



**Ministry of Financial
Services & Commerce**

Cayman Islands Government

**GUIDANCE ON COMPLYING WITH BENEFICIAL OWNERSHIP
OBLIGATIONS IN THE CAYMAN ISLANDS**

Issued by the Competent Authority for Beneficial Ownership
on 31 July 2024

FOREWORD

The Cayman Islands is committed to maintaining the confidence in and stability of the financial services industry and other industries which form an integral part of its economy. As a leading international financial centre in a globalised market, the Cayman Islands recognises that this commitment must also extend internationally.

The beneficial ownership framework in the Cayman Islands has been developed and implemented with contributions from relevant stakeholders and with reference to international standards and best practices, including the Financial Action Task Force Recommendations and interpretive guidance notes. The purpose of the framework is to preserve the integrity of the financial services industry and strengthen co-operation and information sharing between law enforcement agencies and authorities in the fight against financial crime, globally. Simultaneously, the Cayman Islands aims to maintain its position as a premier financial centre of excellence, offering a sound and sustainable framework for businesses to operate within international standards, whilst remaining competitive.

As the global standards for transparency and sharing of beneficial ownership information continue to evolve, the Cayman Islands remains steadfast in combating money laundering, terrorist and proliferation financing and other criminal activities that misuse legal structures to exploit the financial services industry.

This guidance on complying with Beneficial Ownership obligations in the Cayman Islands (**Guidance**) is issued pursuant to Section 28 of the Beneficial Ownership Transparency Act, 2023 (**Act**). This Guidance has been developed to assist beneficial owners, legal persons and corporate service providers to attain compliance with their respective obligations under the Act.

This Guidance does not represent or contain legal advice, and should not be relied upon with respect to points of law.

A list of relevant Cayman Islands beneficial ownership resources has been included together with responses to frequently asked questions.

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TABLE OF DEFINITIONS

Any reference in this Guidance to a **Section** or **Subsection** is made with respect to the relevant Section or Subsection of the Act.

Act	Beneficial Ownership Transparency Act, 2023
AML	anti-money laundering
BO	beneficial owner, as set out in Section 4
BO Information	information required to be identified in line with Section 12
BOR	beneficial ownership register, as set out in Section 13(1)
CAP	the corporate administration platform used by CSPs when filing a BOR with the Competent Authority
Cayco	for illustrative purposes in this document, a Legal Person that is incorporated, formed or registered in the Cayman Islands, other than a Foreign Co
CBP	the Cayman Business Portal used by ordinary companies
Companies Act	Companies Act (2023 Revision)
Competent Authority	competent authority for beneficial ownership
Contact Person	set out in Section 12(4)(c)
CSP	corporate service provider as defined in Section 2
CSV File	comma separated values file format used to file a BOR
CSX	Cayman Islands Stock Exchange
DBO	deemed beneficial owner, as set out in Section 2(2)
Foreign Co	for illustrative purposes in this document, an entity that is not incorporated, formed or registered in the Cayman Islands

Individual	defined in Section 2(1) and Section 2(2)
Investment Fund	an investment entity regulated under the Private Funds Act (2021 Revision) or the Mutual Funds Act (2021 Revision)
Legal Person	set out in Section 3
Listed	means listed on the CSX or an approved stock exchange found at Schedule 4 of the Companies Act
Registrar	set out in Section 2
RBO	registrable BO, as set out in Section 7
Relevant Change	set out in Section 14(3)
Required Particulars	set out in Section 12
Restrictions Notice	set out in Section 19
RLE	reportable legal entity as defined in Section 2 and set out in Section 7(1)(b)
Transparency Regulations	Beneficial Ownership Transparency Regulations, 2024

1. GENERAL OBLIGATIONS AND COMPLIANCE

- 1.1. All Legal Persons are required to maintain a register with the Required Particulars.
- 1.2. The responsibility for compliance with beneficial ownership obligations rests with various persons. In summary, the Act requires the:
 - a. categorisation of a Legal Person;
 - b. identification of a Legal Person's RBOs or senior managing official;
 - c. procurement and maintenance of adequate, accurate and current BO Information
 - d. identification of any Relevant Change;
 - e. issuance of Restrictions Notices (where applicable); and
 - f. provision of a Legal Person's BO Information to a CSP or Contact Person (where relevant).
- 1.3. Legal Persons eligible to qualify for a Section 12(1)(a) through (d) categorisation may benefit from an alternative route to compliance and satisfy their beneficial ownership obligations by reporting limited particulars as provided in Section 12.
- 1.4. Where a Section 12(1)(c) Legal Person is unable to identify a Contact Person, the Section 12(1)(c) Legal Person may opt to file its BO Information pursuant to Section 12(1)(e).
- 1.5. A Section 12(1)(e) Legal Person is either:
 - a. a Legal Person who is eligible to qualify for a Section 12(1)(a) through (d) categorisation yet opts to report the particulars of their BOs; or
 - b. any Legal Person who is ineligible to qualify for a Section 12(1)(a) through (d) categorisation.
- 1.6. A Legal Person within a Section 12(1)(e) categorisation is required to maintain a BOR.
- 1.7. Together with various other obligations, a Section 12(1)(e) Legal Person is required to identify:
 - a. every Individual that is a BO;
 - b. every RLE having a direct interest in the Legal Person;
 - c. the trustee(s) of a trust referred to in Section 4(3); or
 - d. a senior managing official where there is no one meeting the definition of a BO.

- 1.8. For the avoidance of doubt, the BOR filed with the Competent Authority must not be left blank, and must contain the data points related to the category of RBO chosen.

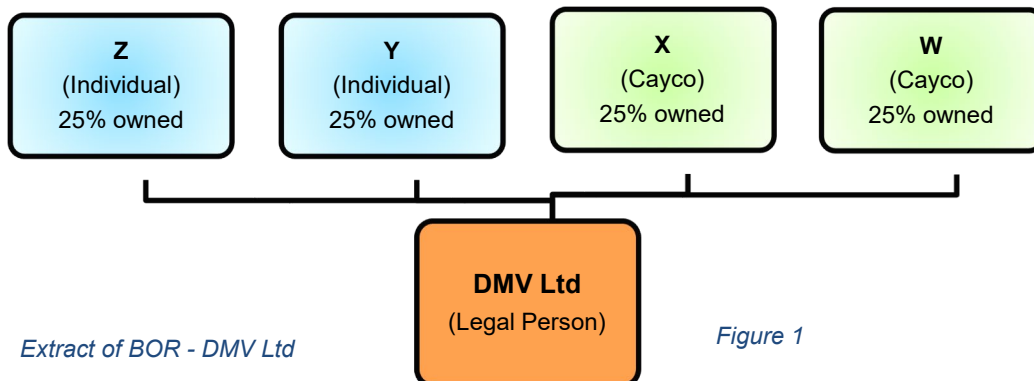
2. BENEFICIAL OWNER

2.1 Section 4(1) provides that a BO is an Individual who:

- a. ultimately owns or controls, whether through direct or indirect ownership or control, twenty-five per cent or more of the shares, voting rights or partnership interests in the legal person;
- b. otherwise exercises ultimate effective control over the management of the legal person; or
- c. is identified as exercising control of the legal person through other means.

