

Cayman Islands

General	
Type of entity	Exempt
Type of law	Common
Shelf company availability	Yes
Our time to establish a new company	2 days
Minimum government fees (excluding taxation)	US \$854
Corporate Taxation	Nil
Double taxation treaty access	No
Share Capital or Equivalent	
Standard currency	US\$
Permitted currencies	Any
Minimum paid up	US\$1
Usual authorised	US \$50,000
Directors or Managers	
Minimum number	One
Local required	No
Publicly accessible records	No
Location of meetings	Anywhere
Members	
Minimum number	One
Publicly accessible records	No
Location of meetings	Anywhere
Company Secretary	
Required	No
Local or qualified	No
Accounts	
Requirement to prepare	Yes
Audit requirements	No
Requirement to file accounts	No
Publicly accessible accounts	No
Other	
Requirement to file annual return	Yes
Change in domicile permitted	Yes

GENERAL INFORMATION

Introduction

The Cayman Islands consists of a group of three islands in the Caribbean: Little Cayman, Cayman Brac and Grand Cayman. The main Island, Grand Cayman, is situated approximately 480 miles southeast of Miami.

Population

The population is approximately 55,000.

Political Structure

The Cayman Islands are a British colony and therefore the United Kingdom Parliament at Westminster retains the right to legislate. A "Governor" who is appointed by Queen Elizabeth II heads the Cayman Islands Government. There is a Legislative Assembly consisting of 18 seats; 3 appointed members from the Executive Council (Financial Secretary, the Attorney General, and Administrative Secretary) and 15 members elected by popular vote. An Executive Council, consisting of three official members appointed by the Governor and four members elected by the Legislative Assembly, formulates policy and advises the Governor. Appointments are to a four-year term.

Infrastructure and Economy

The economy of the Islands is strong, enjoying full employment with most of the revenue being derived from the financial services sector and tourism.

Miami is one hour away by air and the Island has direct air links with New York, Atlanta, Tampa, Houston and Jamaica. The Islands are a popular cruise-ship stop.

Language

The official and spoken language is English.

Currency

Caymanian Dollar.

Exchange Control

None.

Type of Law

Common Law based on English Common Law.

Principal Corporate Legislation

The Company Law of the Cayman Islands is based on the English Companies Act of 1948 and can be found in the Cayman Islands:

Companies Law 1961
 Companies Law (2007 Revision)
 Companies (Amendment) (No 2) Law 2009
 Companies (Amendment) Law 2010
 Companies (Amendment) Law 2011
 Companies (Amendment) Law 2013

COMPANY INFORMATION

Procedure to Incorporate

For Exempt Companies by submission of the Memorandum and Articles of Association and registration fee to the Registrar of Companies, together with a sworn statement declaring that the business activities of the proposed company will be undertaken mainly outside the Cayman Islands. The names and addresses of the proposed first directors must be disclosed to the Registrar.

Restrictions on Trading

Cannot trade within the Cayman Islands; own real estate in the Cayman Islands. or undertake the business of banking, insurance business, or mutual fund business unless licensed. Cannot solicit funds from the public.

Powers of Company

A Cayman Islands Exempt company has all the powers of a natural person.



ISO 9001:2000
 Certificate Number 91196

© OCRA Worldwide 2013

Language of Legislation and Corporate Documents

English. An Arabic language facility was enabled in 2007.

Registered Office Required

Yes, must be maintained in the Cayman Islands.

Shelf Companies Available

Yes.

Time to Incorporate

Two days.

Name Restrictions

Bank, insurance, assurance, reinsurance, trust, municipal, charter, co-operative, their foreign language equivalents or any name that, in the opinion of the Registrar, would suggest a connection with a Royal family or Government authority.

Language of Name

Names can be expressed in any language using the Latin alphabet, Chinese or Arabic, if the Registrar of Company receives a translation thereof. The corporate documents will however be in English.

Names Requiring Consent or a Licence

Bank, building society, savings, loans, insurance, assurance, reinsurance, fund management, asset management, trust, trustees or their foreign language equivalent.

