



The Cayman Islands: Financial Services Industry

Fully committed to openness and transparency

■ Tax, law enforcement and regulatory authorities (including the HMRC, the IRS, and authorities in all EU Member States and all other G20 countries) have access to all beneficial ownership information on Cayman structures.

■ Such information has been shared for 15 years; to date, Cayman now shares this information with more than 100 countries.

■ Cayman is an early adopter of the new global standard for automatic exchange of information for tax purposes, and this year we will implement a new, technology-based centralised platform to enable UK officials to obtain details on beneficial ownership within 24 hours, seven days a week.

■ Similar to what we've established with the UK, Cayman has publicly offered to enter into exchange agreements with other jurisdictions until a new automatic reporting of beneficial ownership initiative has been developed.

■ We fully support the BEPS inclusive framework and country-by-country reporting, and we've begun work to consider the relevant aspects of the initiative for local adoption in 2017.

■ Cayman is a regular and active member in the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, and strongly value our open dialogue with the other 138 members.

We continue to maintain standards in line with international developments and we constantly update our framework to ensure that we continue to receive favourable assessments.





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Strong regulatory framework and a culture of compliance with international standards

■ Cayman is recognised by the OECD, the IMF and other international bodies as having regulatory standards consistent with those of other major developed countries.

■ The OECD Global Forum's peer review rated Cayman "largely compliant" in 2013 – a rating shared with Germany, Italy, the US and the UK.

■ The Financial Stability Board's evaluation of our adherence to global regulatory and supervisory standards on international cooperation and information exchange found Cayman to be "sufficiently strong" – the highest assessment possible – in 2011.

■ We're continually strengthening our regulatory framework, with an active legislative agenda for new laws and amendments as identified by our regulatory agencies. Cross-agency deliberation is facilitated through a ministry dedicated to the financial services industry, as well as an Anti-Money Laundering Steering Group comprising both regulatory and law enforcement agencies.



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First-class financial services expertise within a respected International Finance Centre

■ Cayman is a world leader in investment funds and international mergers, trust and company management services

■ According to IMF data, in 2015 foreign direct investment from EU countries into Cayman was about US\$45 billion. However, investment flowing from Cayman to the EU amounted to about US\$201 billion

■ Because we do not add a direct local tax, more funds are available for foreign investment. Our neutrality therefore makes the Cayman Islands ideal for the effective pooling of investments from other jurisdictions, which can then be deployed into productive uses around the world. For example, IMF data shows that in 2015, direct investment into Sub Saharan Africa from Cayman was US\$31.3 million.

■ The World Bank and the International Finance Corporation are among the international organisations that use Cayman structures and remain confident in our regulatory framework.

■ The Cayman Islands is tax neutral. Our system does not add a layer of local tax over and above that which is payable to another country.

■ The Cayman Islands has never had a direct tax system, and has never had a preferential tax regime.



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■ Public revenue is consumption based, with import duties accounting for roughly 25% of total revenue. Revenue from financial services is significant, with roughly 20% of total revenue from the registration of legal entities and 15% relating to fees from regulated entities.

■ Our industry is home to first-rate service providers within our investment funds, asset management, banking, insurance, capital markets and trusts sectors, supported by world-class fiduciary, legal, and accounting services.

Investment activity undertaken through Cayman does not mean that investors cease to be liable for taxes under their domestic systems. This is where Cayman's transparency in sharing tax information with other jurisdictions becomes important.





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Factsheet statistics (for 2015):

General

POPULATION
60,000
PEOPLE

GDP
US\$3.3
BILLION

IMPORTS
US\$908
MILLION

GOVERNMENT
REVENUE
US\$800.7
MILLION

GOVERNMENT
EXPENDITURE
US\$700.7
MILLION

GOVERNMENT
DEBT
US\$608.3
MILLION

European Market

■ Number of banks with European parents: **36 (22%)**

■ Cayman Islands banking sector provides net inflows to Europe of approximately US\$74 billion in assets and US\$89 billion in liabilities

■ Cayman Islands funds sector reported Net Asset Value of US\$569 billion for 1,389 funds for investment managers located in European countries

■ Cayman Islands insurance sector included 14 captive insurance companies from European countries with total assets of US\$858 million

Investment Flows

■ Portfolio investment inflows from Europe to Cayman was US\$352 billion

■ Portfolio investment outflows to Europe from Cayman was US\$262 billion (excludes insurance, trusts and pensions)

■ Direct investment inflows from Europe to Cayman was US\$15.8 million

■ Direct investment outflows to Europe from Cayman was US\$18.0 million