



Cayman Islands Consultation on the Creation of Private Beneficial Owner Registers

The Cayman Islands Ministry of Financial Services, Commerce and Environment has invited the public to provide preliminary comments on a proposal, ahead of a longer consultation period on the draft legislation itself, to create private beneficial owner registers, which will form part of a centralised platform of beneficial ownership information earmarked for mid-2017 which is, perhaps not coincidentally, the deadline for EU member states to implement the beneficial ownership register provisions of Article 30 of the Fourth Anti-Money Laundering Directive.

Under the Cayman Islands proposals, neither the proposed registers nor the centralised platform will be open to the public.

Following the 2013 G8 Summit, the Cayman Islands and the other UK Crown Dependencies and Overseas Territories (CDOTs) agreed with the UK to consider whether establishing central registers of natural persons, who ultimately have beneficial ownership and control of companies, would allow tax authorities and law enforcement agencies to more easily access such information, within the spirit of cross-border assistance as well as international best practice and standards.

A public consultation was subsequently carried out in 2013 and the findings were that the Cayman Islands' existing regime of collecting and maintaining beneficial ownership information through licenced registered office / corporate service providers (CSPs), was the most appropriate and preferred system to comply with international standards.

To further enhance this system, however, a centralised platform of beneficial ownership information has been proposed in a similar manner to those being proposed across the majority of CDOTs and elsewhere in the offshore and onshore worlds.

Cayman's proposed framework may be summarised as follows:

- The ultimate beneficial owners of a legal entity (holding more than 25% or exercising significant control) will be obliged to provide certain information to the legal entity.
- Legal entities registered in Cayman will be required to record specified details on these owners in a (new) private beneficial ownership register to be maintained with a CSP or with the Registrar of Companies.
- CSPs will be required to provide technology that will maintain their beneficial ownership registers in a format that allows access by the operator of Cayman's central platform.
- Competent authorities will be permitted to request information from the operator of Cayman's central platform in compliance with existing legal gateways.

Ongoing discussions on the design and implementation of the centralised platform are being held with Cayman Finance and the wider public and the Cayman Islands will not consider the introduction of a public register of beneficial ownership unless and until this becomes an accepted and implemented international standard.

As this is a consultation only, the final legislation and framework may differ from that summarised above, however, Appleby will keep you up to date regarding any further developments and if you have any questions, please do get in touch with your usual Appleby contact.

Key Contacts



Bryan Hunter
Managing Partner
Group Head | Corporate
Cayman Islands
+ 1 345 814 2052
bhunter@applebyglobal.com



Christian Victory
Counsel
Corporate
Cayman Islands
+ 1 345 814 2093
cvictory@applebyglobal.com

Offshore Legal Services

applebyglobal.com

© Appleby Global Group Services Limited 2016 • All Rights Reserved

This eAlert is published by APPLEBY and is not intended to be, nor should it be used as, a substitute for specific legal advice on any particular transaction or set of circumstances. It does not purport to be comprehensive or to render legal advice and is only intended to provide general information for the clients and professional contacts of Appleby as of the date hereof.