2.2 Direct beneficial ownership by means of holding shares or interests clearly identifies a BO where they hold 25% or more shares or interest of a Legal Person. Indirect beneficial ownership whether with another individual, through a legal entity or through mechanisms of control, may be more difficult to analyse, and various factors should be considered including, but not limited to:

- a. the ownership structure itself (e.g., number of layers in the ownership);
- b. the combinations of corporate vehicles within the ownership structure;
- c. the manner in which the Legal Person is managed and controlled;
- d. terms within shareholder/partnership agreements; or
- e. terms associated with interests (e.g., acquisition via digital tokens).



Extract of BOR - DMV Ltd

Figure 1

BO	Y
BO	Z
RLE	W
RLE	X

2.3 Percentage ownership (whether direct or indirect) may not be indicative of voting rights or influence as those exercising control may not have a percentage control and may still have a complete veto

over the affairs of a Legal Person. Each should be identified as a BO (e.g., those exercising control and those with voting rights). There may be instances where an agreement is made to vote or exercise rights jointly with the total combined value of the shares or rights being 25% or more. Again, each should be identified as a BO.

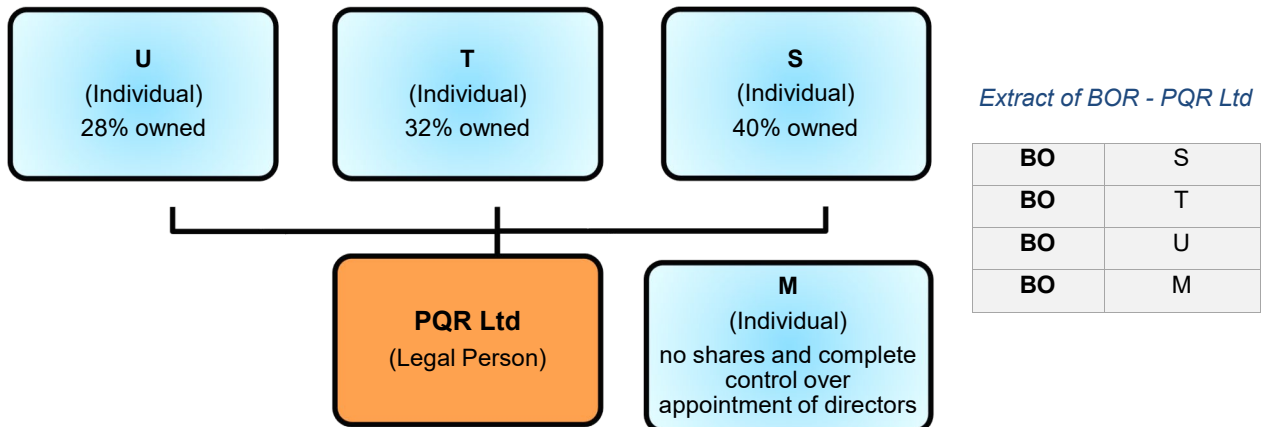
2.4 Parts 6 and 7 of the Transparency Regulations provide examples of the analysis to be undertaken when determining the identity of RBOs in a structure where interests are being held in the Legal Person indirectly through other legal entities. It is impossible to provide guidance on every permutation of each potential structure, but some examples have been included in this Guidance. Careful consideration must be exercised when analysing each structure.

2.5 In some instances, a Legal Person may need to review its records in order to ascertain the identity of RBOs and/or any control being exercised over the Legal Person. Such records may include, and are not limited to:

- a. the statutory registers of a Legal Person and other entities in the ownership group or chain;
and
- b. documents and records of a Legal Person and other entities in the ownership group or chain (evidencing voting rights, power to remove directors and managers or holder of majority voting power at board/partnership governing body).

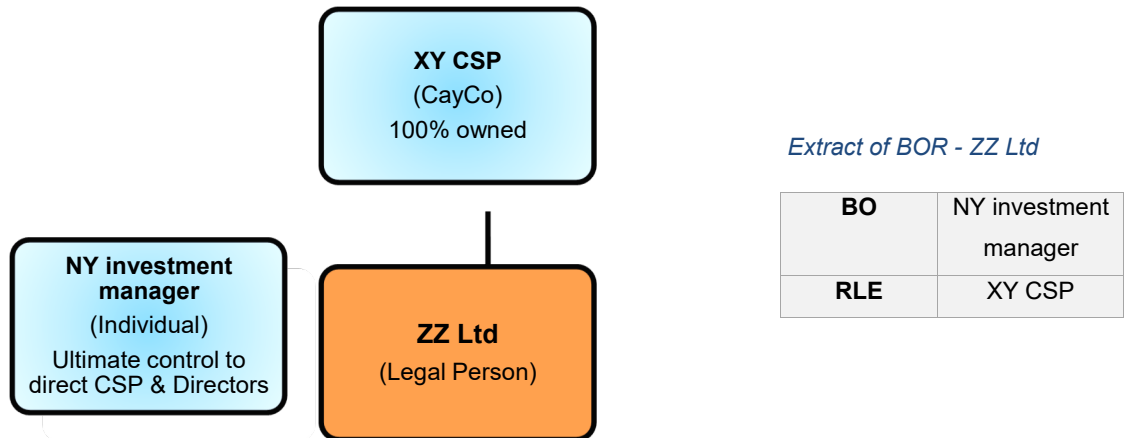
2.6 Inclusion of “control” as an indication of beneficial ownership is meant to broaden the scope of analysis beyond direct or indirect ownership. Control can also be exercised through aggregate voting rights e.g., by siblings or connected persons. In such case, each would be a BO. See paragraph 2.7.

