

Cayman Islands regulatory update

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Registers of Beneficial Ownership

There have been some changes to the list of exemptions and to the requirements for companies that are exempt from the requirement to maintain a register of beneficial owners:

- The exemption for companies registered as excluded persons under section 5(4) of the Securities Investment Business Law has been removed.
- Exempt entities are now required to notify their registered office provider of the exemption(s) for which they qualify and to provide certain prescribed information relating to those exemptions.

All companies incorporated in the Cayman Islands are reminded that they have until 30 June 2018 to comply with the requirements to notify their registered office provider of any exemption(s) claimed or of any registrable persons (or that there are none).

Tax Transparency Reporting (FATCA/CRS)

The Cayman Islands Tax Information Authority (TIA) has reopened its AEOI Portal for FATCA/CRS notifications and reporting. There have been some enhancements to the portal's functionality that now enable it to be used for notifications of changes to an entity's Authorised Person or PPOC and for de-registrations of entities as reporting FIs.

The TIA has amended the definition of "Controlling Person" of a Passive NFE for purposes of CRS; reducing the ownership threshold from 25% to 10%. FIs have until 31 December 2018 to remediate their due diligence on affected accountholders. Updated guidance and self-certifications are available on the TIAs website:

- Updated AEOI portal user guide [here](#)
- Updated CRS guidance notes [here](#)
- Updated form of entity self-certification [here](#)

Reporting FIs are reminded that the deadline for registration notifications (for FIs that haven't previously reported) is 30 April 2018 and the deadline for reporting is 31 May 2018.

Anti-Money Laundering Regulations

All Cayman Islands entities engaged in "investing, administering or managing funds or money on behalf of other persons" or the "underwriting and placement of life insurance and other investment related insurance" are reminded that they are deemed to be carrying on "Relevant Financial Business" for purposes of the Proceeds of Crime Law (as revised) of the Cayman Islands and are required to comply with the Anti-Money Laundering Regulations (as revised) of the Cayman Islands from 31 May 2018.

The new requirements affect a number of unregulated vehicles, such as closed-ended investment funds. For further details on the new regime please see our January update [here](#).

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