

# Avoid 6 Critical Errors When Completing the FAR



The Fund Annual Return (“FAR”) is an electronic form that fund operators must use to provide CIMA with general, operating and financial information about their fund. This electronic document must be completed and filed for every regulated fund, together with a pdf version of the audited financial statements within six (6) months of the reporting entity’s year end. The FAR is in a prescribed format and a draft version can be obtained from [http://www.cimoney.com.ky/regulated\\_sectors/reg\\_sec\\_ra.aspx?id=248#reporting\\_forms](http://www.cimoney.com.ky/regulated_sectors/reg_sec_ra.aspx?id=248#reporting_forms)

A copy of the guidance notes on completing the FAR can be found at:

[http://www.cimoney.com.ky/regulated\\_sectors/reg\\_sec\\_ra.aspx?id=98#Ereporting\\_for\\_regulated\\_funds](http://www.cimoney.com.ky/regulated_sectors/reg_sec_ra.aspx?id=98#Ereporting_for_regulated_funds)

## THROUGH OUR REVIEW OF FARS SUBMITTED TO CIMA, WE’VE BEEN ABLE TO BUILD THIS LIST OF SIX TIPS OF COMMON YET CRITICAL ERRORS TO AVOID.

1. **Make sure the FAR is in xls format. Any version of Microsoft Excel other than xls will be rejected by the filing portal.**
2. **Ensure that ALL the operators of the entity are listed on the FAR.** Section 2.2 – Fund Operators – The “operators” are the directors of a fund that is a company, the general partner(s) of a fund that is a partnership, the trustee of a fund that is a unit

trust, and the managing member(s) of a LLC. See Appendix 1 for additional guidance when an operator is not a natural person.

3. **The operator responsible for filing needs to be one of the operators listed in Section 2.2.** Section 4.1 – If the operator has delegated initial completion of the FAR to another party, insert the name of that operator, not the delegee.
4. **The email address can be that of the person completing the FAR, not necessarily that of the operator listed.** Section 4.3 – Insert the email address to which the Authority should write to contact the operator completing the FAR. This is also the

email address to which the Authority will acknowledge receipt of the FAR and the annual audited financial accounts.

**5. Summary Expenses. Section 10 – The inputs in this section should have the following characteristics:**

- (a) Do not include any expenses allocated from another structure such as a master fund
- (b) The number inserted should be a negative number
- (c) If no expenses insert the number zero (0)

**6. Red Error Messages for section 8.7 – Ending Net Asset Value.** The FAR flags a warning as values are inserted for lines 8.1 to 8.6, until the expected value for 8.7 is inserted. Although the warning flag may persist, the FAR permits an unexpected value for line 8.7 to be entered in case there are rounding or other discrepancies.

**APPENDIX 1 - If the operator is not a natural person**

If an operator is a company or trustee that is already licensed by the Authority, (e.g., a Cayman Islands licensed administrator or registered office service provider, or a trustee licensed under the Cayman Islands Banks and Trust Companies Law), then insert the name of that entity only.

If any of the operators is not a natural person and not licensed by the Authority, the following guidance applies:

If an operator is a company, then also list the names of the directors who are natural persons responsible for the fund in separate operator cells in parentheses after the company's name. There should be at least two such directors. For example, if one of the operators of a fund is ABC Directors Ltd., and ABC has two directors responsible for the fund named John Smith

and Jim Jones, insert "ABC Directors Ltd. (John Smith)" in one operator cell, and "ABC Directors Ltd. (Jim Jones)" in another operator cell.

If an operator is a general partner or a limited liability company, then similarly also list the name(s) of the directors/principals/managing member (as the case may be) responsible for the fund in separate operator cells in parentheses after the general partner's/limited liability company's name. For example, if the name of the general partner is DEF, LLC and there are two principals responsible for the fund named Adam Smith and John Keynes, insert "DEF, LLC (Adam Smith)" in one operator cell, and "DEF, LLC (John Keynes)" in another operator cell.

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