Figure 2



In figure 2, M exerts control over the removal or appointment of directors. Even though M has no shares or voting rights and is not a direct or indirect owner of the Legal Person, M must be identified in the BOR.

Figure 3



In figure 3, XY CSP is the sole shareholder of ZZ Ltd. NY investment manager has ultimate control to direct the CSP and the two directors of ZZ Ltd.

Assuming that an analysis has determined there is no other form of control over ZZ Ltd. present, ZZ Ltd.'s BOR should record NY investment manager, and XY CSP as BOs.

2.7 Legal Persons may operate less formally and corporate records may not adequately reflect the exercise of ultimate effective control or dominant direct control exercised (as the case may be).

Enquiries are required therefore to identify and document the identity of those exercising ultimate effective control or dominant direct control (as the case may be). In some instances, there may be legal instruments used that result in the exercise of control (e.g., nominee appointments and powers of attorney).

- 2.8 The exercise of control once is sufficient to indicate that it could be exercised again unless:
- a. steps were subsequently taken to clarify ownership and control within the Legal Person; or
 - b. it is evident that the control was only exercisable in certain circumstances which no longer exist.
- 2.9 It is acknowledged that control of a Legal Person could be exercised through other means, such as debt instruments or financing arrangements. For example, where a lender or creditor has a contractual right to control a Legal Person via the provisions of a lending agreement (which might include convertible debt instruments that are convertible into voting equity), or by a third party who can otherwise influence a shareholder by financial or relational means such that they have control over a Legal Person. Generally, a regulated lending or credit institution providing financing to a Legal Person will rarely be considered as exercising control for the purposes of the Act as the lender or creditor is unlikely to have ultimate control.
- 2.10 Irrespective of the structure, there will most likely be one or more individual(s) that can be identified as having ultimate control.

Foundation Companies

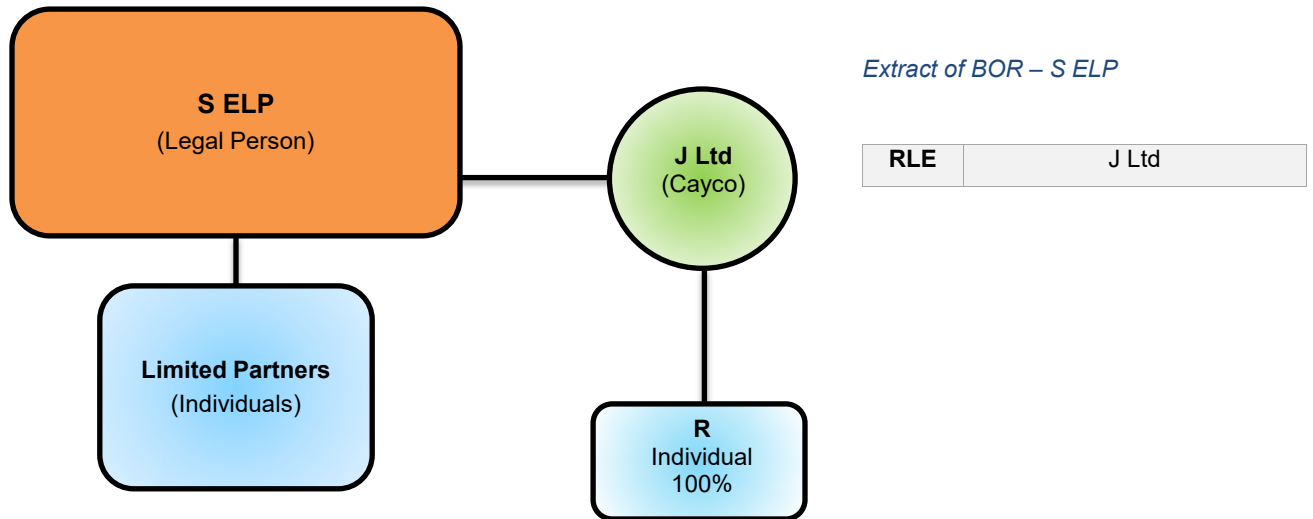
- 2.11 Where a foundation company does not have a BO, a senior managing official should be identified in accordance with Section 4(4). An example of this is a foundation company where enquiries may be required with respect to the exercise of control (e.g., whether any particular members of a decentralised autonomous organisation exercise ultimate effective control). This could be the founder of the foundation company, one of the foundation council members, or the guardian.

Partnerships

- 2.12 Partnerships are not required by law to have directors or senior officers, however there will be someone who exercises control over the partnership. In some instances, the management function of a partnership is conducted by a general partner which may be an individual, a separate Legal Person, a foreign company or partnership.

2.13 Ultimately, a determination as to whom should be listed in the BOR is a decision for the partnership based on its unique constitution and operations.

