

mourant

mourant

Regulatory Update

Cayman – Q1 2025

mourant.com

Quick Fire Updates

1. Annual Registry fees increased

With effect from **1 January 2025**, the General Registry fees increased annual fees for Cayman Islands entities. The key annual fee increases are set out in the table below.

Annual fee	New fee
Exempted company (with authorised share capital not exceeding US\$50,000)	US\$1,128
Registered foreign company	US\$2,012
Limited liability company	US\$1,341
Exempted limited partnership licensed or regulated under the Mutual Funds Act or registered under the Private Funds Act	US1,585
Exempted limited partnership not licensed or regulated	US\$2,561
Foreign limited partnership	US\$2,012

2. CIMA fee increases for regulated funds

With effect from **1 January 2025**, the Cayman Islands Monetary Authority (CIMA) increased certain fees. Some of the key fee increases are set out in the tables below:

Mutual funds	New fee
Annual return	US\$366 with a cap of US\$30,488 for 84 sub-funds or more
Annual registration fee	US\$4,482
Annual registration fee for a master fund	US\$3,201
Application for a mutual fund licence	US\$4,482
Annual licence fee in respect of a mutual fund licence	US\$4,482
Annual registration fee payable by a regulated mutual fund that has sub-funds, in respect of each sub-fund	US\$4,482 plus \$366 in respect of each additional sub-fund

Private funds	New fee
Annual return	US\$366 plus US\$183 for each AIV or sub-fund. The cap for a fund with 25 AIVs/sub-funds or more is removed
Annual registration fee	US\$4,482 plus \$366 for any additional AIV, segregated portfolio or exempted trust under an umbrella or master unit trust structure
Fee payable on filing the details of a change	US\$366

In addition to the fee increases details above, the Mutual Funds Act (2021 Revision) was amended to provide that the application fee for a Mutual Fund Licence will be non-refundable. The Private Funds Act (2021 Revision) was similarly amended to make the application fee for private fund registration non-refundable.

3. CIMA fee increases for securities investment business

Securities investment business	New fee
Registration as a registered person	US\$7,317
Annual fee	US\$7,317
Fee for deregistration	<i>Repealed</i>
Application fee for a broker dealer, securities arranger, securities manager, securities advisor or market maker	US\$1,220 – application US\$12,195 - on 1 st grant US\$12,195 - renewal
Securities arranger	US\$1,220 – application US\$6,098 - on 1 st grant US\$6,098 - renewal
If broker dealer is broker member	US\$610 – application US\$3,659 - on 1 st grant US\$3,659- renewal
Restricted licence for all types/categories of licences for regulated activity (except for a market maker or securities arranger)	US\$1,220 – application US\$6,098 - on 1 st grant US\$6,098- renewal
Licence for a broker dealer, securities manager, securities advisor or market maker where a licence is held by the applicant (or the parent of the applicant) under any other of the regulatory laws	US\$610 – application US\$5,488 - on 1 st grant US\$5,488 - renewal

The Securities Investment Business Act (2020 Revision) was also amended to:

- add or amend various definitions;
- require an applicant for a licence to specify the category or categories for which an application is being made (with different fees established for different types or categories of licences as set out above);
- set out the procedure by which the holder of a restricted licence may have certain restrictions on the holder's licence adjusted; and
- empower CIMA to exempt certain persons from registration or licensing under the legislation.

4. CIMA Industry Notice - 2024 and 2025 annual fee deadlines and penalties

On 15 January 2025, CIMA issued a [Notice](#) confirming that all updated CIMA and Registry fees came into effect on 1 January 2025.

On the same date, CIMA published a [second related Notice](#) providing that:

- 2024 fees must be paid by the 15 January statutory deadline and, from 16 January 2025, CIMA will begin assessing

Quick Fire Updates

penalties on any of these outstanding annual fee amounts; and

- CIMA has granted an extension to **17 February 2025** for the payment of the 2025 fee changes (ie, the difference between the 2024 and 2025 fees) and, from 18 February 2025, CIMA will begin assessing penalties on outstanding annual fee change/increase amounts.

5. Additional increases to Registry fees

In addition to the changes to annual fees, various legislative amendments have been made to add or increase General Registry fees for Cayman Islands entities with effect from 1 January 2025. These relate mainly to administrative and express fees. A summary by entity type is set out below.

