



**ASIAN INVESTMENT FUNDS
CORPORATE GOVERNANCE COMPLIANCE**

Legal and Corporate Services Solutions

Asia Offerings

CONYERS



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Corporate Governance Compliance – How Conyers can assist

As you are aware, the Cayman Islands Monetary Authority's ("CIMA") new Rule on Corporate Governance for Regulated Entities ("CG Rule") has now come into effect. This builds on CIMA's Statement of Guidance– Corporate Governance – Mutual Funds and Private Funds ("CG SOG", together with the CG Rule, the "CG Measures") by extending CIMA's expectations for minimum expectations for sound and prudent corporate governance to providing clear, concise directives that create binding obligations for which any breach could lead to an administrative fine or regulatory enforcement action by CIMA.

At a minimum, the Governing Body¹ of a regulated fund (the "Fund") is responsible for documenting and implementing a corporate governance framework that addresses the following:

- objectives and strategies of the Fund;
- structure and governance of the governing body;
- appropriate allocation of oversight and management responsibilities;
- independence and objectivity;
- collective duties of the governing body;
- duties of individual directors of the governing body;
- appointments and delegation of functions and responsibilities;
- risk management and internal control systems;

- conflicts of interest and code of conduct;
- remuneration policy and practices;
- reliable and transparent financial reporting;
- transparency and communications;
- duties of senior management; and
- Relations with CIMA.

Separately, CIMA has issued a new Rule and Statement of Guidance – Internal Controls for Regulated Entities. Although this applies to all Cayman regulated entities, regulated funds generally do not have senior management or staff, instead outsourcing day-to-day management to service providers. As such it is unlikely that additional measures with respect to internal controls beyond adopting the corporate governance framework required under the CG Measures would be required.

These tailored solutions therefore focus primarily on the GC Measures. However, if you would like further information for Rule and Statement of Guidance – Internal Controls on Regulated Entities and how this may affect your business (e.g. you have Cayman regulated investment advisor or investment manager in your fund group structure), then please then please let us know and we would be happy to provide further information.

¹ Governing Body means: the board of directors where the regulated fund is a company; the general partner where the regulated fund is a partnership; the manager (or equivalent) where the regulated fund is a limited liability company; and the trustee where the regulated fund is a unit trust.



Corporate Governance Compliance – How Conyers can assist (continued)

The CG Measures provides that a regulated fund's corporate governance framework should be commensurate with the size, complexity, structure, nature of business and risk profile of its operations. As a result, certain compliance steps should be undertaken for Funds.

Action Points and Conyers Legal Assistance

We would recommend that the Governing Body (directly or indirectly through management) now:

1. Undertakes a **gap analysis** exercise of current corporate governance policies and those required under the CG Measures.

We can provide a compliance checklist for the purposes of undertaking the gap analysis exercise.

2. Develops an appropriate **corporate governance framework** consistent with the CG Measures.

We can assist in the analysis of completed checklists and recommend policies and practices for the Governing Body to comply with the CG Measures. We can assist, amongst other things, with revising existing documents and/or preparing new policies and practices, where necessary, that would form an appropriate corporate governance framework.

3. Holds a **Governing Body board meeting** to adopt a corporate governance framework consistent with the CG Measures.

We can assist with the preparation with a board agenda ensuring that the Governing Body addresses all required matters and adopts appropriate policies and practices consistent with the CG Measures.

4. Monitors compliance of the corporate governance framework throughout the year.

We can advise, on any ongoing matters, as required.

5. Holds Governing Body board meeting at least annually in compliance with CG Measures.

We can assist with the preparation of board agenda for an annual board meeting of the Governing Body in compliance with CG Measures, and more frequently, where required.

Corporate Services Assistance

We can provide various corporate services (e.g. registered office, AML, AEOI, independent directors, board support services) to assist a Fund and its Governing Body with ongoing corporate compliance, including governance obligations.



