

CAYMAN ISLANDS – EXEMPT COMPANY

Principal Corporate Legislation

The Company Law of the Cayman Islands is based on the English Companies Act of 1948 and can be found in the Cayman Islands Companies Law of 1960, as amended.

Type of Law

Common Law based on English Common Law.

Type of Company for International Trade and Investment

Exempt Company.

Procedure to Incorporate

For Exempt Companies by submission of the Memorandum and Articles of Association and registration fee to the Registrar of Companies, together with a sworn statement declaring that the business activities of the proposed company will be undertaken mainly outside the Cayman Islands. The names and addresses of the proposed first directors must be disclosed to the Registrar.

Restrictions on Trading

Cannot trade within the Cayman Islands, own real estate in the Cayman Islands. Cannot undertake the business of banking, insurance business or mutual fund business unless licensed. Cannot solicit funds from the public.

Powers of Company

A Cayman Islands Exempt company has all the powers of a natural person.

Registered Office Required

Yes, must be maintained in the Cayman Islands.

Shelf Companies Available

Yes.

Time to Incorporate

Two days.

Name Restrictions

Bank, insurance, assurance, reinsurance, trust, municipal, charter, co-operative, their foreign language equivalents or any name that, in the opinion of the Registrar, would suggest a connection with a Royal family or Government authority.

Language of Name

Names can be expressed in any language using the Latin alphabet, if the Registrar of Company receives a translation thereof. The corporate documents will however be in English.

Names Requiring Consent or License

Bank, building society, savings, loans, insurance, assurance, reinsurance, fund management, asset management, trust, trustees or their foreign language equivalent.

Suffixes to Denote Limited Liability

There is no requirement to utilize a suffix to denote limited liability, although normally companies are incorporated to include the suffixes Limited, Incorporated, Corporation or their abbreviations.

Disclosure of Beneficial Ownership to Government Authorities

No requirement.

Compliance

Authorized and Issued Share Capital

The minimum is US\$1, but it is normal to incorporate with an authorized share capital of US\$50,000; divided in to 50,000 common voting shares of US\$1, this being the maximum for the minimum capital duty payable to the Registrar of Companies. The minimum issued share capital is one share of no par value or one share of part value.

Classes of Shares Permitted

Registered shares of par or no par value, preference shares, redeemable shares and voting or non-voting shares.

Taxation

There is no form of taxation in the Cayman Islands relating to individuals, corporations or trusts.

Double Taxation Agreements

The Cayman Islands has no double tax agreements.

License Fees

For exempt companies with a share capital not exceeding US\$50,000	US\$575
For exempt companies with a share capital greater than US\$50,000 but not exceeding US\$1 million	US\$805
For exempt companies with a share capital greater than US\$1 million but not exceeding US\$2 million	US\$1690
For exempt companies with a share capital exceeding US\$2 million	US\$2400

Financial Statement Requirements

Unregulated exempt companies do not need to file accounts.

Directors

The minimum number of directors is one. The directors may be natural persons or bodies corporate. The directors may be of any nationality, and need not be resident in the Cayman Islands.

Company Secretary

The Cayman Islands Companies Ordinance does not make any specific reference to a requirement for a company secretary. However, it is customary to appoint one, who may be either a natural person or a body corporate.

Shareholders

The minimum number of shareholders is one.