Figure 4

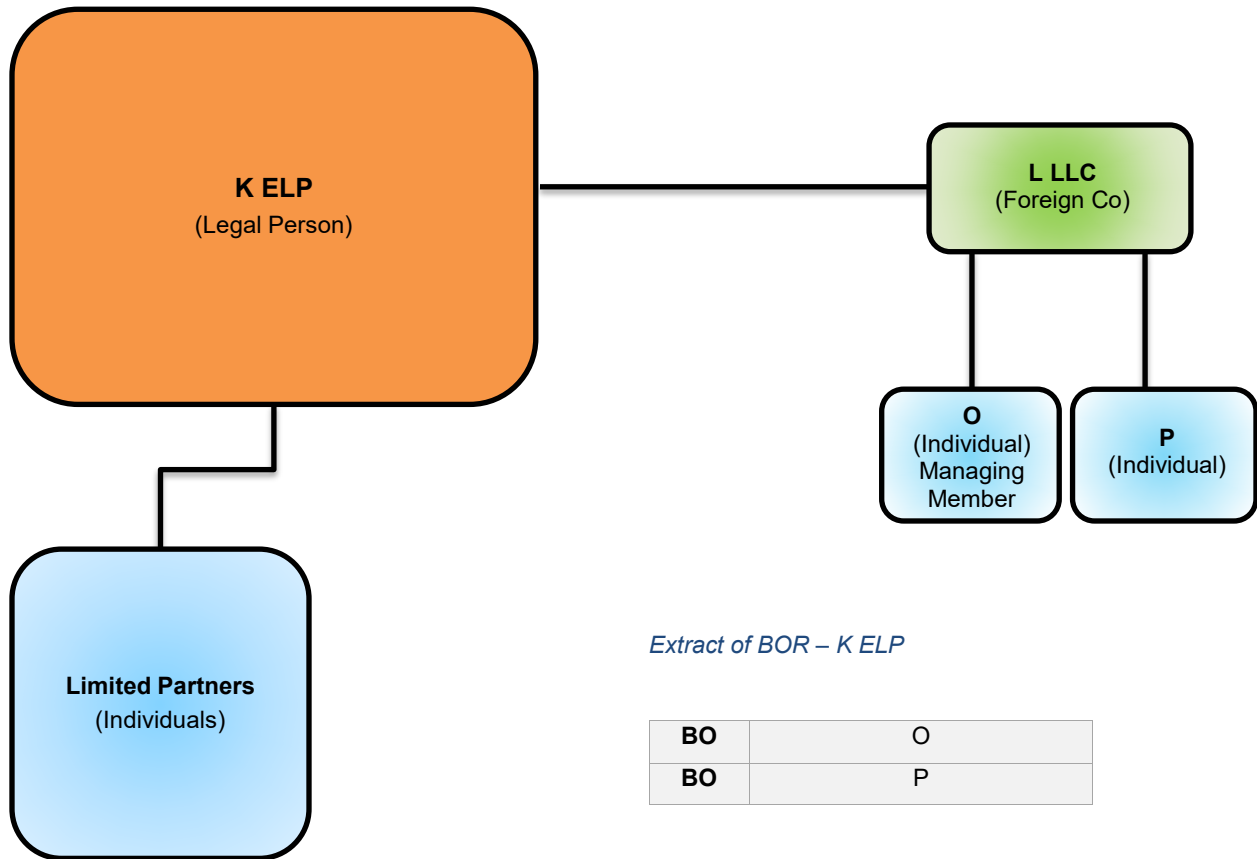


In figure 4, S ELP is a Cayman Islands exempted limited partnership where all limited partners hold less than 25% of the partnership interest. The general partner of S ELP is J Ltd, a Cayman Islands exempted company. J Ltd. is 100% owned and directed by individual, R.

Assuming that an analysis has determined there is no other form of control present over S ELP, S ELP's BOR should record J Ltd as the RLE of S ELP.

Assume R dies and that J Ltd has three senior managing officials. J Ltd.'s BOR should (i) continue to record R as BO (until such a time as R is no longer a shareholder) and (ii) one of the three senior managing officials as the contact person.

Figure 5



In figure 5, K ELP is a Cayman Islands exempted limited partnership where all limited partners hold less than 25% of the partnership interest. The general partner of K ELP is L LLC, a Delaware limited liability company. L LLC has one managing member, O and one individual which qualifies as a BO, P.

Assuming that an analysis has determined there is no other form of control over K ELP present, K ELP's BOR should record (i) O and (ii) P. Any entity which does not qualify as an RLE, including a Foreign Co, must provide its individual BOs.

Figure 6

Extract of BOR – A ELP

RLE	E Ltd.
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In figure 6, A ELP's general partner is E Ltd. which is a Cayman exempted company with three directors. Where an RLE has been identified, there is no need for a senior managing official to be reported.

Assuming that an analysis has determined there is no other form of control present, A ELP's BOR should record E Ltd. as an RLE. No further analysis is required.

Segregated Portfolio Companies

- 2.14 A segregated portfolio company may have several segregated portfolios, each with its own BO. If an RBO cannot be identified at the segregated portfolio company level, then the senior managing official details should be reported. Please note that the senior managing official may be required to provide information on the ownership and control of the segregated portfolios upon request.

Limited Liability Companies

- 2.15 Limited liability companies may have a variety of members or managing members, depending on their constitution.
- 2.16 In some instances, the managing member (assuming no other form of control is present) may be identified as the senior managing official. Where the management of the limited liability company vests in all the members, but there is no member with 25% or more of the limited liability company's interests, only one member would need to be named on the BOR.

Foreign Co

- 2.17 A Foreign Co is not required to report BO Information (unlike an RLE) in compliance with the Act. On that basis, wherever there is a Foreign Co within a Legal Person's structure, the analysis must seek to determine who the BO of the Foreign Co is.

In the figure below, L Foreign Co owns 50% of M Ltd., as a nominee/custodian investor.

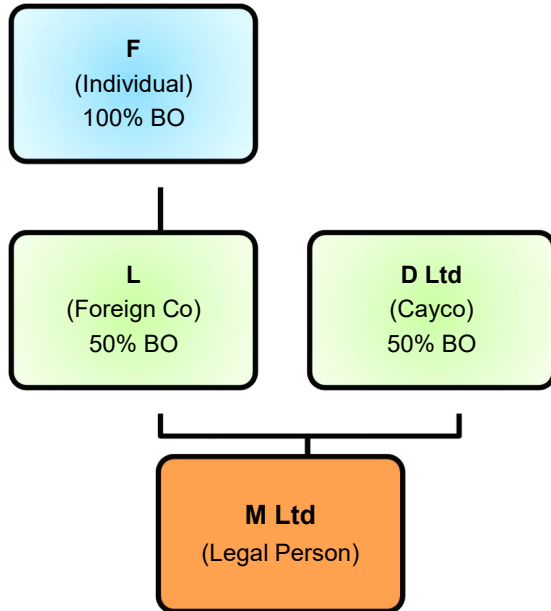


Figure 7

Extract of BOR – M Ltd

BO	F
RLE	D Ltd

Assuming that an analysis has determined there is no other form of control present, M Ltd. BOR must report F as BO and D Ltd as RLE.

Listed companies

- 2.18 Where a Legal Person is Listed, an alternative route to compliance can be used. Where the Legal Person is not Listed, then the Legal Person must consider which individuals meet the definition of a BO.

Professional Advisor or Manager

- 2.19 Section 4(2) provides:

“An individual that meets one or more of the specified conditions under subsection (1) is considered a beneficial owner except where that individual operates solely in the capacity of a professional advisor or professional manager.”

- 2.20 Please note that where advice is provided purely in a professional capacity in a role such as a lawyer, accountant, banker or financial advisor, this alone may not be considered to be the exercise of control.
- 2.21 Further analysis as emphasised above should be undertaken by each Legal Person.

Section 2(2) Beneficial Owners

- 2.22 Section 2(2) of the Act contains persons that are considered individuals for the purpose of the Act. These are known as DBOs.
- 2.23 Where a DBO has been identified in relation to a Legal Person, the following is reported instead of an individual:
- a. a corporation sole;
 - b. a government or government department of a country or territory or a part of a country or territory;
 - c. an international organisation whose members include two or more countries or territories (or their government); and
 - d. a public authority.

