



Cayman Islands investment funds – Autumn 2025 update

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Proposed amendments to the Cayman Islands CRS Regulations

The Cayman Islands Ministry of Financial Services and Commerce has proposed amendments to the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2021 Revision) (the “**CRS Regulations**”). The changes will implement the OECD’s recent updates to the Common Reporting Standard (“**CRS**”). If passed into law, these amendments will come into effect on 1 January 2026 and will introduce important compliance changes for all Cayman Islands entities currently subject to the CRS Regulations.

Affected entities

The changes will affect any Cayman Islands Financial Institution (“**CFI**”), being a Financial Institution (“**FI**”) (including custodial institutions, depository institutions, investment entities and specified insurance companies, as defined under CRS) which is:

- resident in the Cayman Islands (excluding its non-Cayman branches); or
- a Cayman branch of a non-resident FI; except any Non-Reporting FI (as defined under CRS).

Most Cayman Islands funds, as investment entities, will be CFIs unless they only invest in non-Financial Assets). New management and advisory vehicles that qualify as CFIs will be affected by the earlier registration deadline but are generally able to avoid further obligations on the basis that they have no Financial Accounts.

Key changes

Registration and change notice requirements

Registration with the Cayman Islands Department for International Tax Cooperation (“**DITC**”) will be required by **31 January** following the year the entity became a FI (the current deadline is 30 April).

A Change Form will have to be filed **within 21 days** of any change (new requirement).

Information provided will have to be “adequate” (meaning verified by the CFI), “accurate” (meaning it includes all information required by the CRS Regulations) and “current” (meaning as at the latest practicable date).

Reporting obligations

Filing of CRS returns for reportable accounts (or nil returns, where applicable) will be required by **31 May** of the year following the calendar year to which the return relates (previously the deadline was 31 July) and accompanied by a declaration that the information provided is adequate, accurate and current.

Following the filing of the CRS return and the declaration, the CRS compliance form will have to be filed by **31 May** of the year following the calendar year to which the return (previously the deadline was 15 September) and accompanied by a declaration that the information in the compliance form is adequate, accurate, and current.

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Self-certifications

Self-certifications will have to be verified against documentary evidence. Currently, a CFI can rely on a self-certification unless it knows or has reason to believe it is inaccurate.

Location of agents

Any agent appointed by a CFI to carry out its duties and obligations under the CRS Regulations will have to be based in the Cayman Islands.

Enforcement and penalties

Providing incomplete, incorrect or unreliable information under the CRS Regulations will constitute an offence.

Penalty amounts for each breach will be capped at CI\$50,000 (including any daily penalties). Interest will no longer be charged on unpaid penalties.

DITC may issue a penalty notice without first issuing a breach notice streamlining enforcement.

Timing to respond to a breach notice will be reduced from a maximum of 60 days to a maximum of 30 days.

Amendment to the schedule

The Schedule to the CRS Regulations is also amended to expand the scope to include crypto-assets and digital finance products.

Action points for CFIs

- Review written CRS policies and client onboarding procedures.
- Plan for earlier filing deadlines in 2026.
- Confirm readiness to file returns, compliance forms and associated declarations.
- Assess service provider arrangements against the Cayman Islands residency requirement.

We will continue to monitor the progress of the proposed regulatory changes and any guidance from the DITC.

CIMA non-compliant directors' amnesty scheme

On 3 September 2025, the Cayman Islands Monetary Authority ("CIMA") announced a one-time 30-day amnesty scheme for registered directors with outstanding annual fees and penalties. Running from 16 September to 15 October 2025, the initiative offers eligible registered directors, being those appointed to fewer than 20 covered entities and with over two years of unpaid fees as of 31 August 2025, a chance to settle outstanding annual fees and accrued penalties at a reduced rate and regularise their status under the Directors Registration and Licensing Act, 2014. After the deadline, standard fees and penalties will apply without exception. Directors currently under investigation or subject to enforcement action by CIMA or another regulatory body are not eligible. Applications will only be accepted through the Directors' Gateway Portal at [CIMA Gateway Portal](#). Directors should check their status via the Portal and those with any questions should contact amnesty@cima.ky.

If you would like to discuss any of the above, please contact the Carey Olsen team.



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