Tailored Solutions

The full breadth and scope of legal and corporate services we can provide are as follows.

Legal Services

Provision of legal services to assist with corporate governance gap analysis, preparing an appropriate corporate governance framework, board agendas, as required;

Corporate Services

- provision of Registered Office services;
- provision of a Money Laundering reporting Officer (“**MLRO**”), a Deputy Money Laundering Officer (“**DMLRO**”) and an Anti-Money Laundering Compliance Officer (“**AMLCO**”);
- provision of Principle Point of Contact and Authorized Person with **The** Cayman Islands Tax Information Authority (“**PPOC**”);
- provision of the Foreign Account Tax Compliance Act (“**FATCA**”) and the Common Reporting Standards (“**CRS**”) Reporting services;
- provision of independent directors;

- provision of board support; and
- corporate Governance and AML training.

The solutions, the information and details contained herein are confidential and are provided on the understanding that such information will be reviewed and not disclosed further than the directors of the Governing Body, executives and relevant internal personnel of the client and of the group of which it may form a constituent part.

“They always try hard to understand the client's wishes and endeavour to achieve them.”

Chambers Asia Pacific,
Offshore: Corporate & Finance
including Investment Funds,
2023



“Conyers team is able to provide high-quality and commercial advice for complex transactions.”

Chambers Asia Pacific,
Offshore: Corporate & Finance
including Investment Funds,
2023





Registered Office Services

Registered Office services include the following:

- providing a registered office address for your entities in the Cayman Islands;
- maintaining statutory records including incorporation documents, seal (if required) and minute book;
- onboarding and keeping statutory registers of your Cayman Islands entities, including: register of directors and officers, register of members (if applicable) and register of mortgages and charges;
- maintaining the register of beneficial owners;
- maintaining information provided by an entity for economic substance notifications;
- attending to filing of statutory forms, declarations, returns and notices as required by law;
- providing the Fund at the appropriate time with an invoice which includes relevant annual government fees; when the requisite fees (and forms, if relevant) have been received by Conyers then arrange for the necessary fees and documents to be forwarded to the Registrar, and also attend to the filing of the annual statutory

return of the entity with the Registrar; and

- issuing of Registered Office Certificate and certification of documents as true copies of documents held on the minute book in our capacity as Registered Office.

Additional Services as incurred in any 12-month period will be charged to the Fund in accordance with our schedule of fees, as published and as may be from time to time amended with notice.



AML Services

Under the Cayman Islands Anti-Money Laundering Regulations (“AMLRs”), financial service providers (“FSPs”) must ensure that they have appointed suitably qualified individuals to act as AMLCO, MLRO and DMLRO (together, the “AML Officers”). The AML Officers should have practical knowledge and understanding of the Cayman AML regulatory frameworks including but not limited to the AMLRs and Guidance Notes². Conyers can provide qualified individuals to assume these roles and help guide the Fund through this constantly evolving environment which requires continued vigilance to ensure ongoing compliance and standards of best practice.

All FSPs should be aware that as the regulator, CIMA has significant powers to impose administrative fines under the Monetary Authority (Administrative Fines) (Amendment) Regulations, 2020 (“Fine Regulations”) for AML breaches. The sliding scale of fines ranges from CI\$5,000³ for ‘minor’ breaches to CI\$100,000 for individuals and CI\$1 million for entities for ‘very serious’ breaches.

Anti-Money Laundering Compliance Officer

The AMLCO has statutory duties under the AMLRs and is responsible for ensuring that the FSP has implemented measures which ensure compliance with the AMLRs and the Guidance Notes. The AMLCO also acts as the point of

contact with certain Cayman Islands competent authorities, including CIMA.

Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer

Where a suspicious activity report (“SAR”) is filed, the MLRO will act as ongoing liaison with the Financial Reporting Authority (“FRA”) or other regulatory or investigative agencies. It is important to note that the MLRO may commit a criminal offence if they fail to properly carry out these functions without reasonable excuse, and/or be subject personally to administrative fines imposed by CIMA.

