

Nevis: The Ideal Choice for Fund Domiciliation and Fund Administration

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Nevis has recognized the potential of the funds market and as a result, designed the Nevis International Mutual Funds Ordinance 2004, to provide an innovative investment vehicle which tailors specifically to the needs of discerning clients.

Under the Nevis International Mutual Funds Ordinance, a mutual fund refers to a company incorporated, a partnership formed, a unit trust organized or other similar body formed under the laws of Nevis or any other jurisdiction which collects and pools investor funds for the purpose of collective investment. The fund must issue shares that entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or part of the net assets of the company, partnership, unit trust or other similar body. The definition includes umbrella funds whose shares are split into a number of different classes of funds or sub-funds. It also includes a fund which has one or more investors which are mutual funds not registered or recognized by the Ordinance.

One of the innovative features of the Ordinance is that it allows for three classes of Mutual Funds:

- **Public Fund** which offers its shares or units to the general public and are required to be registered;
- **Private Fund** which offer its shares on a private basis, has no more than 50 investors and is required to be recognized by the Minister of Finance upon proof that it is lawfully constituted; and
- **Professional Fund** which is available only to professional investors with an initial investment of not less than US\$100,000 and is also required to be recognized by the Minister of Finance, but can be fully operational for a period of 14 days without being recognized under the Ordinance.

A Nevis International Mutual Fund must have a licensed and independent fund custodian. There must also be a licensed manager or administrator of the fund. An attractive aspect of the Nevis Mutual Funds is that Managers or Administrators who are not resident or domicile in Nevis and who are authorized to provide services under the laws of a recognized jurisdiction may operate from within Nevis after receiving written permission from the Minister of Finance. Additionally, a licensed or recognized mutual fund of a prescribed jurisdiction can easily be continued or redomiciled in Nevis, if it is in good standing. The same redomiciliation privilege is given to the investment manager and administrator of that existing fund.