



Cayman Islands Companies Law - imminent changes to the requirements for filing of the Register of Directors and Officers and waiver period



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Every Cayman Islands company is required to keep at its registered office a register containing the names and addresses of its directors, including alternate directors and officers (the “Register”). Further, a Cayman Islands company is required to notify the Registrar of Companies (the “Registrar”) of changes to the Register in a timely manner. Changes to the Cayman Islands Companies Law¹, which were recently passed by the Legislative Assembly, have the effect of increasing certain time limits to file the Register and reducing the penalties associated with late filing of the Register.

Filing Requirements and Penalties associated with late filing

Notable changes are as follows:

1. Register filing deadlines will be set at sixty (60) days. The first Register will need to be filed within sixty (60) days of the registration of the company (previously 90 days).
2. Extending the previous deadline by 30 days, a company is required to notify the Registrar within sixty (60) days of any changes to the information in the Register (including a change in name of any director or officer).
3. In the event a company fails to notify the Registrar of 1 or 2 above, the company shall incur a maximum penalty of CI\$500. The penalty is significantly reduced from CI\$1000 plus the daily penalty thereafter.
4. Where there is more than one change to the Register and (i) the changes occurred within a sixty (60) day period; and (ii) the Registrar is notified of the changes on the same day, the applicable penalty for the breach is CI\$500 irrespective of the number of changes notified. Previously a separate fee was payable for each change to the Register even if filed in the same Register entry on the same day.
5. A new aggregate penalty cap is introduced for late filings where the penalty is incurred in respect of a change relating to the same person acting as a director or officer of more than one company. Where a

¹ The Companies (Amendment) Bill, 2015 was issued in the Cayman Islands Gazette on 17 July 2015 and passed by the Legislative Assembly on 12 August 2015. The Ministry of Financial Services advises that The Companies (Amendment) Law, 2015 will commence on Monday 2 November.



person is a director or officer of five or more companies, the aggregate penalty in respect of the companies to which the breach relates shall not exceed the sum of CI\$2500, which shall be equally apportioned between and paid by, such companies.

6. As before additional penalties apply for knowingly and willfully permitting a breach. Where the Registrar is satisfied that a breach has been knowingly and willfully authorized or permitted, in addition to the penalties referred to above, (i) every company shall incur a penalty of CI\$1,000 and (ii) every director and officer of the company to which the breach relates shall incur a penalty of CI\$1,000 and a further penalty of CI\$100 for every day during which the default continues.

Waiver Period

The Government of the Cayman Islands has confirmed that during the period 1 September 2015 to 30 October 2015 inclusive (the “waiver period”), all late penalty filing fees will be waived. The Registrar will not impose any penalty fees for the late filing of changes to the Register during the waiver period, regardless of when the changes being submitted were made and how many late changes are submitted. In addition, penalty notices that have been issued prior to the start of the waiver period, but have not been paid, will be cancelled.

Conclusion

Companies should ensure that a review of their Register is undertaken and, where necessary, take advantage of the penalty fee waiver period. The Registrar has confirmed that the filing requirements set out above will be strictly enforced at the end of the waiver period.

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