3. REPORTABLE LEGAL ENTITY

3.1 An RLE is required to independently report BO Information in the Cayman Islands. Therefore, when an analysis is being undertaken for a Legal Person which identifies an RLE as one of its BOs, the RLE must be identified in the BOR of the Legal Person.

3.2 As part of its obligations under the Act, the RLE will report on its own BOs to the Competent Authority. The result is that the Competent Authority will have a complete record of the Legal Person's BO Information.

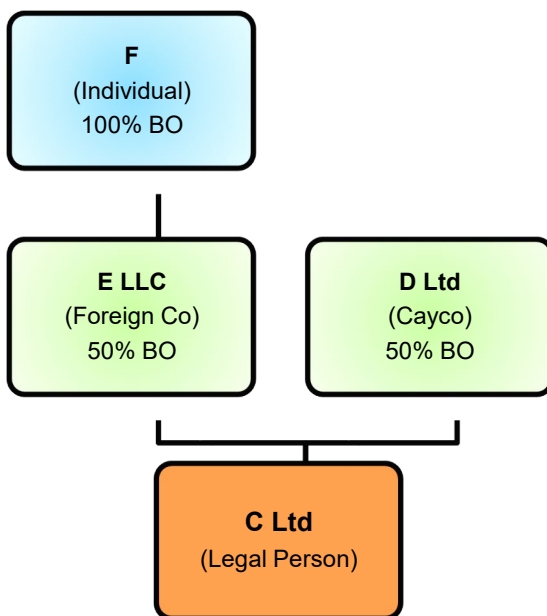


Figure 8

Extract of BOR - C Ltd

BO	F
RLE	D Ltd

In figure 8, no further analysis is required in relation to D Ltd on the basis that D Ltd is an RLE. Only the first RLE in a chain shall be included in the BOR. E LLC is not an RLE and therefore should not be included in the BOR. Instead, F who is the BO of E LLC must be included in the BOR.

If E LLC satisfied Section 2(2) then it would be recorded in the BOR as a DBO and there would be no requirement to include F.

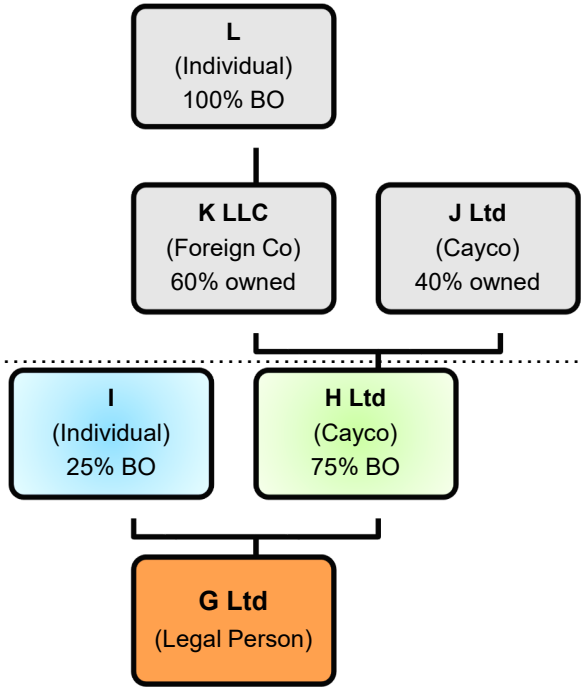


Figure 9

Extract of BOR - G Ltd

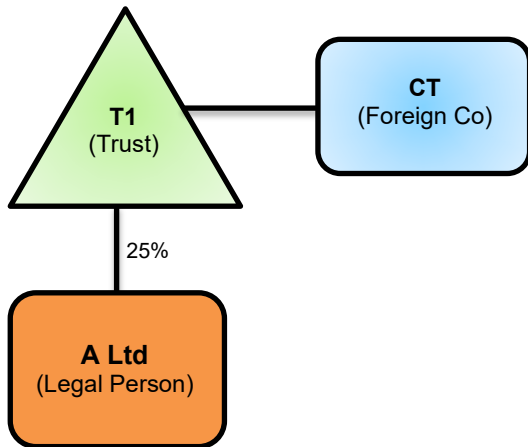
BO	I
RLE	H Ltd

In figure 9, no further analysis is required in relation to H Ltd on the basis that H Ltd is an RLE. Only the first RLE in a chain shall be included in the BOR.

4. TRUSTEE

4.1 A BO of a Legal Person may also be a trustee under Section 4(3) of the Act.

Figure 10



Extract of BOR - A Ltd

BO	CT
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In figure 10, the corporate trustee details will be listed in the BOR for A Ltd.

Individual trustee

4.2 An individual who is a trustee must be identified in the BOR if, in accordance with Section 4(1), the trustee:

- ultimately owns or controls (whether through direct or indirect ownership or control), 25% or more of the Legal Person;*
- exercises ultimate effective control over the management of the legal person; or*
- is identified as exercising control of the legal person through other means*

Cayman corporate trustee

4.3 A corporate trustee that is incorporated, established or registered in the Cayman Islands is an RLE in accordance with the Act and should therefore also be included in the BOR.

Foreign corporate trustee

4.4 If a corporate trustee that is incorporated, established or registered outside of the Cayman Islands satisfies Section 4(1), the name of the foreign corporate trustee together with the name of an individual

within the foreign corporate trustee should be identified in the BOR. The identity of an individual is included in order to ensure the facilitation of communications between the Competent Authority and the foreign corporate trustee, where necessary.

5. RELEVANT CHANGE

5.1 For the purposes of Sections 14 and 15, a Relevant Change occurs if, as stated by Section 14(3) –

- a. *“the registrable beneficial owner ceases to be a registrable beneficial owner in relation to the legal person; or*
- b. *any other change occurs as a result of which the required particulars stated respecting the registrable beneficial owner in the legal person’s beneficial ownership register are incorrect, incomplete or not current.”*

5.2 Where a Relevant Change occurs, the Legal Person should be notified of a Relevant Change including the date on which it occurred, and the Legal Person should be provided with information required to update the Legal Person’s BOR by the RBO.

5.3 Some Investment Funds may not have static registers and may trade on a monthly, weekly or even daily basis. Such Investment Funds will therefore need to assess at what intervals its investors should be assessed with respect to a Relevant Change. Movements in shareholdings through subscriptions or redemptions may have an impact on who is assessed as a BO. Investment Funds should put procedures in place to be able to respond appropriately.