Company fees

The Companies Act (2023 Revision) was amended to:

- allow for applications to the Registrar of Companies to reserve a specified name for a company for a period of up to four months for a fee of between US\$49 and US\$195 depending on the length of time reserved;
- provide that before the name of a company may be restored to the register, the company must pay a reinstatement fee; equivalent to twice the original incorporation/registration fee
- empower the Registrar to charge fees ranging from US\$60 to US\$610 for certain administrative services; and
- expand the list of transactions in respect of which express fees (ranging from US\$183 to US\$610) may be paid.

Exempted limited partnership (ELP) fees

The Exempted Limited Partnership Act (2021 Revision) was amended to:

- allow for applications to the Registrar of Limited Partnerships to reserve a specified name for an ELP or foreign limited partnership for a period of up to four months for a fee of between US\$49 and US\$195;
- introduce new fees for the filing of a notice of dissolution with the Registrar and for deregistration pursuant to a partnership agreement (US\$244 and US\$183 respectively);
- empower the Registrar to charge fees ranging from US\$37 to US\$244 for certain administrative services;
- expand the list of transactions in respect of which express fees (ranging from US\$183 to US\$610) may be paid; and
- provide for payment of a prescribed administrative fee of US\$183 where a foreign limited partnership ceases to be a general partner of an exempted limited partnership.

Limited liability companies (LLC) fees

The Limited Liability Companies Act (2023 Revision) was amended to:

- empower the Registrar of LLCs to charge a fee of US\$610 to register a plan of merger or consolidation;
- enable an exempted company to be reregistered as an LLC;
- empower the Registrar to charge a fee ranging from US\$183 to US\$1,220 for the provision of administrative services; and

- set out a statutory basis for the Registrar to provide certain express services for a prescribed fee ranging from US\$183 to US\$610.

Partnership and limited liability partnership fees

The Partnership Act (2024 Revision) and the Limited Liability Partnership Act (2023 Revision) were similarly amended to:

- empower the Registrar to charge a fee for the provision of administrative services; and
- set out a statutory basis for the Registrar to provide certain express services for a prescribed fee.

A list of all General Registry fees can be accessed [here](#).

6. Additional CIMA licence fee increases

CIMA fees for licences granted under the following legislation were increased with effect from 1 January 2025:

- Banks and Trust Companies Act (2021 Revision)
- Companies Management (2024 Revision)
- Insurance Act, 2010
- Private Trust Companies Regulations (2020 Revision).

The application and annual fees for a licence to carry on money services businesses under the Money Services Act (2024 Revision) were also increased with effect from 19 December 2024.

Additionally, the Banks and Trust Companies Act (2021 Revision) and Companies Management Act (2024 Revision) were amended to provide that the application fee for the grant of a licence is non-refundable.

The Insurance Act, 2010 was similarly amended to:

- provide that the application fee for an application for a licence or for registration as a portfolio insurance company is non-refundable;
- allow for the payment of annual fees;
- amend the provisions relating to the registration of exempted companies as portfolio insurance companies; and
- validate the charging and collection of annual fees in respect of portfolio insurance companies.

For details of licence fees as at 1 January 2025, see CIMA's [Fee Schedule](#).

7. Monetary Authority Act amendments

In line with the changes to CIMA fees, the Monetary Authority Act (2020 Revision) was amended with effect from on 1 January 2025 to:

- permit the making of regulations prescribing the charging of fees for administrative services provided by CIMA to persons registered under any of the regulatory laws;
- allow for fees to be prescribed as non-refundable;
- repeal and replace Schedule 2 (Fees) to provide for additional non-refundable administrative services and their corresponding fees; and
- validate certain revenue collection actions of CIMA.

Quick Fire Updates

8. FRA Advisory – Defence Against Money Laundering / Consent Regime

On 13 January 2025, the Cayman Islands Financial Reporting Authority (FRA) published an [Industry Advisory: Defence Against Money Laundering \(DAML\) / Consent Regime](#).

This Advisory notes that sections 11, 12 and 13 of the Proceeds of Crime (Amendment) Act, 2023 came into force on **2 January 2025**, meaning that in addition to filing a suspicious activity report (SAR), the amendments to sections 133, 134 and 135 of the Proceeds of Crime Act effected by the Amendment Act now require a person/entity filing a SAR to have the FRA's consent to 'commit the act'.

The FRA anticipates that draft regulations regarding the DAML / Consent Regime will be issued to industry for consultation in the near future and have issued the Advisory as guidance on how the regime will operate in the interim.

