

CAYMAN ISLANDS



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2018.

**THE SPECIAL ECONOMIC ZONES LAW
(2017 Revision)**

**THE SPECIAL ECONOMIC ZONES REGULATIONS
(2018 Revision)**

Revised under the authority of the Law Revision Law (1999 Revision).

The Special Economic Zone Regulations, 2011 made the 10th January, 2012.

Special Economic Zones Regulations (2018 Revision)

Consolidated with -

The Special Economic Zone (Amendment) Regulations, 2015 made the 5th May, 2015.

The Special Economic Zone (Amendment) Regulations, 2017 made the 21st April, 2017.

Consolidated and revised this 28th day of February, 2018.

SPECIAL ECONOMIC ZONES REGULATIONS

(2018 Revision)

ARRANGEMENT OF REGULATIONS

1. Citation
2. Application for a trade certificate
- 2A. Criteria to be considered for decisions regarding grant of trade certificate
3. Trade certificate
4. Fees
 - Schedule: Application for trade certificate pursuant to section 14 of the Special Economic Zones Law (2017 Revision)
 - Schedule: Fees
 - Schedule: Guiding Principles for criteria to be considered for decisions regarding the grant of a trade certificate for the Cayman Enterprise City Special Economic Zone

SPECIAL ECONOMIC ZONES REGULATIONS

(2018 Revision)

- | | |
|---|--|
| 1. These Regulations may be cited as the Special Economic Zones Regulations (2018 Revision). | Citation |
| 2. An application for a trade certificate issued pursuant to section 17 of the Law shall be as set out in Form 1 of Schedule 1. | Application for a trade certificate
Schedule 1 |
| 2A. Before a decision is made regarding an application for a trade certificate, the Authority shall take into consideration the guiding principles for criteria to be considered regarding the grant of a trade certificate for the Cayman Enterprise City Special Economic Zone set out in Schedule 3. | Criteria to be considered for decisions regarding grant of trade certificate

Schedule 3 |
| 3. A trade certificate pursuant to section 30 of the Law shall be as set out in Form 2 of Schedule 1. | Trade certificate
Schedule 1 |
| 4. The fees payable pursuant to the Law shall be as set out in the Schedule 2. | Fees
Schedule 2 |

SCHEDULE 1

(Regulations 2 and 3)

FORM 1

APPLICATION FOR TRADE CERTIFICATE PURSUANT TO SECTION 14
OF THE SPECIAL ECONOMIC ZONES LAW (2017 Revision)



**SPECIAL ECONOMIC
ZONE AUTHORITY**
Cayman Islands Government

Form 1
SEZA
APPLICATION FOR A SPECIAL ECONOMIC ZONE
TRADE CERTIFICATE

Part 1: General Information

Applicant(s) Details

- (a) Name of company.....
- (b) Mailing address.....
- (c) Telephone (Main).....(d) Fax number:.....
- (e) Primary contact.....
- (f) Email (Primary).....(g) Director
- (h) For identification purposes, please provide copies of passports for all Directors

I/We hereby apply for the grant of a licence under the Special Economic Zones Law
(2017 Revision)

Part 2: Business Details

(a) Nature and Type of Business being conducted:

.....
.....
.....
.....
.....

(b) ISIC Code:.....

See Listing of ISIC codes attached

(c) Expected Number of Employees:.....(full-time).....(part-time)

(d) Exact Location of Business: (i) Block & Parcel.....(ii) Building Name and
Number:.....(iii) Street Name and Number:.....(iv)
District:.....

(e) Required Documents:

- Memorandum and Articles of Association
 - Certificate of Incorporation (Cayman Islands)
 - Register of Directors
 - Return of Shareholders
 - Letter of approval from and signature of [Name of Developer]
- Approved by -----

[Authorised Signature of Developer]

(f) Declaration

* In making this application I hereby declare that:

- (i) The Applicant is not, under the provisions of the Special Economic Zones Law (2017 Revision) or any other law, disqualified from holding the certificate sought in this application.
- (ii) I declare that the information contained in this application to be correct to the best of my knowledge and belief and that I am aware that it is a criminal offence to make a statement or representation that is false in a material fact which I know to be false or do not believe to be true.

Name (in block capitals) _____

Title (in block capitals) _____

Authorised Signature of Company Official _____

Date _____

SPECIAL ECONOMIC ZONE REQUIREMENTS

** Client must have an existing exempted company prior to submitting an application to the SEZA*

FOR OFFICIAL USE ONLY	
Receiving Officer: _____	Date of Receipt: _____
_____/_____/_____ Due Date	APPROVED: _____

Appendix 1



**PERSONAL QUESTIONNAIRE of
Persons intending to act as
Directors of SEZ Companies**

Part 1: PERSONAL DETAILS OF DIRECTOR(S) OF SPECIAL ECONOMIC ZONE COMPANIES

(a) Name of Special Economic Zone Company (SEZCO) for which the Director has been appointed:

Director No. 1

Full Name (including any former names):

Current permanent Home address:

P. O. Box:Telephone:

Fax:Email:.....

