



Ministry of Financial
Services & Commerce
Cayman Islands Government

Media Release

Public Input Sought for Revamped Beneficial Ownership Legislation

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Comments are welcomed on Government's proposals to reshape the Cayman Islands' beneficial ownership legislation, including by creating a single act to make the legislation more effective in fighting crime.

The [consultation paper](#), titled *Enhancement of the Beneficial Ownership Framework*, includes questions for the public to answer. The consultation was issued today, and it will close on Monday, 4 October.

A "beneficial owner" is a person who ultimately owns or controls an entity, although the entity may be held in another name.

"This consultation is important, because a strong beneficial ownership framework strengthens our commitment to fight criminality not just locally, but also globally," said Minister of Financial Services, the Hon. André Ebanks.

"Government's proposals are therefore intended to place Cayman in an even stronger position with global standards that fight criminal activity, such as money laundering and terrorist financing; and, at the same time, creating a more streamlined and concise legislative act."

The concept of beneficial ownership has been around for quite some time. However, Minister Ebanks noted that in 2017, Cayman and other UK Overseas Territories entered into agreements, called Exchange of Notes, with the UK. These further strengthened the territories' respective beneficial ownership frameworks.

"But as global standards for these frameworks continue to evolve, it's necessary to revisit ours to ensure such standards are observed in a proactive, transparent, orderly manner," Minister Ebanks said.

After a holistic review of the legal acts that make up Cayman's beneficial ownership framework, the consultation paper's proposals take account of:

- Current global standards for beneficial ownership, set by the Financial Action Task Force, which develops policies for anti-money laundering and terrorist financing that are followed by countries worldwide.
- Cayman's 2019 commitment to introduce a public beneficial ownership register by 2023, which is when the global standard is expected to be modified to include public registers.
- Feedback to date from Cayman's financial services industry.
- Data security.

Based on the above, the Ministry is asking the public to comment on six main proposed changes to the

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existing framework.

1. Creating a single act for beneficial ownership, in line with other jurisdictions including the Bahamas, the Isle of Man, Guernsey, Jersey, and the British Virgin Islands.
2. Including limited partnerships and exempted limited partnerships into the framework, in anticipation of changes to the global standard.
3. Requiring additional data reporting, including the nationality of the beneficial owner and the mechanism by which the beneficial owner holds control.
4. Reducing filing duplications, as much as possible, to make it easier for the financial services industry to file beneficial ownership information with General Registry, which is the competent authority for this purpose. A "competent authority" is a person or organisation that has legal authority to perform a specific function. In this case, General Registry is the competent authority for receiving, maintaining and providing access to the beneficial ownership register.
5. Improving access to beneficial ownership information for other local and international competent authorities and financial institutions, in preparation for public access.
6. Obligating those accessing beneficial ownership information to inform General Registry of any discrepancies in the information.

Three key acts - Companies, Limited Liability Companies, and Limited Liability Partnership - would be amended under the proposals. Minister Ebanks also said consequential amendments to any other act that references beneficial ownership provisions would be made.

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