9. Virtual Asset (Service Providers) (Amendment) Act

The Virtual Asset (Service Providers) (Amendment) Act, 2024 was published in the Cayman Gazette on 19 December 2024 but is not yet in force.

Once in force, it will amend the Virtual Asset (Service Providers) Act (2024 Revision) to:

- add new definitions including of 'convertible virtual asset', 'financial services business' and 'originator';
- change references to 'an existing licensee' to read 'a supervised person';
- amend the point at which the fees are payable by applicants for registration or a licence;
- provide that fees payable under the act are non-refundable;
- improve the supervision of certain virtual asset activities;
- empower CIMA to publish in the Gazette a notice of lapse of licence or registration where the renewal fee remains unpaid; and
- set out the procedure for an application for a licence, registration or waiver for a supervised person who wishes to carry on virtual asset services (which is not required where the supervised person is carrying on virtual asset activities involving virtual service tokens only).

10. CIMA regulatory measures for VASPs

The following regulatory measures for virtual asset service providers (VASPs) were gazetted on 12 December 2024:

- [Rule - Obligations for the provision of virtual asset services - Virtual Asset Custodians and Trading Platforms](#)
- [Statement of Guidance - Guidance for the provision of virtual asset services - Virtual Asset Custodians and Virtual Asset Trading Platforms](#)

The application form for registration of a VASP was also updated by CIMA with effect from 13 December 2024. See this [Notice](#) for more detail.

11. Beneficial ownership – legitimate interest access and access restriction

The [Beneficial Ownership Transparency \(Access Restriction\) Regulations, 2024](#) (the **AR Regulations**) came into force on 9 December 2024. The AR Regulations set out the framework for individuals to apply for protection from public disclosure of beneficial ownership information where they believe that their association with the legal person, if disclosed, would place them (or an individual living with them) at serious risk of kidnapping, extortion, violence, intimidation or other similar danger or serious harm.

An application under the AR Regulations to prohibit disclosure of information on the search platform must be in the prescribed form and accompanied by supporting evidence, together with a fee of US\$1,220. Where an application is approved, it will have effect for three years.

The protection from public disclosure under the AR Regulations applies to the access members of the public may be granted under the [Beneficial Ownership Transparency \(Legitimate Interest Access\) Regulations, 2024](#) (the **LIA Regulations**) where they can evidence a legitimate interest. The LIA Regulations were published in the Cayman Islands Gazette on 19 December 2024 and will come into force on **28 February 2025**.

These LIA Regulations will allow members of the public, who can evidence a legitimate interest, to access certain beneficial ownership information of legal persons where evidence is provided that the legal person is linked to money laundering or terrorist financing.

Where there is no prohibition from disclosure under the AR Regulations, the competent authority may provide access to certain beneficial ownership information of a legal person to a member of the public who is:

- a person engaged in journalism or bona fide academic research;
- acting on behalf of a civil society organisation whose purpose includes the prevention or combating of money-laundering, its predicate offences or terrorism financing; or
- seeking that information in the context of a potential or actual business relationship or transaction with the legal person about whom that information is sought,

and has a legitimate interest in that information for the purpose of preventing, detecting, investigating, combating or prosecuting money laundering or its predicate offences or terrorist financing.

An application for access to information must be made via the electronic portal provided by the competent authority and journalists, academic researchers or those acting on behalf of a civil society must provide evidence:

- of their credentials and identity, and
- that the information on the search platform in relation to the legal person is sought for AML/CFT prevention purposes.

Persons seeking information for a potential or actual business relationship or transaction must confirm that fact and provide

Quick Fire Updates

evidence of their identity, details of the nature of the actual or potential business relationship or transaction with the legal person and that the information on the search platform in relation to the legal person is sought for AML/CFT prevention purposes.

A fee of US\$37 (will be charged for an application in relation to one legal person and a fee of US\$122 will apply for an application in relation to more than one legal person.

Within seven days of decision, the competent authority will notify the applicant of whether the application has been approved and either provide the requested information on the search platform in writing or provide reasons in writing for the refusal.

12. Further beneficial ownership amendments proposed

The [Beneficial Ownership Transparency \(Amendment\) Bill 2024](#) was gazetted on 27 December 2024 to provide enhancements to ensure the sustained effectiveness of the beneficial ownership transparency legislative framework.

