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Cayman Islands beneficial ownership regime – Steps guide

October 2024

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Steps guide – Determining reporting requirements

This Steps Guide is to assist clients with Cayman Islands entities to:

- A. determine whether they are required to report under the Cayman Islands beneficial ownership regime (the **BO Regime**); and
- B. where applicable, assist in identifying registrable beneficial owners of the relevant entity.

Please answer the following questions in respect of each Cayman Islands entity. For further information and support, reach out to your usual Mourant contact or any of the contacts listed below.

A. DETERMINING REPORTING REQUIREMENTS

Step 1. In scope

Is the entity:

- a trust; or
- a foreign company or partnership registered in the Cayman Islands?

Yes → The entity is outside the scope of the Cayman Islands BO Regime and there is no need to continue with further steps in this guide.

No → The entity falls within the definition of a 'Legal Person' for the purposes of the Beneficial Ownership Transparency Act, 2023 (the **Act**) and is in scope of the BO Regime. Please continue to step 2.

Step 2. Regulated Cayman funds

Is the entity registered with the Cayman Islands Monetary Authority (**CIMA**) as a mutual fund or a private fund?

Yes → The entity may¹ provide their corporate services provider with details of a **contact person** for beneficial ownership purposes. This contact person must be either a licensed fund administrator or another person licensed or registered with CIMA. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 3.

Step 3. Listed on a stock exchange

Is the entity listed on the Cayman Islands Stock Exchange or an approved stock exchange²?

Yes → The entity may³ provide their corporate services provider with the name and jurisdiction of the approved stock exchange. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 4.

Step 4. Subsidiary of a listed entity

Is the entity a subsidiary⁴ of an entity that is listed on the Cayman Islands stock exchange or an approved stock exchange?

Yes → The entity may⁵ provide their corporate services provider with the name and jurisdiction of the approved stock exchange and details of relationship to the listed entity. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 5.

Step 5. Licensed entities

Is the entity licensed⁶ with CIMA?

Yes → The entity may⁷ provide their corporate services provider with the regulatory law under which the entity is licensed. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → The entity will be required to identify and report its beneficial owners. Please continue to step 6 in '**B. Establishing registrable beneficial owners**'.

¹ If the entity chooses not to provide the details of a contact person to their corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 3 of this guide.

² The approved stock exchanges are listed in Schedule 4 of the Companies Act (2023 Revision) as amended by the Companies (Amendment of Schedule 4) Order, 2023 which is linked [here](#).

³ If the entity chooses not to provide the details of the stock exchange to its corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 4 of this guide.

⁴ See definitions section on the next page.

⁵ If the entity chooses not to provide the details of the stock exchange to its corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 5 of this guide.

⁶ This does not include registered persons under the Securities Investment Business Act (2020 Revision) or the Virtual Asset Service Providers Act (2024 Revision) (both as amended).

⁷ If the entity chooses not to provide the details of the regulatory law under which it is licensed, the entity is required to consider and report its registrable beneficial owners. Please go to part B of this guide.

Steps Guide - Establishing registrable beneficial owners

B. ESTABLISHING REGISTRABLE BENEFICIAL OWNERS

Step 6. Ownership or control

Does any individual⁸ directly or indirectly (but not through a reportable legal entity)⁹ hold 25% or more of the shares, voting rights or partnership interests in the entity (other than solely in the capacity of a professional advisor or professional manager)?

Yes → Any such individual (or DBO) will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 7 to establish if there are any other registrable beneficial owners in relation to the entity.

No → Please continue to step 7.

Step 7. Ultimate effective control

Does any individual otherwise exercise ultimate effective control over the management of the entity (other than solely in the capacity of a professional advisor or professional manager)?

Yes → Any such individual (or DBO) will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 8 to establish if there are any other registrable beneficial owners in relation to the entity.

No → Please continue to step 8.

Step 8. Control through other means

Does any individual exercise control of the entity through other means (other than solely in the capacity of a professional advisor or professional manager)?

Yes → Any such individual (or DBO) will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 9 to establish if there are any other registrable beneficial owners in relation to the entity.

No → Please continue to step 9.

Step 9. Individual registrable beneficial owners

The required particulars of each individual registrable beneficial owner (or DBO) identified under steps 6 to 8 above must be recorded in the beneficial ownership register.

Please skip to step 12 to establish if there are any reportable legal entities in relation to the entity.

Step 10. Trustees

Is there a trustee of a trust that meets any of the requirements of steps 6 to 8 above that has ultimate effective control over the activities of the trust (other than solely in the capacity of a professional advisor or a professional manager)?

Yes → Any such trustee will be a registrable beneficial owner and their details must be reported accordingly. Please skip to step 12 to establish if there are any reportable legal entities.

No → Please continue to step 11.

Step 11. Senior managing official

Where no individual (or DBO) has met steps 6 to 10, a senior managing official of the entity must be identified as the contact person for beneficial ownership purposes, but such person will not be a beneficial owner.

Please continue to step 12 to establish if there are any reportable legal entities in relation to the entity.

Step 12. Reportable legal entities

Are there any Cayman Islands reportable legal entities that hold a direct interest in the entity (other than a foreign company, foreign entity or a foreign limited partnership) such that if it were an individual, it would be a beneficial owner of the entity?

Yes → Any such reportable legal entity will be a registrable beneficial owner and the reportable legal entity's details must be reported accordingly.

No → There are no reportable legal entities identified in relation to the entity.

Definitions

DBO means a deemed beneficial owner as described in footnote 8 below.

Legal Person includes the following Cayman Islands entities:

- companies, limited liability companies and foundation companies; and
- exempted limited partnerships, limited partnerships and limited liability partnerships).

Professional advisor includes a lawyer, an accountant or a financial advisor, who provides advice or direction in a professional capacity.

Professional manager includes a liquidator, a receiver or a restructuring officer who exercises a statutory function.

Reportable legal entity in relation to a Legal Person means another Legal Person (other than a foreign company, foreign entity or a foreign limited partnership) that if it were an individual would be a beneficial owner of the first mentioned legal person.

Senior managing official includes a director or a chief executive officer of the legal person. The senior managing official is the person who exercises control of the legal person.

A legal person is a **subsidiary of a listed entity** if:

- the listed entity holds 75% or more of the shares or voting rights in the subsidiary legal person;
- the listed entity exercise ultimate effective control over the subsidiary legal person; or
- the listed entity controls the subsidiary legal person by other means.

Ultimate effective control is defined as including ownership or control exercised through a chain of ownership or by means of control other than direct control.

⁸ For the purposes of the Act, the following persons are treated as individuals: (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 governments); and (d) a public authority. If these persons are identified as a registrable beneficial owner, these persons are treated as 'deemed beneficial owners' for the purposes of the beneficial ownership regime.

⁹ If an individual holds their interest in the entity indirectly through a second Cayman Islands legal person which is classified as a reportable legal entity (see Step 12), then the reportable legal entity but not the individual indirect interest-holder will be a registrable beneficial owner of the entity.

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