



# CAYMAN ISLANDS

Cayman Islands - Common law

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## Incorporating a company in Cayman Islands

# Cayman Islands taxes

If you want to incorporate in Cayman Islands, this will tell you about tax laws in Cayman Islands, for an Exempted Company which is the most common company structure in Cayman Islands.

Cayman Islands does not tax corporate income, whether it is accrued onshore or offshore. This ranks Cayman Islands as 1st when compared to corp. taxation rate internationally.

An Exempted Company in Cayman Islands are entitled to do business outside the country and may have restrictions to trade with residents, own real estate or conduct activities related to banking, insurance or mutual funds without a license. An Exempted Company may obtain a Certificate of 30 years tax exemption against any future Cayman Islands taxation. An annual license fee may apply, which depends on company's share capital.

An Exempted Company may be formed by one or more shareholders and one or more directors, who can be the same person and may be individuals or corporations. Nominee shareholders are allowed. It is required a local registered agent. There is no minimum capital requirement. Share of capital may be denominated in any currency. Shares may be issued without nominal or par value. Bearer shares are allowed, but may be required to be held by an authorized custodian within the Cayman Islands. There is a capital duty of CI\$50 on the issuance of shares.

Details of shareholders, directors and beneficiaries are not publicly disclosed. An Exempted Company may be required to file an annual report stating that the company has conducted business outside the territory. Exempted companies may be required to prepare and maintain accounting records, but may not be required to file them. There may be no requirement so submit an annual tax return or financial statements. Audit is not required.

Dividends paid or received by a resident company are not subject to taxation. Dividends are payments of company earnings, decided by the board, to a class of its shareholders. Dividends can be issued as cash payments, shares of stock, or other property. Capital Gains are not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

Cayman Islands does not levy withholding tax on payments on dividends, interests, royalties to residents and no-residents. There is no value-added tax in Cayman Islands, which ranks the country as 1st overall with regards to VAT globally. There is no known tax on wealth in Cayman Islands. There are no known inheritance taxes and asset taxes. There is a stamp duty applied to the transfer of land or building. We are not aware of any widely used credits for innovation spend that include tax incentives in Cayman Islands.

The above is not tax or legal advice for your particular circumstances. We can help you to find a lawyer in Cayman Islands who can advise you. Contact us today. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Cayman Islands is 0% which ranks 1 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 0 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- Loss carryback years
- Corporate time
- 0% VAT rate

# Cayman Islands Legalese

For starters, the law in CAYMAN ISLANDS is common law law. Common law jurisdictions are generally regarded as easier to structure. One is permitted to electronically sign documents.

The letters KY is for CAYMAN ISLANDS and the most common company structure in CAYMAN ISLANDS is a Tax Exempt Ltd.

The time to setup is usually 3-4 days to setup a Tax Exempt Ltd in KY. The minimum share cap is 0, This means you don't have any minimum share capital. The types of consideration you can use to capitalize your company is most commonly any legal currency.

Yes, one is allowed to re-domicile a Tax Exempt Ltd from KY. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a Tax Exempt Ltd in KY by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is permitted, up to 100% of the ownership of the Tax Exempt Ltd.

A Tax Exempt Ltd is only required to have one director. Furthermore, corporate directors are permitted. Directors should not expect to be private, as they are disclosed.

A registered office is a requirement, whom the company will pay yearly, for a legal services company which can receive a service of process on behalf of the company. However, a corporate secretary is not always necessary, at least not by law.

There is an obligation to file yearly tax returns. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Cayman Islands is a good option and have given it a score of 90 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 **Shareholders required**
- 1 **Directors required**
- 3-4 days **to form**



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## Country Info



🚩 National Flag of

**Cayman Islands (eng)**

\$ Currency

**KYD**

☎ Area Code

**+1345**

🏰 Capital

**George Town**

📍 Region

**Caribbean**

🌿 Native Languages

**English**