Nationality:

Have you ever been convicted of a criminal offence for which, you received a prison sentence of 12 months or more? YES NO

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? YES NO

If 'YES' provide details below:

.....

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES NO

If 'YES' provide details below:

.....

Director No. 2

Full Name (including any former names):

Current permanent Home address:

P.O. Box:Telephone:

Fax:Email:

Nationality:

Have you ever been convicted of a criminal offence for which, you received a prison sentence of 12 months or more? YES NO

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? YES NO

If 'YES' provide details below:

.....

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES NO

If 'YES' provide details below:

.....

Director No. 3

Full Name (including any former names):

Current permanent Home address:

P.O. Box: Telephone:

Fax:.....Email:

Nationality:

Have you ever been convicted of a criminal offence for which, you received a prison sentence of 12 months or more? YES NO

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in

any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? YES NO

If 'YES' provide details below:

.....

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES NO

If 'YES' provide details below:

.....

Director No. 4

Full Name (including any former).....

Current permanent Home address:

P.O. Box:Telephone:

Fax:Email:

Nationality:

Have you ever been convicted of a criminal offence for which, you received a prison sentence of 12 months or more? YES NO

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? YES NO

If 'YES' provide details below:

.....

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES NO

If 'YES' provide details below:

.....
Director No. 5

Full Name (including any former names):

Current permanent Home address:

P.O. Box:

Telephone:

Fax:Email:

Nationality:

Have you ever been convicted of a criminal offence for which, you received a prison sentence of 12 months or more? YES NO

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? YES NO

If 'YES' provide details below:

.....

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES NO

If 'YES' provide details below:

(b) Have you ever been subject to a change of name? YES NO

If 'yes' provide details below:

.....

*Information on all proposed directors for the company must be provided. Please use additional sheet(s) if necessary.

Part 2: KNOW YOUR CLIENT FORM

To be completed by each director as listed in the board resolution.

Personal Details:

Surname or family name as shown in passport:

First or given names as shown in passport:

MR MRS MS MISS DR

Gender: MALE FEMALE

Date of Birth: ____/____/____ Country of Birth:
 dd mm yyyy

Passport Number:

Issue Date: ____/____/____ Expiry Date: ____/____/____
 dd mm yyyy dd mm yyyy

Please list any other citizenship currently held:

Marital Status: MARRIED DIVORCED SEPARATED

Occupation:

Your current office or work address:

Telephone Number:Mobile:

Fax:.....Email:

Your current home address:

Telephone Number:

Fax:

Email:

What is your preferred means of communication in relation to this KYC Form?

EMAIL LETTER

*Please provide a notarised copy of your passport (unexpired), or voters registration card or national identification card.

Part 3: SIGNATURE AND ACKNOWLEDGEMENT

I CERTIFY that the above information is complete and correct to the best of my knowledge and belief and I undertake that, as long as I continue to be a director of an institution authorised under the above laws, I will notify the Special Economic Zone Authority (SEZA) of any material changes affecting the completeness of the answers provided within a period of twenty-one days.

I also hereby AUTHORISE the Special Economic Zone Authority to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Personal Questionnaire, or in any other documents submitted as part of this application, for the purposes of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the person who submitted this application.

Date: _____ Signed: _____

FORM 2

TRADE CERTIFICATE PURSUANT TO SECTION 16 AND 17 OF THE
SPECIAL ECONOMIC ZONES LAW (2017 Revision)

Ref
#: _____



**SPECIAL ECONOMIC
ZONE AUTHORITY**

Cayman Islands Government

The Special Economic Zone Authority

Granted in accordance with the Special Economic Zone Law (2017 Revision)
(Section 16)

SPECIAL ECONOMIC ZONE TRADE CERTIFICATE

Licence No. SEZ []

It is hereby certified that

[Name of Company]

of Block XXX / Parcel XX, No. XX [Building Name, Street Address,] Grand
Cayman, Cayman Islands is licensed under the Special Economic Zone Law (2017
Revision) to carry on Special Economic Zone business [Insert ISIC Code(s)]
within:

[Name of Special Economic Zone]

until the [date of expiry], and subject to the prescribed annual fee being paid.

[Conditions, if any]:

This business shall abide by the regulations of the Special Economic Zone Law
(2017 Revision) for the full duration of this trade certificate.