The MLRO has statutory duties under the AMLRs and is responsible for the implementation and management of suspicious activity reporting procedures. Where suspicious activity pertaining to criminal conduct, money laundering, terrorist financing or proliferation financing is suspected, the MLRO or DMLRO must investigate in order to determine whether there is a requirement to file a SAR with the FAR.

² Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands

³ Conversion: CI\$1 is approximately US\$1.25



AEOI Services

The introduction of FATCA and CRS has had a far-reaching impact on applicable entities and groups. Cayman entities are required to analyse existing investor accounts, validate and update investor information, enhance on-boarding processes and expand reporting capabilities on a global basis. Conyers can help clients with the full spectrum of FATCA and CRS compliance.

The following is an overview of the services we can provide to your entity:

- register with the IRS and obtain a GIIN and register, notify and act as PPOC with the Cayman Islands Tax Information Authority (“TIA”);
- classify, validate and remediate pre-existing accounts, including file reviews and obtain enhanced due diligence and forms as required;
- carry out due diligence and classification of new accounts including obtaining forms and due diligence documentation for validation up front to facilitate compliance;
- prepare and file reports that are compliant with Cayman Islands legal requirements and TIA; and
- prepare and file CRS Compliance Form with the TIA.



Director Services

Through our affiliate, Conyers Financial Intuitions Group, Conyers has a team of highly qualified and experienced investment fund fiduciaries who provide independent directorship and ancillary support services to Cayman domiciled hedge funds, private equity funds and associated investment vehicles.

- **Highly qualified and experienced** – our directors have multiple professional qualifications and have decades' worth of experience operating in the Cayman investment funds industry.
 - **Regulatory specialists** – our directors have a deep practical understanding of the Cayman regulatory environment facing investment funds and are able to take on these responsibilities as part of their contribution to the board.
 - **Governance and internal controls** – our directors are well versed as to the corporate governance and internal control rules imposed on funds by CIMA and are able to ensure that funds are meeting these obligations through coordination of properly structured board meetings and engagement with service providers.
 - **Independent decision making** – appointing independent directors to your fund board is the easiest and most effective way for the board to demonstrate independent judgement and objectivity in response to the corporate governance rules imposed by CIMA.
- **Industry insights and best practice** – our directors have worked with a range of investment managers and have acted across a broad cross section of investment strategies and structures which leaves them well suited to advise.

Governance solutions

Our fiduciaries are flexible and able to work with you to provide tailored governance solutions to a range of investment fund structures:

- Independent directors for hedge funds and private equity general partners.
- Appointees to advisory boards or corporate governance committees.
- Coordination and chairing of board or committee meetings to ensure they are run in accordance with regulatory rules and guidelines.



Board Support Services

Conyers Client Services is an affiliate of global law firm Conyers. As part of our corporate services, we provide a variety of options to assist in arranging, holding and minuting board meetings.

Our board support services can be tailored to your individual client needs. Our corporate secretarial professionals are experienced in all types of licenced entities including but not limited to investment funds, insurance companies and corporate entities on a global and local basis.

With the advantage of state-of-the-art virtual meeting facilities and an easy-to-access location in Grand Cayman, Conyers also offers the perfect venue to host board meetings.

Full Board Support

Full board support services include:

- liaising with stakeholders to arrange meetings and send calendar invitations;
- drafting the agenda and circulating for review and comment;
- collating and distributing any required Board packages and liaising with stakeholders;
- attending meetings either via telephone or in person;

- providing telephonic conference facilities;
- taking the minutes of the meeting;
- preparing and distributing the draft minutes for review and sign off; and
- finalising close out procedures and filing minutes on the minute book in line with governance procedures.