Suffixes to Denote Limited Liability

There is no requirement to utilise a suffix to denote limited liability, although normally companies are incorporated to include the suffixes Limited, Incorporated, Corporation or their abbreviations.

Disclosure of Beneficial Ownership to Authorities

No requirement.

COMPLIANCE**Authorised and Issued Share Capital**

The minimum is US\$1, but it is normal to incorporate with an authorised share capital of US\$50,000; divided in to 50,000 common voting shares of US\$1, this being the maximum for the minimum capital duty payable to the Registrar of Companies. The minimum issued share capital is one share of no par value or one share of par value.

Classes of Shares Permitted

Registered shares of par or no par value, preference shares, redeemable shares and voting or non-voting shares. Bearer shares may be issued but must be held by an authorised depository.

Taxation

There is no form of taxation in the Cayman Islands relating to individuals, corporations or trusts.

Double Taxation Agreements

The Cayman Islands has no double tax agreements.

Licence Fees

For exempt companies:

with a share capital not exceeding	US\$ 50,000	US\$ 854
with a share capital greater than	US\$ 50,000 but not exceeding US\$ 1 million	US\$ 1220
with a share capital greater than	US\$ 1,000,000 but not exceeding US \$ 2 million	US\$ 2420

Financial Statements Required

Companies (Amendment) Law 2010 states that "Every company shall cause to be kept proper books of account including where applicable, material underlying documentation including contracts and invoices. Such documentation must be retained for a minimum period of five years from the date on which they are prepared". Failure to retain such records shall be subject to a penalty of \$5,000.



ISO 9001:2000
Certificate Number 91196

© OCRA Worldwide 2013

Unregulated exempt companies do not need to file accounts.

Directors

The minimum number of directors is one. The directors may be natural persons or bodies corporate. The directors may be of any nationality, and need not be resident in the Cayman Islands.

Company Secretary

The Cayman Islands Companies Ordinance does not make any specific reference to a requirement for a company secretary. However, it is customary to appoint one, who may be either a natural person or a body corporate.

NB Effective January 18, 2013 the penalty under Section 56 for failing to file a notice of change in a director or officer has increased to an initial fine of \$1,220 plus \$122 a day extra for each director which is past due 90 days up to a maximum of 5 days i.e. \$610.

Shareholders

The minimum number of shareholders is one.

SIBL (SECURITIES INVESTMENT BUSINESS LAW (2011 Revision) “the SIBL”)

The SIBL applies to all entities organised or established in the Cayman Islands which are engaged in the course of securities investment business, whether or not that business is actually carried out in or from the Cayman Islands. Under the SIBL “securities investment business” includes dealing in securities, arranging deals in securities, managing securities and advising on securities and “securities” are widely defined to include shares, partnership interests, units in unit trusts, debt instruments, warrants, options, futures and contracts for differences.

All entities to whom the SIBL Law applies are required to hold a licence appropriate to the securities investment business they intend to conduct in the Cayman Islands, save for those falling within certain exemptions detailed under Schedule 3 (Excluded Activities) or Schedule 4 (Excluded Persons). Persons engaged in securities investment business must hold either a:

- Securities Investment Business Licence, or be
- Registered as an Excluded Person.

Applications for a licence are made to the Cayman Islands Monetary Authority (“CIMA”) in the prescribed form and annual licence fees range from US\$2,500 to US\$10,000 depending on the category of licence required. These categories are:

- Broker Dealer
- Broker Member
- Securities Manager
- Securities Advisor
- Securities Arranger
- Market Maker

Anyone who carries on or purports to carry on securities investment business without the appropriate licence is guilty of a criminal offence. The penalties on conviction are severe: up to a year’s imprisonment and a fine of US\$125,000 and, in the case of a continuing offence, a fine of US\$12,500 for each day during which the offence continues.

Disclaimer

Whilst every effort has been made to ensure that the details contained herein are correct and up-to-date, it does not constitute legal or other professional advice. OCRA Worldwide does not accept any responsibility, legal or otherwise, for any errors or omission.



ISO 9001:2000
Certificate Number 91196

© OCRA Worldwide 2013