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Ministry of Finance Financial Services Secretariat

Fact Sheet / Background

Statement on Redomiciliation of Cayman Islands Companies

Certain U.S.-managed companies domiciled in the Cayman Islands have taken steps to redomicile their registered offices to other jurisdictions in Europe, with directors citing 'reputational, political and tax issues' as the main reasons for this change.

Whilst the Cayman Islands Government fully respects the decisions of boards and shareholders of these firms in this regard, the following provides factual information illustrating that the issues identified by these companies as rationale for their redomiciliation are not congruent with the current credentials of the Cayman Islands as a transparent international financial services centre.

- The Cayman Islands has long-established that our business is not built around tax evasion and that we have no difficulty with effective cooperation in tax matters.
- The Cayman Islands has complete tax and regulatory transparency with relevant U.S. authorities. A July 2008 report by the U.S. Government Accountability Office (GAO) on U.S. financial interests in Cayman included the following: "factors that attract U.S. related financial activity to the Cayman Islands include its reputation for stability and compliance with international standards, its business friendly regulatory environment and its prominence as an international financial center."
- The Organisation for Economic Development and Cooperation's (OECD) assessments ['Tax Cooperation: Towards a Level Playing Field'; published annually since 2006] establish that Cayman has the tax cooperation gateway and associated transparency at OECD standard.
- The Cayman Islands is on the OECD 'white list' of jurisdictions that substantially implement international tax information exchange standards. The Cayman Islands currently has 14 bilateral arrangements with the following countries for the provision of tax information: Denmark, Faroe Islands, Finland, France, Greenland, Iceland, Ireland, the Netherlands, Netherlands Antilles, New Zealand, Norway, Sweden, the United States and the United Kingdom. The Cayman Islands has ongoing negotiations with several other OECD and G20 jurisdictions.
- The Cayman Islands Monetary Authority (CIMA), the country's principal financial regulator, has a statutory obligation to cooperate with overseas regulatory authorities on a worldwide basis under the regime delineated in the Monetary Authority Law, and has extensive powers in that regard. Since 2000, CIMA has handled more than 990 requests for assistance from overseas regulatory authorities



- While not a pre-requisite for cooperation, CIMA has 15 Memoranda of Understanding (MoUs) and other information-exchange agreements with financial regulators in Argentina, Bermuda, Brazil, Canada, Jersey, Jamaica, Isle of Man, Malta, Panama, the United Kingdom (Financial Services Authority) and the United States (Securities and Exchange Commission and Commodity Futures Trading Commission). CIMA also has an MoU with the Brazil Central Bank and a multi-lateral MOU with eight Caribbean regulators.
- Also in the law enforcement arena, since signing a Mutual Legal Assistance Treaty with the U.S. in 1986, the Cayman Islands and the U.S. have cooperated in some 243 requests for assistance under the Treaty, resulting in successful law enforcement actions. Assets seized under such actions have been both shared by the U.S. and the Cayman Islands under an asset-sharing agreement as well as returned to the U.S. for restitution to victims of fraud and other crimes.
- A November 2007 third-round AML/CFT evaluation of the Cayman Islands by the Caribbean Financial Action Task Force found that the legislative provisions and measures for mutual [legal] assistance are comprehensive and effective (para. 676). The full CFATF evaluation can be accessed from www.cfatf.org.
- A 2009 assessment by the International Monetary Fund found the Cayman Islands to have a generally sound framework in place for the provision of mutual assistance though domestic law and international treaties and arrangements. In relation to the international cooperation elements of the international standards for banking (Basel), securities (IOSCO) and insurance (IAIS), the assessment reports a high level of compliance. The full IMF assessment can be accessed from www.imf.org.

For more information

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