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CAYMAN ISLANDS: OVERVIEW

The Cayman Islands consists of a group of three islands in the Caribbean: Little Cayman, Cayman Brac and Grand Cayman. The main Island, Grand Cayman, is situated approximately 480 miles southeast of Miami.

Population

The population is approximately 60,000.

Political Structure

The Cayman Islands are a British colony and therefore the United Kingdom Parliament at Westminster retains the right to legislate. A “Governor” who is appointed by Queen Elizabeth II heads the Cayman Islands Government. There is a Legislative Assembly consisting of 18 seats; 3 appointed members from the Executive Council (Financial Secretary, the Attorney General, and Administrative Secretary) and 15 members elected by popular vote. An Executive Council, consisting of three official members appointed by the Governor and four members elected by the Legislative Assembly, formulates policy and advises the Governor. Appointments are to a four-year term; the last Election being held in May 2005 and is next due in 2009.

Infrastructure and Economy

The economy of the Islands is strong, enjoying full employment with most of the revenue being derived from the financial services sector and tourism. Miami is one hour away by air and the Island has direct air links with New York, Atlanta, Tampa, Houston and Jamaica.

Language

The official and spoken language is English.

Currency

Caymanian Dollar.

CAYMAN ISLAND COMPANIES: ADVANTAGES

- 540 Banks are represented on the islands
- Premier hedge fund jurisdiction
- Top legal services

CAYMAN ISLANDS COMPANIES: QUICK FACTS

Company Law	Companies Law (2002 Revision)
Type of company	Exempt Company
Standard Capital	USD 50,000 would generally be used as this is the maximum level for which minimum government fees apply
Annual fees paid to authorities	Exempt companies with an authorized share capital of up to USD 50,000 pay USD 636. Companies with an authorized capital exceeding USD 50,000 but up to USD 1 million pay USD 820 per year Companies with an authorized capital exceeding USD 1 million but up to USD 2 million pay USD 1,730 per year Companies with an authorized capital exceeding USD 2 million pay USD 2,460 per year
Taxation rates applied to companies generally	Nil. The company can apply for a 20 year guarantee against taxation, which can be extended to 30 years upon application
Length of time to incorporate	3-5 days
Minimum members	Minimum one, Individual or Corporate
Registered office	Yes, must be maintained in the Cayman Islands at the address of a licensed management company or law firm. A local registered agent must also be appointed.
Directors	Minimum one, individual or corporate. A register of directors must be filed with the Registrar but is not open to public inspection
Must a Director / Secretary be resident?	No
Is an AGM required?	No
Need to file an Annual Return	Each company files an annual return, which takes the form of a simple declaration

Must financial statements be prepared and/or audited?	No
Is disclosure of profits required by filing balance sheets with annual returns?	No
Necessary to keep share registers?	Yes, at registered office
Necessary to file share register with Registrar?	No
Share Register open to inspection by public?	No
Any exchange controls or other financial restraints imposed?	None
Is re-domiciliation into the jurisdiction allowed?	Yes
Language of incorporation	English
Confidentiality	The Confidential Relationships (Preservation) Law makes it a criminal offence to divulge confidential information or to willfully obtain or attempt to obtain confidential information relating to a Cayman Island company. However, this confidentiality is being eroded by subsequent legislation and mutual assistance treaties whereby there will be disclosure of information in criminal offences, including tax offences.
Are bearer shares allowed?	Yes, but must be immobilized by lodging with an authorized custodian within the islands which brings additional costs