5.4 Certain investors in Investment Funds will themselves have continuously changing BOs which may not be monitored other than periodically pursuant to the AML regime.

5.5 Where a Relevant Change has occurred, the Act aims to ensure that the information maintained by the Registrar is adequate, accurate and current.

Death of an RBO

5.6 In circumstances where a CSP has been notified of the death of an RBO and the Required Particulars become expired, the CSP may continue providing the particulars of the deceased until formalities have been undertaken to change the status of the deceased as RBO. Until such time, the CSP should however be in a position to substantiate the filing of expired particulars e.g., by providing evidence of the death.

6. SENIOR MANAGING OFFICIAL

6.1 Section 4(4) provides:

“Where there is no individual who meets the definition of a beneficial owner pursuant to subsection (1) or (3), the senior managing official shall be identified as the contact person.”

6.2 For the purposes of the Act, a senior managing official includes a director or chief executive officer of the Legal Person (or persons holding equivalent positions). It is important to note that this is not an exhaustive list.

6.3 Ultimately, a determination as to who should be listed in the BOR is a decision for the Legal Person based on its unique constitution and operations.

Other senior officials

6.4 A Legal Person may not have a chief executive officer but may have another senior official (e.g., a chief operations officer, chief financial officer or president) in a position of ultimate authority. In this scenario, the Legal Person should consider whether it is more appropriate to list this relevant senior official in the BOR as the contact person in accordance with Section 4(4).

6.5 Where senior officers individually exercise the same level of authority and collectively, the senior officers exercise complete authority over the Legal Person, at least one senior officer, should be listed in the BOR.

Multiple directors

6.6 Where there is no individual who meets the definition of a BO and there are multiple directors, there may be one director who exercises more authority (e.g., managing or executive director, chairman of the board of directors). In this scenario, the Legal Person should consider whether it is more appropriate to list this director in the BOR as the contact person in accordance with Section 4(4).

6.7 Where multiple directors individually exercise the same level of authority and collectively, the directors exercise complete authority over the Legal Person, at least one director, should be listed in the BOR.

Role of the senior managing official as contact person

- 6.8 A senior managing official who is identified as a contact person in accordance with Section 4(4) is not a BO.
- 6.9 Where, after analysis, no RBO is found to exist, the senior managing official's particulars are entered on the BOR. The senior managing official may be contacted by the Competent Authority for enquiries relating to the ownership and control of the Legal Person.

7. ALTERNATIVE ROUTES TO COMPLIANCE

7.1 An alternative route to compliance affords certain Legal Persons the option of filing written confirmation of their category together with specific particulars.

Section 12(1)(a) through (c) Legal Persons

7.2 Legal Persons within Section 12(1)(a) through (c) benefit from an alternative route to compliance on the basis that such Legal Persons are either (i) Listed or (ii) licensed/regulated by the Cayman Islands Monetary Authority in the Legal Person's own right.

7.3 In some instances, there may be a delay between the formation of a Legal Person and its ability to qualify for a 12(1)(a) through (c) categorisation. For example, listing on a stock exchange may take months to complete and until such date as the Legal Person is Listed, it does not qualify for an alternative route to compliance and would therefore fall into the category of a Section 12(1)(e) Legal Person.

Subsidiaries

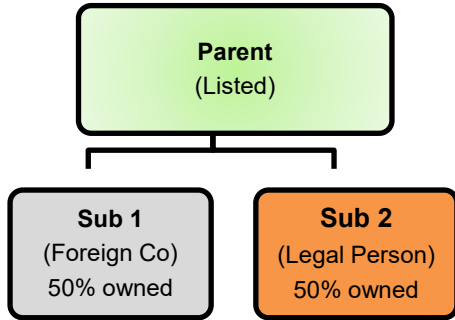
7.4 Subsidiaries of Legal Persons within Section 12(1)(b) and (c) are not eligible to use alternative routes to compliance by virtue of their parent's status as a 12(1)(b) or (c) category Legal Person.

Section 12(1)(a)

7.5 A subsidiary may use alternative routes to compliance only if the subsidiary:

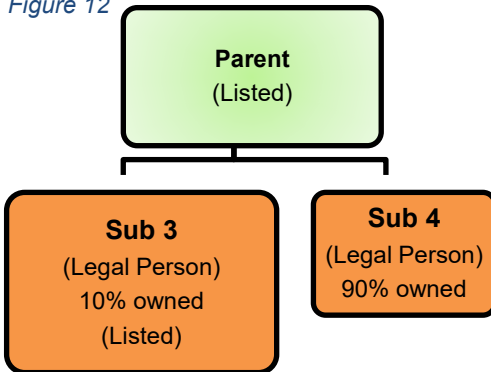
- a. falls within the definition of "subsidiary" in Section 12(2); or
- b. is itself Listed.

Figure 11



In figure 11, assume that neither Section 12(2)(b) or (c) applies. Sub 2 is unable to benefit from its parent's Listed status unless, Sub 2 itself was (i) owned 75% or more by its parent (ii) Listed or (iii) able to satisfy another category of Section 12(a) to (d).

Figure 12

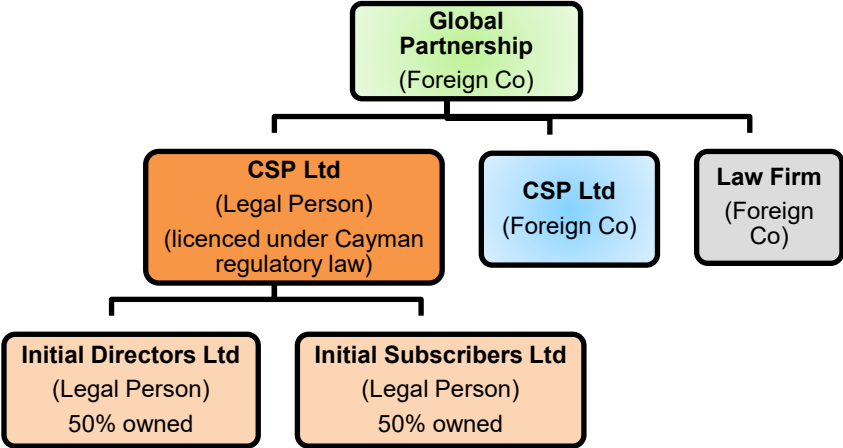


In figure 12, Sub 3 is able to use the Section 12(1)(a) alternative route to compliance as Sub 3 is itself Listed.

