

**CAYMAN ISLANDS**



# **COMPANIES (AMENDMENT) LAW, 2020**

**(Law 4 of 2020)**

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**CAYMAN ISLANDS****COMPANIES (AMENDMENT) LAW, 2020****(Law 4 of 2020)****Arrangement of Sections**

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## CAYMAN ISLANDS

(Law 4 of 2020)

I Assent,



**Martyn Roper**  
Governor

Date: 10th day of February, 2020

# COMPANIES (AMENDMENT) LAW, 2020

(Law 4 of 2020)

**A LAW TO AMEND THE COMPANIES LAW (2020 REVISION) TO INCREASE THE EFFECTIVENESS OF THE BENEFICIAL OWNERSHIP REGIME; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

## Short title and commencement

- (1) This Law may be cited as the Companies (Amendment) Law, 2020.
- (2) This Law shall come into force on such date as may be appointed by Order made by the Cabinet and different dates may be appointed for different provisions of this Law and in relation to different matters.

## Amendment of section 2 of the Companies Law (2020 Revision) - definitions and interpretation

- The *Companies Law (2020 Revision)*, in this Law referred to as the “principal Law”, is amended in section 2 by inserting in the appropriate alphabetical sequence, the following definitions —

“ **Cayman Islands Stock Exchange**” means the Cayman Islands Stock Exchange Company incorporated under section 4 of the *Stock Exchange Company Law (2014 Revision)*; and

“**Cayman Islands exempted limited partnership**” means an exempted limited partnership registered in accordance with section 9 of the *Exempted Limited Partnership Law (2018 Revision)*;

#### **Amendment of section 40 - register of members**

3. The principal Law is amended in section 40(3)(a), by inserting after the words “rights conferred on shareholders” the words “, including the right to appoint or remove directors,”.

#### **Amendment of section 244 - interpretation**

4. The principal Law is amended in section 244(1), in the definition of “beneficial ownership register”, by inserting after the word “current” the words “beneficial ownership”.

#### **Amendment of section 245 - application**

5. The principal Law is amended in section 245(3)(a) by deleting the words “in excess of 75%” and substituting the words “seventy-five per cent or more”.

#### **Amendment of section 247 - duty of companies to identify beneficial owners**

6. The principal Law is amended in section 247(3) by deleting the words “more than 25%” wherever they appear and substituting the words “twenty-five per cent or more”.

#### **Amendment of section 252 - duty to establish and maintain beneficial ownership register**

7. The principal Law is amended in section 252 as follows —
  - (a) by repealing subsections (2) and (3) and substituting the following subsections —
    - “(2) A corporate services provider engaged for the provision of registered office services by —
      - (a) an exempted company;
      - (b) an ordinary non-resident company; or
      - (c) a company registered to carry on a special economic zone business in a special economic zone under the *Special Economic Zones Law (2017 Revision)*,shall keep the beneficial ownership register of the company.
    - (3) An ordinary resident company to which this Part applies may engage the Registrar to assist the company to establish and maintain its beneficial ownership register.



- (3A) Where an ordinary resident company does not engage the Registrar under subsection (3), the corporate services provider engaged by the ordinary resident company shall keep the beneficial ownership register of the ordinary resident company.”; and
- (b) by inserting after subsection (4), the following subsection —
- “(5) In this section —
- “**ordinary non-resident company**” means a company designated by the Financial Secretary as a non-resident company in accordance with section 2(3) of the *Local Companies (Control) Law (2019 Revision)*; and
- “**ordinary resident company**” means a company which carries on business in the Islands in accordance with section 2(2) of the *Local Companies (Control) Law (2019 Revision)*.”.

### **Amendment of section 262 - limits on searches that may be executed**

8. The principal Law is amended in section 262 as follows —
- (a) in subsection (1) by deleting the words “Subject to subsection (2), the” and substituting the word “The”;
- (b) by repealing subsection (2); and
- (c) by inserting after subsection (3), the following subsection —
- “(3A)The competent authority may execute a search of the beneficial ownership register of a company in accordance with this Part for the purpose of verifying the accuracy of the information provided by the company.”.

### **Amendment of section 277 - unlawful search or disclosure of beneficial ownership information**

9. The principal Law is amended in section 277 by deleting the words “section 262(2)” and substituting the words “section 262(3A)”.

### **Insertion of section 279A - request for additional information**

10. The principal Law is amended by inserting after section 279, the following section —
- “**Request for additional information**
- 279A.**(1) The competent authority may request by notice in writing, additional information from a company or corporate services provider for the purposes of carrying out its functions under this Part.

- (2) A company or corporate services provider which receives a notice for information under subsection (1) shall comply with the notice within the period and in the manner specified in the request.
- (3) If there is a default in complying with subsection (2), the company or corporate services provider which is in default —
  - (a) shall incur a penalty of five hundred dollars; and
  - (b) if the competent authority is satisfied that the default was knowingly and wilfully authorised or permitted, shall incur in addition to the penalty under paragraph (a), a penalty of one thousand dollars and a further penalty of one hundred dollars for every day during which the default continues.”.

**Passed by the Legislative Assembly the 31st day of January, 2020.**

**Hon. W. McKeeva Bush**  
*Speaker*

**Zena Merren-Chin**  
*Clerk of the Legislative Assembly*

