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Updates to Cayman's Beneficial Ownership Regime: Access Restrictions and Legitimate Interest Regulations

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Introduction

The Cayman Islands has recently introduced two regulations under the Beneficial Ownership Regime which relate to:

1. circumstances where persons with "legitimate interests" can apply for access to beneficial ownership information (**Legitimate Interests**); and
2. a framework that provides beneficial owners with the ability to apply for protection from public access disclosure (**Access Restrictions**).

The regulations relating to Access Restrictions are the Beneficial Ownership Transparency (Access Restriction) Regulations, 2024 (**Access Restriction Regulations**) which came into force on 9 December 2024.

The regulations relating to Legitimate Interests are the Beneficial Ownership Transparency (Legitimate Interest Access) Regulations, 2024 (**Legitimate Interest Regulations**) which are due to come into force on 28 February 2025.

What does this mean?

Legitimate Interest Regulations
From 28 February 2025, members of the public can apply to the competent authority in the Cayman Islands for access to specified information pursuant to the Legitimate Interest Regulations.

Who can apply?

1. **Journalists and academic researchers:** Must demonstrate that the information is sought for bona fide research or investigative journalism related to financial crime, corruption, or similar matters.
2. **Civil society organisations:** Must be actively engaged in preventing or combating money laundering, financial crime, or terrorist financing.
3. **Businesses relations:** Can request information if they are entering into or conducting a business relationship or transaction with the legal person in question.

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In all cases, the requestor must have a legitimate interest in that information for the purpose of **preventing, detecting, investigating, combating or prosecuting money laundering or its predicate offences or terrorist financing.**

Application process

To request beneficial ownership information, applicants must:

1. Submit an application via the competent authority's electronic portal which includes the following supporting documentation:

   - Proof of identity
   - Evidence of credentials (for journalists and researchers)
   - Details of the business transaction or legal interest including proof of entry into business relations or proof - that the applicant is sufficiently interested in entering into a business relation (for business relations applicants).

2. Pay an administrative fee

   - CI$30 for an application relating to one legal person
   - CI$100 for an application relating to more than one legal person

Decision process

Processing times may vary depending on the complexity of the case but a decision is generally expected to be made within fourteen business days of the complete application being submitted.

Access Restriction Regulations
The Access Restriction Regulations are already in force and provide individuals with protections from the disclosure of information to someone with a "legitimate interest" relating to them and their association with a legal person on the grounds that disclosure will place them or a person living with them at serious risk of:

- kidnapping
- extortion
- violence
- intimidation
- other serious danger or serious harm

Who can apply for protection?

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An individual may apply if they are:

- a current or prospective registrable beneficial owner of a legal entity
- a senior managing official of a legal entity

The risk must be serious and must arise from the activities of the legal person's business activities or nature of business.

How to apply for protection?

1. Submit an application via the competent authority's portal, using the prescribed form
2. Provide evidence supporting the claim of risk (e.g., police reports, legal threats, etc.)
3. Pay a fee of CI$1,000

While an application is under review, no information will be disclosed should any Legitimate Interests requests be submitted with respect to the legal person.

The competent authority will issue a decision within seven business days of the applicant's submission. If approved, the competent authority shall not disclose to any member of the public the information on the search platform which is the subject of an application.

How long will the protection be in place?

Protection lasts for three years unless revoked earlier.

What are the grounds for revocation of protection?

The competent authority may revoke a granted protection status if:

- the individual is convicted of a serious offense involving dishonesty or is serving a sentence of imprisonment exceeding five years
- is or has been subject to any UK sanctions extended to the Cayman Islands
- new evidence emerges that would have led to the original application being denied
- the individual requests to remove the restriction

If revocation occurs, the individual will be notified and given 28 days to appeal before the information is made available to those with legitimate interest.

Key takeaways

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1. Beneficial ownership information is not public—only those with a legitimate financial crime-related reason can access it.
2. Journalists, researchers, civil society groups, and businesses must apply and prove their legitimate interest before access is granted.
3. Individuals at risk can apply for protection to keep their details confidential for up to three years.
4. The competent authority is responsible for reviewing and approving both access and protection requests based on strict legal criteria.

How can we help?

If you qualify for access or need protection, we can assist with the application process. Please contact the Financials Services and Regulatory team here, or find out more about the team here.

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