

Key Facts

Companies and Partnerships

The Cayman Islands is a mature, sophisticated and strongly regulated jurisdiction, with an established 'gold standard' reputation among international investors, a highly experienced professional community and a sophisticated and well-respected English law court system. The most popular type of Cayman Islands company is the Exempted Company.

Offshore Companies Exempted Companies

The most common form of company in the Cayman Islands is the Exempted Company. An Exempted Company may not trade in the Cayman Islands. However, in connection with its business activities carried on outside the Islands, the company may conclude contracts and exercise in the Cayman Islands all of the powers necessary for such business.

Features of an Exempted Company

- Shares can be issued without a nominal or par value.
- Minimum requirement of one Shareholder and one Director.
- Shareholder and Director registers are not available for public inspection.
- Shareholder meetings are not required.
- No minimum share capital is required and can be expressed in any currency, including Euros.
- Bearer shares can be issued (subject to their deposit with an approved custodian).
- Annual government declaration requires confirmation that Memorandum and Articles have not changed, that the operations of the company are mainly outside the Cayman Islands and that the

provisions of the Companies Law have been complied with and all Bearer Shares are retained by an approved custodian.

- Memorandum and Articles of Association may be altered by the Shareholders without restriction.
- Tax exemption can be obtained for an initial period of 20 years.
- The Registrar must give one month's notice before taking any action to strike off an Exempted Company.
- Minimum government fee is US\$732 upon incorporation and US\$855 annually thereafter (payable in January of each year).
- Maximum authorised capital allowed for the minimum government fee is US\$51,219 (CI\$42,000).
- Company can be formed and registered within one to two working days providing due diligence is in order.
- Foreign companies from approved jurisdictions may apply to be registered by way of continuation as a Cayman Exempted Company.
- The Registrar is only allowed to release the name of the company, its incorporation date, file number and status, and the location of the Registered Office. No public record is maintained of the names of Shareholders or Directors of the company.

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Limited Duration Companies & Companies Limited by Guarantee

Onshore fiscal authorities (for example, United States, Japan) will treat as partnerships companies which include in their corporate structure features customarily found in partnerships. To assist users of these corporate “pass-through” entities, the Companies Law permit Exempted Companies to terminate their corporate existence on the occurrence of one or more events.

In addition, such companies (also known as Limited Liability Companies) may issue two classes of shares, one with the benefit of limited liability and one with unlimited liability.

The Companies Law also permits Shareholders of an Exempted Company to guarantee the debts of the company to their full extent or to a limited extent.

Exempted Companies with these features are incorporated using special Memoranda and Articles of Association.

Limited Liability Companies (LLCs)

LLCs became available in 2016 following the enactment of The Limited Liability Companies Law (2016). An LLC is a hybrid vehicle incorporating characteristics of both an exempted company and an exempted limited partnership, and is similar to its Delaware counterpart. The flexible nature of the LLC makes it well-suited for a broad range of corporate and commercial applications. The LLC is governed by an LLC Agreement between its members. The LLC Agreement sets out the rights and duties of the members, the provisions and procedures for being admitted or retiring from the LLC, the transferring of interests, contributions of the members, the allocation of profits and losses, the appointment of managers and their duties and liabilities, the execution of documents, meeting requirements, and winding-up provisions etc. Unlike a company,

an LLC does not have a board of directors. The management of the LLC, subject to the LLC Agreement, is vested in its member(s), or if provided by the LLC Agreement, by one or more managers.

The formation of an LLC requires the initial member(s) to file a registration statement with the Registrar of LLCs. The registration statement sets out the name, the general nature of the business, the address of the Registered Office, the term of the LLC (if applicable), and contains a declaration that the LLC will not undertake business with the public in the Cayman Islands, other than in furtherance of its business outside the Islands. An LLC can be formed and registered within one to two working days providing due diligence is in order.

Key Features of an LLC

- An LLC is a body corporate with separate legal personality and limited liability.
- The LLC may be formed to carry on any lawful business, purpose or activity not prohibited under the LLC Agreement or any laws of the Cayman Islands.
- The LLC may (but is not required to) use one of the following suffixes in its name, “Limited Liability Company,” “LLC,” or “L.L.C.”
- Unlike an Exempted Company, an LLC does not have a share capital. The members are issued interests or classes of interests, allowing for flexible internal accounting and record keeping.
- The LLC’s hybrid nature allows for greater flexibility than a company, particularly in respect of its management and organization and in the manner it can allocate profits and losses.
- The LLC must have at least one member and may be managed by a ‘managing member’ or by a non-member manager(s).