Approved byDate of Issue

Special Economic Zone Authority

SCHEDULE 2

(Regulation 4)

FEEES

Description	Section of Law	Amount of Fee
1. Trade certificate fee	17(1)	\$123
2. Annual fee	22(2)	\$492
3. Amendment fee	23	\$50
4. Inspection fee	27(3)(b)	\$10

SCHEDULE 3

(Regulation 2A)

Guiding Principles for criteria to be considered for decisions regarding the grant of a trade certificate for the Cayman Enterprise City Special Economic Zone

1. The Special Economic Zone known as Cayman Enterprise City shall comprise, *inter alia*, companies that are of types as described under the Special Economic Zones (Cayman Enterprise City) Order, 2011. Composition

2. (1) The evaluation of a company to be included within the types outlined by the Special Economic Zones (Cayman Enterprise City) Order, 2011 shall focus on the global enterprise and not on the legal structures used to organise its economic activity. Evaluation

(2) Categorisation of a company into any one park shall be based on the principal activity of the enterprise, where the principal activity is the activity that contributes the most to the value added of the enterprise.

(3) Consideration of secondary activities, that is, those activities that produce products eventually for third parties that are not the principal activity of the enterprise may also be considered if the secondary activity is a significant contributor to the value added of the enterprise.

(4) Ancillary activities, that is, those that are undertaken to support the main productive activities of an enterprise by providing goods or services entirely or primarily for the use of that enterprise, shall not be considered.

3. A company that oversees and manages a unit of the same company or enterprise that is a specialised service, knowledge-based or technology-based business, is itself deemed to be a specialised service, knowledge-based, or technology-based business so that the activities of a head office, or administrative support unit, are to be classified in the same park as that of the principal activity of the enterprise. General Criteria

4. A company that is involved in mixed activities shall be classified according to its principal activity unless the secondary activity is the more appropriate activity for which the company should be licensed. Classification

5. A company of the type described under the Special Economic Zones (Cayman Enterprise City) Order, 2011 is - Company emphasis

- (a) focused on external markets, doing business outside of the Islands except for limited purposes that are ancillary to or in furtherance of business carried on outside of the Islands and in the case of a media production company, this may also include the filming of theatrical and non-theatrical motion pictures outside of the Special Economic Zone but within the jurisdiction, subject to the company obtaining any additional licenses or other permissions that may be required by the body within the Ministry which is charged with responsibility for facilitating film, television, video and other media projects in the Islands;
- (b) in business not traditionally conducted in the Islands so as to help to diversify the economy and at the same time avoid harm to existing businesses in the local economy by ensuring that Cayman Enterprise City businesses will not create unfair competition and this principle seeks to ensure the avoidance of loss of Government revenue by preventing the movement of businesses with an existing physical presence in the Islands, into the parks;
- (c) not involved in local manufacturing without the express consent of the Cabinet and provided that the production or assembly of special-purpose machinery and components for any technology sectors may be permitted, and that any such local production or assembly shall be geographically limited to Cayman Brac;
- (d) expected to maintain a physical presence and to operate as a going concern in the designated industry; and
- (e) not involved in the provision of financial services so that no entity that performs any activities requiring a licence, or other approval or oversight, from the Cayman Islands Monetary Authority established by section 5 of the Monetary Authority Law (2018 Revision) is permitted to operate in the parks but the activities described in relation to the Cayman Commodities and Derivatives Park are an exemption to this principle.

2018 Revision

Park Specific Criteria

6. (1) In determining the appropriateness of an individual business for inclusion in the Cayman Internet Park, the Cayman Science and Technology Park and the Cayman Media Park consideration shall be given -
- (a) to knowledge-based and technology related industries, that is, Cayman Enterprise City will host industries, diversifying the Islands' already primarily service and knowledge based economy with industries beyond financial services and tourism and these include global technology businesses that foster innovation and entrepreneurship within their industry; and a strong indicator of such a focus will be the existence of intellectual property holdings or a significant involvement in R&D in the technology areas

specified in Schedule 2 of the Special Economic Zones (Cayman Enterprise City) Order, 2011;

- (b) to primarily employing highly skilled or specialised employees who will have a significant positive impact on the local economy through increased consumption spending, and developing the intellectual capital of the Islands' labour force; and
- (c) to no clinical biotech research being conducted locally, for there are wide ranging ethical and regulatory issues associated with biotechnology research and there is currently no capacity within the Islands to regulate this type of industry, so it would be undesirable to expose the Islands to the jurisdictional risks of accepting businesses for which there is insufficient capacity to regulate or support.

(2) In determining the appropriateness of an individual business for inclusion in the Cayman Commodities and Derivatives Park consideration shall be given -

- (a) to appropriate due diligence with regard to the potential of money laundering and terrorist financing within a company considered for a trade certificate; and
- (b) to the adherence to best practices as codified and agreed with the Special Economic Zone Authority on advice from the Cayman Islands Monetary Authority.

Publication in consolidated and revised form authorised by the Cabinet this 13th of March, 2018.

Kim Bullings
Clerk of the Cabinet

(Price \$4.00)