Sub 4 is able to benefit from its parent's Listed status on the basis that Sub 4 is owned 75% or more by its parent (thereby satisfying the Section 12(2) subsidiary threshold).

Section 12(1)(b)

Figure 13



In figure 13, CSP Ltd (Cayco) will benefit from an alternative route to compliance under Section 12(1)(b) as it is licensed by the Cayman Islands Monetary Authority.

Although Initial Directors Ltd and Initial Subscribers Ltd are subsidiaries of CSP Ltd, they are unable to benefit from an alternative route to compliance under Section 12(1)(b).

Both (i) Initial Directors Ltd and (ii) Initial Subscribers Ltd would report CSP Ltd as an RLE in their BOR and neither would need to provide further information in their BOR.

Change in regulatory status

7.6 Where there has been a change in regulatory status (e.g., delisting, deregistration, surrender of licence), a Legal Person may no longer qualify as a Category 12(1)(a) to (d) Legal Person. If a Legal Person is unable to use an alternative route to compliance, Section 6, together with all other relevant provisions, becomes applicable in line with Section 12(1)(e).

7.7 If a liquidator is appointed with respect to a Category 12(1)(a) to (e) Legal Person, the liquidator or the CSP (where relevant) is responsible for providing the Competent Authority with BO Information in line with Section 12(9).

Section 12(d) Legal Persons

7.8 As at the date of this Guidance, no exemptions have been granted by Cabinet pursuant to Section 12(1)(d).

Section 12(e) Legal Persons

- 7.9 If a Legal Person falls within Section 12(1)(e), the Legal Person will be required to provide Required Particulars in accordance with Sections 12(5), 12(6) or 12(7), as may be relevant.

8. ROLE OF THE CONTACT PERSON

8.1 The Contact Person appointed by a Section 12(1)(c) Legal Person is a liaison who facilitates communication between the Legal Person and the Competent Authority.

Responsibilities

8.2 The role of the Contact Person is different from the role of the CSP. A CSP that acts as a Contact Person must ensure that appropriate arrangements exist to support the distinct duties and obligations.

8.3 The sole responsibility of the Contact Person is to (i) engage with the Competent Authority or Registrar (as necessary) (ii) ensure that communication between the Legal Person is facilitated and (iii) provide BO Information as requested.

8.4 Irrespective of the location at which the BO Information is maintained, the 12(1)(c) Legal Person must ensure that its BO Information and the maintenance (including Relevant Changes etc.) of such data complies with the Act and Transparency Regulations.

8.5 Where a service provider is engaged in a dual role (e.g., CSP and Contact Person), it is important that the service provider understands each role and is able to respond to the Competent Authority or the Registrar on that basis.

Appointment of Contact Person

8.6 The appointment of a Contact Person is optional. If a Section 12(1)(c) Legal Person is unable to appoint a Contact Person, the Legal Person may opt to file its Required Particulars pursuant to Section 12(1)(e).

8.7 Although the liability associated with non-compliance of a Contact Person's obligations rest with the Legal Person, a Contact Person should ensure that where it undertakes to provide the service, it is operationally able to access, and provide, the relevant BO Information within the timeframe specified in any such request.

8.8 Legal Persons and their Contact Persons must ensure that their processes are sufficient to support the effective execution of a Contact Person's role as a condition of the Contact Person being appointed. If a licensed fund administrator or another person licensed or registered under a regulatory law is unable to provide BO Information to the Competent Authority in the manner and within the time requested, they should not accept the appointment as Contact Person.

- 8.9 Any failure to comply with a request for information within the stipulated timeframe may ultimately result in an administrative fine on the Legal Person.

Type of information required

- 8.10 Information that may be requested by the Competent Authority includes BO particulars that would be maintained on a BOR if the Section 12(1)(c) Legal Person was not eligible for an alternative route to compliance.

Access to information

- 8.11 A Contact Person is not required to maintain a BOR or BO Information for the Legal Person to which it is appointed however, the Contact Person must have access to such information to facilitate its role.
- 8.12 Pursuant to Section 12(8), a Contact Person is required to provide the Competent Authority with BO Information within 24 hours (or any such other time as may be stipulated by the Competent Authority) of a request being made.

Contact Person particulars in the CSV file

- 8.13 In some instances, a Contact Person may be a corporate entity. In order to facilitate efficient communication, an individual within the Contact Person must be identified in the BOR. This named individual will be contacted directly by the Competent Authority with BO Information requests. For business continuity purposes, an email address which is accessible by more than one person within the Contact Person may be provided to the Competent Authority.

9. ROLE OF A CSP

9.1 The following general operational matters should be considered by a CSP.

Review and verification procedures

9.2 A CSP is expected to develop processes for the review and verification of all particulars being filed pursuant to the Act.

9.3 Upon receipt of Required Particulars by a CSP, a CSP is required to review the particulars and take reasonable measures to verify them. With respect to the verification, a CSP complies when it has reviewed and verified data received from:

- a. government entity;
- b. licensed financial institution; or
- c. a similar originator or issuer of information that is well known and considered reputable, such as from a national or local level of government, Crown corporation, regulated financial institution, or utility provider.

9.4 Upon completion of the verification process, a CSP must be satisfied that all particulars being filed with the Competent Authority are adequate, accurate and current.

Multiple Nationalities

9.5 If a BO has more than one nationality, the nationality used in the CSP's verification processes should be reported to the Competent Authority together with an indicator (e.g., "Yes/No") of multiple nationalities in the BOR. A CSP should document all other nationalities where the BO indicates that it has additional nationalities.

9.6 Under the Act, a CSP does not have an obligation to collect and maintain current documentary support for the additional nationalities indicated by a BO. However, where CSPs elect to maintain current documentary support for the additional nationalities, these should be kept current.

9.7 The Competent Authority or the Registrar may, as a part of its verification or enforcement procedures, request information about any additional nationalities using information powers pursuant to Section 24.

