual fund; and
 - (b) lawfully assessed, charged and collected by the Authority,
- as if the Authority was empowered under the *Mutual Funds (Annual Returns) Regulations (2021 Revision)* as amended by the *Mutual Funds (Annual Returns) (Amendment) Regulations, 2025* to assess, charge and collect the fee.
- (2) Any notice, invoice, demand, assessment or other administrative action of the Authority for the purpose of assessing, charging or collecting the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025 is validated and deemed to have been lawful.
- (3) Any fee for submitting an annual return that would have been payable by a mutual fund whose financial year ended on or before 31st December, 2025, but for the commencement of the *Mutual Funds (Annual Returns) (Amendment) Regulations, 2025* on 19th December, 2025, remains payable and may be recovered by the Authority as if the liability to pay the fee had existed at all material times.



Orders or determinations by court not affected

4. This validating Act does not affect any order or determination made by a court with respect to the assessment, charging, payment and collection of the fee for submitting an annual return by a mutual fund whose financial year ended on or before 31st December, 2025 without statutory authority prior to the commencement of this validating Act.

Passed by the Parliament the _____ day of _____, 2026.

Speaker

Clerk of the Parliament