Minutes Only

Depending on your specific requirements, Conyers can provide a minute-taking-only service whereby Conyers:

- attends meetings either via telephone or in person;
- takes the minutes of the meeting;
- prepares and distributes the draft minutes for review and sign off; and
- finalises close out procedures and files minutes on the minute book in line with governance procedures.

Key Contacts

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Conyers – Investment Funds – Asia

With over 35 years in Asia, Conyers continues to lead the way in providing offshore legal advice to many of Asia's largest and most innovative corporate clients and is perfectly placed to help clients in Asia with their investment fund structures.

The highly experienced investment funds team act as offshore legal advisor for international and Asia-based fund management houses, financial institutions and entrepreneurs, providing innovative advice and solutions on investment fund matters. The team works alongside clients from the initial structuring issues for new funds through the continuing operations and other long term business requirements of investment funds.

Our Services

The team assists on:

- Incorporations and formations
- Venture capital funds
- Structuring advisory
- Real estate funds
- Fund regulation
- Infrastructure funds
- Investment management regulation
- Master-feeder funds
- Offering and other fund documentation
- Special situation funds
- Crypto funds
- Segregated portfolio companies
- Hedge funds
- Limited partnerships
- Private equity funds
- Unit trusts

Structuring issues include:

- Corporate governance parameters
- Liquidity requirements
- Fiduciary obligations of operators
- Asset segregation and liability ring-fencing
- Conflicts of interest solutions
- Multi-class share rights
- Investor participation and control issues
- Liquidity restrictions, including lock-in periods, redemption gates and side-pockets
- Investment and advisory committees

**Legal 500 Asia Pacific,
Leading Firm 2024**



**Chambers & Partners Asia
Pacific, Offshore 2024**

(13 years ranked)



**Best Overall Law Firm (Offshore) for 11
consecutive years from 2013 to 2023**
China Business Law Awards



Pro-Bono Firm of the Year
China Business Law Awards



**Most Responsive Firm of
the Year**
In-House Community 2021



Offshore Law Firm of the Year
IFLR Asia-Pacific Awards 2020



Caring Company 2021 – 2023
The Hona Kona Council of Social Service



Our Asia Award-Winning Practice

Since 1985, Conyers Asia practice has been leading the way in providing offshore legal advice to many of the region's largest and most innovative corporate clients.

As Asia's leading advisor in corporate finance and capital markets, we are known for our strengths in IPOs. In addition, we are also advisors to many of our clients in practice areas including investment funds, merger and acquisition, and litigation and restructuring.

With close to 40 lawyers based in our Hong Kong and Singapore offices, we advise on Bermuda, British Virgin Islands and Cayman Islands laws. The team is fluent in Cantonese, English, Japanese, Mandarin and Malay, and is able to provide advice to clients in their local languages.

Through our global network, we can provide clients the advice they need for cross-border transactions.

CONYERS

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“They are excellent practitioners with particular expertise in finance and complex cross-border disputes.”

“The team understand the market trends due to the volume of their deal flow, which is very helpful to our practice.”

- *Chambers Asia-Pacific, 2024*

“The team is practical and very responsive.”

“The team is well-established and renowned for its familiarity with the financial and judicial environment in Hong Kong, which enables them to give practical solutions for clients to deal with matters involving the relevant offshore jurisdictions efficiently.”

“The Conyers team is knowledgeable and responsive, and covers a wide range of offshore jurisdictions and legal areas.”

- *Legal 500, Hong Kong, Offshore Law Firm, 2024*

“Their practice covers different areas and various jurisdictions that a Hong Kong client usually needs.”

“Their staff can speak/communicate in various languages and are familiar with the culture of clients from different countries.”

- *Legal 500, Hong Kong, Offshore Law Firm, 2022*

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For additional information about the content presented in this brochure or our service offerings, please contact one of our lawyers listed above. This publication should not be construed as legal advice. It deals in broad terms only and is intended merely to provide an overview and give general information.

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