Holding the subscriber share/initial interest

- 9.8 It is acknowledged that a CSP may hold a Legal Person's subscriber share/initial interest to facilitate an expedient formation/registration process. Irrespective of the purpose for which a CSP holds the subscriber share/initial interest, a CSP is obliged to obtain information, conduct verification and comply with various requirements under the Act in order to file a BOR.
- 9.9 Where a subscriber or initial share is held, and prior to a newly formed/incorporated entity having any other BO or RLE, Required Particulars of the CSP would be required in the BOR as the CSP would initially satisfy the definition of BO. If other senior officers (e.g., directors) are appointed during the time that the CSP is holding the subscriber share/initial interest, consideration as to whether such directors should also be listed in the BOR must be undertaken. In this scenario, the CSP must be listed in the BOR on the basis of its shareholding, and a director or officer (where relevant) may also need to be listed if they are an individual who has ultimate effective control.
- 9.10 Ultimately, a determination as to who should be listed in the BOR is a decision for the Legal Person based on its unique constitution and operations.

Reporting periods for BO Information

<u>Type of Legal Person</u>	<u>Interface for Filing</u>	<u>Filing Timelines</u>
Company	CAP	Not less than once monthly
Limited Liability Company	CAP	Not less than once monthly
Limited Liability Partnership	CAP	Not less than once monthly
Limited Partnership	CAP	Not less than once monthly
Foundation Company	CAP	Not less than once monthly
Exempted Limited Partnership	CAP	Not less than once monthly
Ordinary Resident Company	CBP/CAP	every 365 days
Any of the above in process of liquidation	as above	every 90 days

- 9.11 The above stated filing timelines are subject to the Relevant Change obligations as set out in Sections 14 and 15.

Filing on CAP

- 9.12 Further guidance regarding uploading BORs can be found in the [CSV Technical Guidance Notes](#) on the General Registry's website.

BO record retention period

- 9.13 Pursuant to Section 16(b), BO records are required to be retained by a CSP engaged by a Legal Person for the period of 5 years from the date an RBO ceases to be an RBO of a Legal Person.

Legal Person's failure to comply with a Section 18(1) Notice

- 9.14 Where a CSP is of the opinion that a Legal Person has failed to comply with Section 8 or 14 without reasonable excuse, or has made a statement to the CSP regarding matters relevant to the Act that is false or misleading, the CSP is required to give notice to the Legal Person under Section 18. If the Legal Person fails to respond to the CSP's Section 18 notice, the CSP is required to send the Legal Person a Restrictions Notice under Section 19, if the requirements are met.
- 9.15 Each failure will be examined on its own merit. Any circumstance which a Legal Person is relying on to justify their failure to comply with a Restrictions Notice, will require supporting evidence to be provided to the Competent Authority or Registrar upon enquiry.

Requests for additional information

- 9.16 Section 24 empowers the Competent Authority (or the Registrar) to request information from a Legal Person or CSP, for the purpose of:
- a. carrying out their respective functions pursuant to the Act;
 - b. verifying the accuracy of BO Information;
 - c. assisting with the prevention and detection of crime or furthering the interests of national security; or
 - d. enabling bodies listed in Section 22(2)(a) through (g) and subsection (2)(j)(i) to fulfil their statutory obligations.
- 9.17 Requests can be made both for information and documentation.

10. LEGAL PERSONS BEING WOUND UP

- 10.1 Section 12(9) requires either (i) a CSP or (ii) the liquidator to provide the Competent Authority with specific details where a legal person is being wound up, including the appointment date of the:
- a. provisional liquidator
 - b. liquidator; or
 - c. joint liquidator.
- 10.2 The name(s) and contact details of the appointed liquidator(s) also have to be provided to the Competent Authority, so that information can be sought if needed.

As soon as may be reasonably practicable

- 10.3 Where available, the RBOs of the Legal Person as at the date of the appointment of a liquidator should be provided. In some instances, a liquidator may be appointed and BO Information may not be readily accessible, or there may be challenges in ensuring Required Particulars are adequate, accurate and current. It is acknowledged that in these circumstances, BO Information may not be available to be filed. Please note that the Competent Authority may make enquiries with the liquidator regarding the Required Particulars and any challenges encountered in obtaining them.

Registered Office

- 10.4 Where a liquidator provides registered office services for a Legal Person in liquidation, the liquidator will assume the responsibility of filing the Required Particulars of that Legal Person every 90 days.
- 10.5 Where the Legal Person's registered office remains the same, the filing responsibility remains with that CSP.

FREQUENTLY ASKED QUESTIONS

1. **How do the beneficial ownership requirements align with AML compliance?**

The beneficial ownership regime has similar objectives to the AML regime. The two regimes overlap although they are not identical. By way of example, they apply different ownership thresholds.

Operationally, CSPs may wish to align internal processes for efficiency and certainty. It may also be reasonable in many instances for a CSP or Contact Person to rely on the customer due diligence information that such CSP or Contact Person has obtained and holds for that Legal Person and/or any BO or senior managing official. This could be for the purposes of complying with obligations under the Cayman Islands AML regime in verifying the BO Information that has been provided or made available by or on behalf of a Legal Person under the beneficial ownership regime.

2. **Who is the Competent Authority?**

Pursuant to the Act, the Minister responsible for Financial Services is the Competent Authority. The Minister has delegated this function of the Competent Authority for Beneficial Ownership to the Registrar. The Competent Authority undertakes various operational duties, including in respect of verification of the BO Information once filed by CSPs, and in respect of the exchange of BO Information.

Please note that the Beneficial Ownership Competent Authority and the Beneficial Ownership Competent Authority for Appeals are separate designations made by the Minister. The Chief Officer of the Ministry of Financial Services is currently the Beneficial Ownership Competent Authority for Appeals.

3. **How do I learn more about the administrative fine process?**

The Registrar is responsible for imposing administrative fines for BO related breaches. For more information on administrative fines, reference can be made to schedule 1 of the Transparency Regulations and the Beneficial Ownership Enforcement Manual.

4. **Who will have access to the BOR?**

In accordance with Section 22, the following will have access to all BORs:

- Royal Cayman Islands Police Service

- Financial Reporting Authority
- Cayman Islands Monetary Authority
- Anti-Corruption Commission
- Tax Information Authority
- Maritime Authority
- Civil Aviation Authority
- Registrar of Lands
- Entities undertaking procurement in accordance with the Procurement Act (2023 Revision)
- Other bodies, assigned responsibility for monitoring compliance with the Anti-Money Laundering Regulations under POCA (Cayman Attorneys Regulation Authority, Department of Commerce and Investment, Cayman Islands Institute of Professional Accountants, Registrar of Not for Profit Organisations)
- Licensed financial institutions and Designated Non-Financial Businesses and Professions

When approved by affirmative resolution of the Parliament, certain members of the public with legitimate interest.