



# THE NEW CAYMAN ISLANDS BENEFICIAL OWNERSHIP REGISTER REGIME

MAY 2017

## What has happened?

The Cayman Islands has now approved amendments to legislation which will require certain corporate entities to maintain a beneficial ownership register.

## Why has the Cayman Islands done this?

The 'beneficial ownership' legislation is part of a wider, global initiative relating to identifying beneficial ownership of companies, principally aimed at combatting money laundering, corruption, terrorist financing, financing for the proliferation of weapons of mass destruction and other serious organised crime.

The Cayman Islands legislation represents a proportionate response to implementation of measures to achieve these aims whilst preserving legitimate rights to confidentiality.

## Key Information at a glance:

- Subject to certain exemptions, companies incorporated or registered by way of continuation under the Companies Law and Limited Liability Companies will be required to establish and maintain a register of beneficial owners. The register requirements are aimed at identifying and recording beneficial owners exercising effective control over the companies within scope **not** at identifying all beneficial owners. Broadly speaking, a more than 25% ownership interest or other effective control will be within scope.
- Companies within scope must take reasonable steps to identify beneficial owners. Additionally, beneficial owners will be required to provide the appropriate prescribed information.
- Companies failing to comply with the required obligations may be subject to financial penalties. Although a one year enforcement grace period from the implementation date of the legislation will apply.
- Beneficial owners failing to comply with the required obligations may be subject to financial and/or criminal penalties. No grace period is applicable.
- Importantly, the register **will not** be accessible to the general public. It will only be capable of being directly accessed by specific competent authorities providing a request is properly and lawfully made.
- Although adopted, the legislation will come into force on 1 July 2017.

## What should I do next?

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It is important that **all** Cayman Island companies understand if and how they will be affected by this legislation. Even those entities which are exempt are required to document the reason for their exempt status.

Companies should take the appropriate steps to ensure they are in a position to take appropriate steps to establish and maintain a register of beneficial owners as soon as possible.

Collas Crill is able to assist entities in determining if the beneficial ownership regime applies to them and the steps necessary to fulfil their obligations under Cayman Islands law. Further information can be found in our technical briefings:

[The New Cayman Islands Beneficial ownership register Regime – Q&A](#)

[Establishing and maintaining a Beneficial ownership Register in the Cayman Islands](#)

Collas Crill Corporate Services Limited, as a licensed corporate services provider (including the provision of registered office services), is also able to assist with the establishment and maintenance of the Register where it provides registered office services to a company or LLC. For assistance with any of the above matters please liaise with your usual contact at Collas Crill or Collas Crill Corporate Services Limited.

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