

Client Alert



6 October 2020

THE CAYMAN ISLANDS IS REMOVED FROM THE EU'S ANNEX I LIST OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES

Today the European Union (EU) confirmed Cayman's removal from the EU list of non-cooperative jurisdictions for tax purposes¹, following its adoption of changes to its regulatory framework to address EU economic substance requirements by introducing the requirement for registration and thus regulatory oversight of investment funds operating in or from the Cayman Islands.

Many of the jurisdictional enhancements made by the Cayman Islands over the last several years have been designed to keep up with the increased globalization of the international finance community. As a leading offshore jurisdiction, Cayman has been an early adopter of many global initiatives to meet the global standards set by the Organisation for Economic Co-operation and Development and the EU in relation to tax transparency and the inclusive framework on base erosion and profit shifting.

The Cayman Islands government, the Cayman Islands Monetary Authority and key industry stakeholders worked tirelessly since February of this year, and amidst management of the COVID-19 global pandemic, in developing and implementing an appropriate regulatory framework to address EU concerns. The results of this collaborative effort include: (i) a best-in-class regulatory framework for investment funds; (ii) enhanced investor protection measures for investors in private funds; and (iii) the removal from the EU list of non-cooperative jurisdictions.

Cayman continues to show its resilience as a leader and in maintaining its position as a jurisdiction of choice for the asset managers and investors around the world!

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If you would like further details on how we can assist, please feel free to contact us below:

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ⁱ <https://www.consilium.europa.eu/en/press/press-releases/2020/10/06/eu-list-of-non-cooperative-jurisdictions-for-tax-purposes-anguilla-and-barbados-added-cayman-islands-and-oman-removed/>