

CAYMAN BENEFICIAL OWNERSHIP REGIME: INFORMATION REQUESTS BY THE COMPETENT AUTHORITY

At a Glance

- Registered mutual and private funds using the licensed fund administrator or contact-person route are responsible for ensuring that requested beneficial ownership information is provided to the Competent Authority within 24 hours, or at such other time as the Competent Authority may reasonably stipulate.
- The Competent Authority may request extensive supporting information concerning ownership, control, investors and intermediate entities.
- A section 24 request must be answered within the period and in the manner specified.
- Failure to comply may result in an administrative fine of CI\$5,000.
- Cayman entities should ensure that relevant records can be retrieved promptly.

Regulatory Framework

The Cayman Islands beneficial ownership regime is governed principally by the Beneficial Ownership Transparency Act (2026 Revision) ("**BOTA**"), together with the Beneficial Ownership Transparency Regulations (2026 Revision). The regime requires Cayman Islands legal persons to identify and maintain prescribed information concerning their beneficial owners and forms part of the Cayman Islands' implementation of international standards and best practices regarding beneficial ownership transparency, including the recommendations of the Financial Action Task Force ("**FATF**").

Categories and Routes to Compliance

BOTA prescribes different compliance requirements according to the category into which a legal person falls. Broadly, certain legal persons, including entities listed on an approved stock exchange, entities licensed under a regulatory law, registered mutual or private funds and entities exempted by the Cabinet, may satisfy the applicable requirements by providing written confirmation of their category and the prescribed particulars, rather than identifying and reporting their registrable beneficial owners in the ordinary manner.

In particular, a fund registered under the Mutual Funds Act or Private Funds Act may elect to provide the prescribed particulars, including the contact details of a licensed fund administrator or another contact person located in the Cayman Islands, instead of identifying and reporting its registrable beneficial owners in the ordinary manner. Where this route is used, the legal person is responsible for ensuring that the licensed fund administrator or contact person provides beneficial ownership information requested by the Competent Authority for Beneficial Ownership (the "**Competent Authority**") **within 24 hours of the request, or at such other time as the Competent Authority may reasonably stipulate.**

Information Requests by the Competent Authority

Under BOTa, the Competent Authority has statutory powers to request information and supporting documentation, including for the purpose of verifying the accuracy of beneficial ownership information. Under section 24(1) of BOTa, the Competent Authority may, by notice in writing, request information or documentation from a legal person or corporate services provider. The recipient must comply with the notice **within the period and in the manner specified in the request**.

Given the potentially short timeframe for responding to such requests, Cayman entities and their relevant service providers should ensure that beneficial ownership information and supporting documentation are maintained and readily available.

Information and Documents That May Be Required

Depending on the nature, structure and circumstances of the relevant legal person, the Competent Authority may require the legal person, its corporate services provider or its appointed licensed fund administrator or contact person, as applicable, to provide some or all of the following information and supporting documents:

1. Constitutional documents, including, as applicable, the memorandum and articles of association, partnership agreement, trust deed or LLC agreement.
2. A current organisational and ownership chart showing the full ownership and control structure of the entity.
3. Offering and investor documentation, including any offering memorandum, summary of terms and subscription agreements.
4. A certified copy of the certificate of registration issued by the Cayman Islands Monetary Authority ("**CIMA**").
5. Corporate documents for intermediate entities, comprising certified copies of their certificates of incorporation or registration and registers of members.
6. The identity and jurisdiction of all founders, sponsors, promoters and investors.
7. The identity of persons meeting the applicable beneficial ownership thresholds, including natural or legal persons holding economic interests or voting rights.
8. The identity of persons exercising control through other means, including through appointment powers, management authority, veto rights or other forms of significant influence.
9. Certified identification and address verification documents for natural persons identified as beneficial owners or controllers, including persons exercising ownership or control through a legal person.

Consequences of Non-Compliance

Failure to comply with a request within the period and in the manner specified may constitute a breach of section 24(2) of BOTa and may result in an administrative fine of CI\$5,000.

Accordingly, entities receiving an information request from the Competent Authority should not treat it as a routine request. Directors, fund operators, investment managers, administrators and corporate services providers should promptly identify the information and documents required and coordinate their response within the prescribed period.

What Clients Should Do

Clients with Cayman Islands investment funds, companies, partnerships or other Cayman structures should:

- review their beneficial ownership information to ensure that it is adequate, accurate and up to date;
- ensure that their ownership and control structures are properly documented;
- confirm that relevant constitutional, corporate, investor, identification and address verification documents can be readily retrieved;
- ensure that their registered office, corporate services provider, fund administrator and other relevant service providers have appropriate procedures for promptly escalating any request received from the Competent Authority; and
- seek legal advice promptly upon receipt of a request, particularly where its scope or the applicable deadline is unclear.

If additional time is required, the Competent Authority should be contacted without delay to request an extension.

For further information regarding the Cayman Islands beneficial ownership regime, or for assistance in responding to an information request from the Competent Authority, please do not hesitate to contact us.