

Living but not working in the Cayman Islands

Service area / [Family Office, Regulatory, Trusts and Private Wealth](#)

Location / [Cayman Islands](#)

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This briefing considers the requirements for foreign nationals (meaning non-Caymanians and persons who are not married to a Caymanian) not wishing to work in the Cayman Islands but to reside there.

For those considering such a move, there are various options open to them to make their relocation a reality:

- Residency Certificate for Persons of Independent Means
- Certificate of Permanent Residence for Persons of Independent Means
- Certificate of Direct Investment
- Residency Certificate (Substantial Business Presence)

Residency Certificate for Persons of Independent Means

A person can apply for a Residency Certificate for Persons of Independent Means. Such a certificate will be valid for 25 years and can be renewed. The applicant must show evidence of a continuous source of annual income of at least CI\$120,000* (without being employed in the Cayman Islands) together with an investment of CI\$1,000,000 (of which at least CI\$500,000 must be in developed real estate in Grand Cayman). The other CI\$500,000 must be invested in a company or real estate.

It is not possible to satisfy this condition by having assets with a broker or money in a bank account in the Cayman Islands. However, investing in a local company can satisfy this test. Similarly, an applicant can buy a house to live in to satisfy this condition.

As an alternative to showing an annual income of CI\$120,000 an applicant need only show a deposit of assets (cash, cash equivalents, fixed income instruments, equities and Listed Exchange Traded Funds) maintained in a local bank or institution of not less than CI\$400,000. This deems an applicant to have sufficient funds and income to support himself and his dependents.

For an applicant not wishing to buy a property, he may start a company engaged in exempt business (for example as an agent for overseas operations) and then hire himself out as principal on a work permit, which gives the added benefit of permitting the applicant to work. The costs would be greater because they would include incorporation, trade and business licences and work permit costs.

Applying for such a residency certificate is relatively uncomplicated and will take around six weeks to obtain. A fee of CI\$500 is payable on making the application with a further fee of CI\$20,000 payable on the issue of the certificate, along with a fee of CI\$1,000 for each dependent included in the applicant's application.

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Certificate of Permanent Residence for Persons of Independent Means

This option is superior to the option above in that a Certificate of Permanent Residence for Persons of Independent Means has no expiry date and qualifies the holder subject to certain conditions being met to become eligible for naturalization as a British Overseas Territories Citizen (BOTC), once the holder has been resident in the Cayman Islands for five years. When the holder has become naturalized, he can become a British Citizen without the need to surrender any existing citizenship. Once the holder has been a BOTC for five years, he can then apply to become Caymanian.

To obtain this category of certificate, applicants must be able to show that they have invested a minimum of CI\$2,000,000 in developed real estate and have financial resources which are sufficient to maintain themselves and their dependents. Applicants have to show that they and their dependents are in good physical health and of good character. These certificates are restricted to 250 per year or the figure set by the Governor. The cost of an application is CI\$500 with CI\$100,000 payable on grant plus an additional CI\$1,000 per dependent.

A holder of such a certificate can obtain the right to work by applying to the Cayman Status and Permanent Residency Board and paying an annual fee equivalent to the work permit fee payable by a work permit holder in the same occupation, whilst such employment is carried on or until the holder becomes a Caymanian.

Certificate of Direct Investment

A person who invests or intends to invest at least CI\$1,000,000 in an employment generating business in the Cayman Islands may apply for a Certificate of Direct Investment. He or she must be able to exercise substantial management control of the business and at least 30% of its employees must be Caymanian, unless overriding circumstances dictate otherwise. The individual must show that he or she has a substantial business track record or an entrepreneurial background including specific professional, technical and other knowledge relevant and necessary to run the relevant business.

A Certificate of Direct investment is valid for 25 years but is renewable and entitles the holder to live in the Cayman Islands and to work in the business in which he or she has invested. There are a number of reporting requirements in relation to the business to be made each year and the holder must also show that he or she has been present in the Cayman Islands for at least 90 days in aggregate in each calendar year.

The cost of an application for a Certificate of Direct Investment is CI\$1,000 and there is an issue fee of CI\$20,000.

The holder must also pay an annual fee equivalent to the amount paid by a work permit holder, who is employed in the same occupation as the holder. This fee can vary greatly depending on the occupation of the holder and his or her seniority.

Residency Certificate (Substantial Business Presence)

A person who invests in, or is employed in a senior management capacity within an approved category of business and who is already resident in the Cayman Islands, or wishes to become resident, may apply for a Residency Certificate (Substantial Business Presence). Such a certificate is valid for 25 years and entitles the holder to reside in the Cayman Islands and to work in the business in which he or she is owner or is employed in a senior management capacity.

To be eligible for such a certificate, the applicant must be, or intend to be, legally and ordinarily resident in the Cayman Islands for at least 90 days in each calendar year and must either own, directly or indirectly, a minimum of 10% of the shares in an approved category of business in the Cayman Islands, which has established, or will establish, a substantial business presence in the Cayman Islands or is or will be employed in a senior management capacity in an approved category of business in the Cayman Islands.

For this purpose a "substantial business presence" will require the applicant to show that the business, in which he or she is investing, has purchased or leased commercial real estate in the Cayman Islands and the business employs or will employ at least four full-time employees who are legally and ordinarily resident in the Cayman Islands for a minimum of nine months in any calendar year. A person whose occupation attracts an annual work permit fee of CI\$20,925 or above is deemed to be employed in a "senior management capacity".

The following are "approved categories of business":

- Fund administration
- Brokerage services
- Investment and fund management services
- Financial trading (including foreign exchange, securities and derivatives)
- Captive insurance or reinsurance management services
- Reinsurance underwriting
- Investment banking
- Actuarial services
- Insurance claims management
- Family office
- Hedge fund incubation
- Any company registered as an exempted company under the Companies Act

There is a fee on making an application of CI\$1,000 and on the issue of a certificate a fee of CI\$5,000 is payable, plus a fee of CI\$1,000 for each dependent of the applicant included in the application. An annual fee is also payable by the holder of the certificate equivalent to the fee payable by a work permit holder in the same occupation as the holder.

* A Cayman Islands dollar (CI\$) is worth 1.20 of a United States dollar



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Please note that this briefing is only intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such.
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