Once enacted, the Bill will amend the Beneficial Ownership Transparency Act, 2023 (BOTA) as follows:

- to amend the meaning of "beneficial owner" to clarify the circumstances under which a trustee or senior managing official will be identified as the contact person;
- to exempt a company that is registered as a non-profit organization from the provisions of the BOTA;
- to clarify that the corporate services provider must establish and maintain a register in relation to the legal person that has engaged the corporate services provider, with related amendments to provide that 'adequate beneficial ownership information' is information that is sufficient to identify a registrable beneficial owner, the senior managing official or an identified trustee;
- to provide that the corporate services provider engaged by a legal person must remove the relevant entry from the legal person's beneficial ownership register where the registrable beneficial owner, senior managing official or an identified trustee is no longer functioning in the respective role; and
- to empower the competent authority to provide access to the search platform to the Customs and Border Control Service.

13. Economic substance amendments to align with beneficial ownership changes

The [International Tax Co-operation \(Economic Substance\) \(Amendment of Schedule\) Regulations, 2024](#) were published in the Cayman Islands Gazette on 23 December 2024 and came immediately into force.

The Regulations amend the definition of 'ultimate beneficial owner' in the International Tax Co-operation (Economic Substance) Act (2024 Revision) to align it with the definition of 'beneficial owner' in the Beneficial Ownership Transparency Act, 2023.

14. DITC Updates Bulletin

The Department for International Tax Cooperation (DITC) published a [November 2024 Updates Bulletin](#), which:

- provided a reminder that the deadline for filing economic substance (ES) returns and tax residency overseas (TRO) forms for the 2023 financial year was 31 December 2024 (for entities with a 31 December financial year end);
- noted that the ES notification and ES return forms have been updated, primarily to accommodate the submission of ES information for partnerships, but also with some technical changes to enhance the quality of the data reported; and
- reminded industry that ES notifications may be edited within 12 months of submission and noted that, if an ES notification requires updating after that timeframe, an ES return must be submitted.

Updated [ES Practice Points](#) were also adopted by the DITC in November 2024.

15. CIMA Rule and Statement of Guidance – Market Conduct for Trust and Corporate Services Providers and Company Managers

On 22 November 2024, CIMA's [Rule and Statement of Guidance – Market Conduct for Trust and Corporate Services Providers and Company Managers](#) came into effect, establishing minimum requirements and guidance for trust and corporate service providers and company managers to ensure fair treatment of clients and general protection of clients' assets and monies in relation to the business of company management and trust business.

16. Supervisory Circular - Complaints handling and Regulatory Expectations

On 23 October 2024, CIMA published a [Supervisory Circular](#) on complaints-handling and regulatory expectations. The Circular sets out how entities regulated by CIMA should implement and embed effective complaints-handling policies and procedures within their organisations.

17. Supervisory Circular - Crisis management framework

On 10 January 2025, CIMA published a [Supervisory Circular](#) on the importance of a comprehensive crisis management framework and CIMA's commitment to implementation.

The Circular underscores the importance of such a framework and outlines CIMA's commitment and plans for coordinating and executing the implementation of an appropriate framework across the financial services industry.

18. CIMA Regulatory Update

On 6 November 2024, CIMA published its [Regulatory Update: January to June 2024](#). The update covers legislative changes, regulatory updates, highlights from thematic reviews and industry outreach for the period, as well as upcoming initiatives and regulatory plans.

Quick Fire Updates

19. Mourant Guides and Updates

Mourant has uploaded the following Cayman Updates and Guides to our website over the last quarter:

- [Cayman Islands Key Filing Dates 2025](#)
- [Cayman Islands beneficial ownership regime – Steps guide](#)
- [The Cayman Islands beneficial ownership regime](#)
- [Mutual funds in the Cayman Islands](#)
- [Private funds in the Cayman Islands](#)
- [Investment funds in the Cayman Islands](#)
- [CRS comprehensive reviews in the Cayman Islands – How to get ahead](#)
- [Economic substance in the Cayman Islands](#)
- [Cayman Islands exempted companies - Directors' duties and liabilities](#)
- [Cayman Islands AML Training](#)

Contacts



Hector Robinson KC
Partner
Mourant Ozannes (Cayman) LLP
+1 345 814 9114
hector.robinson@mourant.com



James Broad
Partner
Mourant Ozannes (Hong Kong) LLP
+852 3995 5722
james.broad@mourant.com



Sara Galletly
Partner
Mourant Ozannes (Cayman) LLP
+1 345 814 9233
sara.galletly@mourant.com