

Cayman Islands Beneficial Ownership Filings

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All Cayman Islands companies and Cayman Islands limited liability companies (**Companies**) must make prescribed filings in accordance with Cayman's beneficial ownership Regime (**Regime**). Filings must be made on or before 29 June 2018 to avoid liability for offences under the Regime. This applies even to Companies that fall outside the scope of the primary requirements of the Regime, for example most investment funds.

This advisory restates the filing requirements and available exemptions.

Background

The Cayman Islands beneficial ownership regime (**Regime**) came into force on 1 July 2017. The Regime requires Cayman Islands companies and limited liability companies (**Companies**) to establish and maintain a register of beneficial ownership, unless they fall within an available exemption under the Regime.

For further background on the Regime, including a description of the obligations of Companies and their beneficial owners that fall within the scope of the Regime, please see our previous advisory [here](#).

The Cayman Islands Government enacted legislation in December 2017 amending the Regime (**Amendments**). The Amendments provide exemptions for certain Companies that were previously within the scope of the Regime, and bring certain entities within the scope of the Regime that were previously exempted.

The Amendments also require that Companies exempted under the Regime must provide written confirmation of their exempt status to their respective corporate service provider within the Cayman Islands (**CSP**). Previously, out-of-scope Companies did not have any filing obligations under the Regime. All Companies, whether in-scope or exempt, therefore need to take action to ensure compliance.

Exemptions available

The Regime applies to all Companies except a Company or a subsidiary of one or more legal entities, any of which is:

- i. listed on the Cayman Islands Stock Exchange or an approved stock exchange;
- ii. registered or holding a licence under a Cayman Islands regulatory law, other than a Company registered as an excluded person under the Securities Investment Business Law (**SIB Law**);
- iii. managed, arranged, administered, operated or promoted by an 'approved person' as a special purpose vehicle, private equity fund, collective investment scheme or investment fund, including where the vehicle, fund or scheme is a Cayman Islands exempted limited partnership;

iv. regulated in a jurisdiction whose anti-money laundering legislation is deemed by the Cayman Islands Anti-Money Laundering Steering Group to be equivalent to that of the Cayman Islands;

v. a general partner of a special purpose vehicle, private equity fund, collective investment scheme or investment fund that is registered or holds a licence under a regulatory law; or is managed, arranged, administered or promoted by an approved person; or

vi. directly holding a legal or beneficial interest in the shares of a legal entity which holds a licence under the Banks and Trust Companies Law, the Companies Management Law, the Insurance Law, Part III of the Mutual Funds Law or the SIB Law.

For these purposes, a Company is a "subsidiary" of one or more legal entities if: (i) one or more legal entities, separately or collectively hold more than 75% of the shares or voting rights in the Company; or (ii) one or more legal entities are members of the Company and separately or collectively such legal entities have the right to appoint or remove a majority of the members of the board of directors of the Company; or (iii) it is itself a subsidiary of another exempt subsidiary.

An "approved person" means a person or subsidiary of a person that is regulated, registered or holding a licence in the Cayman Islands under a regulatory law or regulated in an equivalent jurisdiction or listed on the Cayman Islands Stock Exchange or an approved stock exchange (in each case as such terms are defined under the Regime).

Clarifications made to exemptions

The Amendments made the following important changes to the scope of available exemptions under the Regime:

- i. an entity registered as an excluded person under the SIB Law (eg. many Cayman investment managers and investment advisers) will no longer be exempt under the Regime and will also no longer be an approved person within the meaning of the Regime for any other entity relying upon an approved person exemption;
- ii. the Directors Registration and Licensing Law will no longer be a regulatory law within the meaning of the Regime;
- iii. an entity will not be considered to be operated or managed by an approved person solely as a consequence of that entity having appointed as a director an individual who is an employee of an entity which holds a licence under a regulatory law; and
- iv. an entity will not be considered to be managed, arranged, administered, operated or promoted by an approved person solely as a consequence of that entity having appointed an approved person to provide its registered office in the Cayman Islands.

Action required

All Companies should consider their obligations under the Regime, and should contact their CSP to ensure compliance. In light of the changes introduced to the Regime by the Amendments, even those Companies that had previously undertaken a review of their obligations under the Regime should review their status to determine whether further action is required.

An in-scope Company will need to establish a beneficial ownership register and instruct its CSP

to file the register with the Ministry of Financial Services using the prescribed form.

An out-of-scope Company will need to notify its CSP of its exempted status determination and will need to prepare and file a relevant written confirmation with the CSP.

Timing for compliance

The deadline for compliance with the Regime is 30 June 2018 (this is the expiration date for the one year grace period of non-enforcement introduced at the time the Regime first came into effect in 2017). In practice CSPs will require the relevant information in advance of that date so that they can upload the data in the prescribed format on or before 29 June 2018.

How Ogier can help

Ogier is able to advise on all aspects of compliance for Companies under the Regime, including advice on whether a Company is in-scope, any available exemptions and preparation of a beneficial ownership register, if required.

Should you have any questions, please reach out to your usual Ogier contact or any member of our team. Clients of Ogier Global (Cayman) Limited for registered office services will be contacted to confirm their obligations.

Public access to central beneficial ownership register

The information filed by CSPs with the Ministry of Financial Services in Cayman is held on a secure, non-public server.

On 1 May 2018, the UK Government conceded an amendment to the UK Sanctions and Anti-Money Laundering Bill that will require British Overseas Territories, such as the Cayman Islands, to establish a publicly accessible register of beneficial ownership interests by the end of 2020. We will continue to monitor developments in this area and will provide additional guidance if further action becomes necessary for Cayman entities. For the time being, all information lodged with the Ministry under the Regime will continue to be non-public.

1. List of equivalent jurisdictions is currently: Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, India, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Liechtenstein, Luxembourg, Malta, Netherlands, New Zealand, Norway, People's Republic of China, Portugal, Singapore, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom, United States of America.

Should you have any questions, please reach out to your usual Ogier contact or any member of our team included here.

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