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- The registration of an LLC is simple requiring the filing of a registration statement and payment of the registration fee (US\$976).
- The LLC is required to file an Annual Return (which the Registered Office handles), and pay an annual government fee to the Registry of US\$976 each January following incorporation.
- The LLC must maintain the following registers (which are not public record):
 - Register of Members (required to be updated within 21 days of any change in particulars).
 - Register of Security Interests (required to be updated within 21 days of any change in particulars).
 - Register of Managers. (This register must be filed with the Registrar here, and any updates notified to the Registry within 60 days of any change in particulars).
 - Register of Mortgages and Charges.
 - Register of Beneficial Ownership (unless the LLC falls within an exemption category).
- A Tax Exemption Certificate can be obtained from the Cayman Islands Government for an initial period of 50 years on payment of the prescribed fee.
- A Cayman Exempted Company (but not a Cayman Exempted Segregated Portfolio Company) may convert to (and re-register) as an LLC and foreign entities can migrate to the Cayman Islands and re-register as an LLC.

Foreign Companies

Any company incorporated outside of the Cayman Islands that establishes a presence in the Cayman Islands for the conduct of non-Cayman business must submit the following information to the Registrar of Companies:

- A copy (in English), certified and authenticated under public seal, of its Memorandum and Articles of Association (or equivalent).

- A list of the company's Directors and Officers, including the address and nationality of each.
- The address of the company's Registered Office in the Cayman Islands, or the name and address of a person resident in the Cayman Islands who is authorised to accept service of process for the company.
- Every foreign company must exhibit at its place of business in the Islands, and must state on all letterheads, notices, bills, advertisements and other publications its name, its country of incorporation and the fact that the liability of its members is limited.

Local Companies

All entities that wish to carry on a business within the Cayman Islands are required by law to obtain a Trade and Business Licence and may also require a local Companies (Control) Licence. Banks, Trust Companies, Insurance Companies, Company Management Companies and Mutual Fund Administrators are also subject to specific local regulations.

Company Regulation

The Registration and Control of Companies is governed by the Companies Law. The administration of the Companies Law is under the supervision of the Registrar of Companies.

A company may be formed by one or more persons (the subscribers) affixing their signature to the company's Memorandum and Articles of Association and submitting those documents for registration with the Registrar of Companies. The subscribers represent the initial owners of the company. Such ownership can be transferred at any time or can be held in a nominee capacity for others.

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Mutual Funds

The Cayman Islands is the leading Caribbean centre for the location and operation of offshore mutual funds. All of the professional and technical support services required for the efficient and cost-effective management of offshore funds are available in the jurisdiction.

Our fund administration service covers a broad range of activities including a comprehensive accounting service, shareholder communications, accepting subscriptions, payment of dividends, providing net asset valuations, offering and redemption price calculations and the actual redemption of shares.

Our professional and administrative staff have had extensive experience in the establishment and administration of funds catering to the institutional and high net-worth investor markets.

Information on our fund services can be found in Trident Trust's Fund Services brochure on our website.

Banks

To avoid the cost of establishing their own physical presence most Cayman licenced banks contract with local institutions to provide a range of local services. We provide a bank administration service which includes dedicated fax and phone lines, office space, acceptance, investment and transfer of funds, record-keeping, financial statement preparation and liaison with local auditors. We also undertake bank licence applications on behalf of clients and generally assist in the liaison on an ongoing basis with the Inspector of Banks. Licensing is limited to affiliates of internationally recognised institutions.

Partnerships

Partnerships may be established subject to either the Partnership Law, or the Exempted Limited Partnership Law. The Exempted Limited Partnership Law was enacted in response to a need by advisors for an offshore counterpart to the limited partnership laws available in a number of onshore jurisdictions such as the United States, Japan and the UK. The legislation has been widely used in the mutual funds industry.

Formation of an Exempted Limited Partnership requires the registration of a statement about the partnership which includes the name, identity of the general partner, the location of the Cayman Islands Registered Office, the general nature of the business, its date of commencement and duration, and a declaration that the partnership shall not undertake business with the public in the Cayman Islands. The general partner must be either an individual resident in the Cayman Islands, or another Cayman Islands limited partnership, or, as is most frequently the case, a company incorporated in the Cayman Islands. Redemption of partnership interests does not require dissolution of the partnership provided the redemption does not render the partnership insolvent.

Aircraft Registration Services

The Cayman Islands is home to a growing aircraft registry administered by the Civil Aviation Authority. Private and corporate jets are listed from such manufacturers as Cessna Citation, Beechcraft, Boeing and Airbus.

Trident Trust is able to assist with the formation of companies to own the aircraft as well as with the registration process itself.

Accounting Services

Trident Trust is able to offer in-house accounting services for locally registered overseas businesses.

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Our accounting staff is experienced in a wide range of accounting applications. Fees are charged at an hourly rate for this service.

Liquidation Services

We are able to assist with the voluntary liquidation of Cayman Islands companies. These services include, providing the Liquidator in certain circumstances, registering the liquidation, accounting services, contacting Shareholders, maintaining bank records and distributing funds. Fees are charged at an hourly rate for this service.

Legalisation Services

We are able to arrange for the legalisation of most types of original documents under the terms of the Hague Convention. We are able to certify that a document is a true copy and have it legalised.

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