



THE REGULATORY 15/15

Podcast

August 2023

Speakers



Chris Capewell
Partner
+1 345 814 5666
chris.capewell@maples.com



Patrick Head
Partner
+1 345 814 5377
patrick.head@maples.com



Jennifer Parsons
Professional Support Lawyer
+1 345 814 5429
jennifer.parsons@maples.com

Content

- Financial Action Task Force ("FATF") Update
- Organisation for Economic Cooperation and Development ("OECD")
 - Pillars One and Two
- Department for International Tax Cooperation ("DITC") Update
 - Updates Bulletin
 - Common Reporting Standard ("CRS") Compliance Forms
 - Economic Substance ("ES") Enforcement
- Beneficial Ownership Regime ("BOR")
- Approved Stock Exchanges
- Cayman Islands Monetary Authority ("CIMA")
 - Corporate Governance and Internal Controls

Introduction

Introduction to the 15/15

- A 15-minute summary of the latest developments in the regulatory laws of the Cayman Islands released on the 15th day of every month
- A copy of the previous 15/15 released on 15 June can be accessed on our website: [The Regulatory 15/15: June 2023](#)
- Comments and suggestions to format of the 15/15 are always welcome – please email speakers directly

FATF Update

FATF Update

- FATF Plenary in June 2023
- FATF confirmed the Cayman Islands has satisfied all FATF recommended actions
- Following successful completion of an on-site inspection by the FATF, the jurisdiction will be eligible to be removed from the FATF's Monitoring List ('grey list')
- The onsite inspection by FATF is tentatively scheduled for late August or early September 2023
- Removal from the grey list will be considered during the next FATF Plenary in October 2023

OECD Pillars One and Two

OECD Pillars One and Two

- Pillar One – applies to biggest and most profitable multinational enterprises ("MNEs") and reallocates profits to where they sell their products and services
- Pillar Two – global minimum tax of 15%
- On 11 July 2023, 138 members of the OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) – representing over 90% of global GDP – agreed an [Outcome Statement](#) allowing for historic, major reform of the international tax system
- Cayman Islands is not expected to implement minimum tax despite certain other jurisdictions in the region taking steps to do so

DITC Update

DITC Update

- **Updates Bulletin (published late June 2023)**
 - DITC Portal is now open for 2022 CRS and FATCA XML uploads
 - Reminder of reporting deadlines
 - Also reiterated information on:
 - Updated list of CRS Reportable Jurisdictions
 - IRS TIN Placeholder Codes (FATCA)
 - CRS filing tips
 - Deactivation of Financial Institutions from DITC Portal
- **2022 CRS Compliance Forms**
 - Reminder due date is 15 September 2023

DITC Update (Cont'd)

- **ES Enforcement**

- DITC continues to issue penalties for non-compliance in relation to ES
- Clarity on substance for fund management business
- It is imperative to ensure that ES classifications and filings are correct and submitted on a timely basis

BOR

BOR

- In March 2023, the Ministry of Financial Services and Commerce released the Beneficial Ownership Transparency Bill for consultation
- Changes to the framework include:
 - bringing limited partnerships and exempted limited partnerships into scope of the reporting requirements
 - amendments to the definition of "beneficial owner"
 - updates to the information that is required to be reported to the Competent Authority for Beneficial Ownership
- Single Act and enforcement framework were originally anticipated to come into force in Q2 2023, with further provisions in force in Q3 and Q4
- Still expected to be passed in 2023

Approved Stock Exchanges

Approved Stock Exchanges

- On 19 July 2023, The Companies (Amendment of Schedule 4) Order, 2023 came into effect
- Schedule 4 sets out the list of approved stock exchanges referenced in the Companies Act (As Revised), the Limited Liability Companies Act (As Revised) and the Limited Liability Partnership Act (As Revised)
- Particularly relevant in the context of beneficial ownership regulations
- The amended list adds a subsidiary of the Toronto Stock Exchange (the TSX Venture Exchange) and removes the Moscow Stock Exchange

CIMA

CIMA

- Rule and Statement of Guidance ("SOG") – Internal Controls for Regulated Entities comes into effect six months after its publication date, i.e. 14 October 2023
- Rule – Corporate Governance for Regulated Entities also in effect on 14 October 2023
- SOG – Corporate Governance for Mutual Funds and Private Funds in effect
- Regulated entities including mutual funds and private funds should be reviewing / updating their current policies and procedures now to ensure they comply with the new requirements
- Maples Group Regulatory Team can assist

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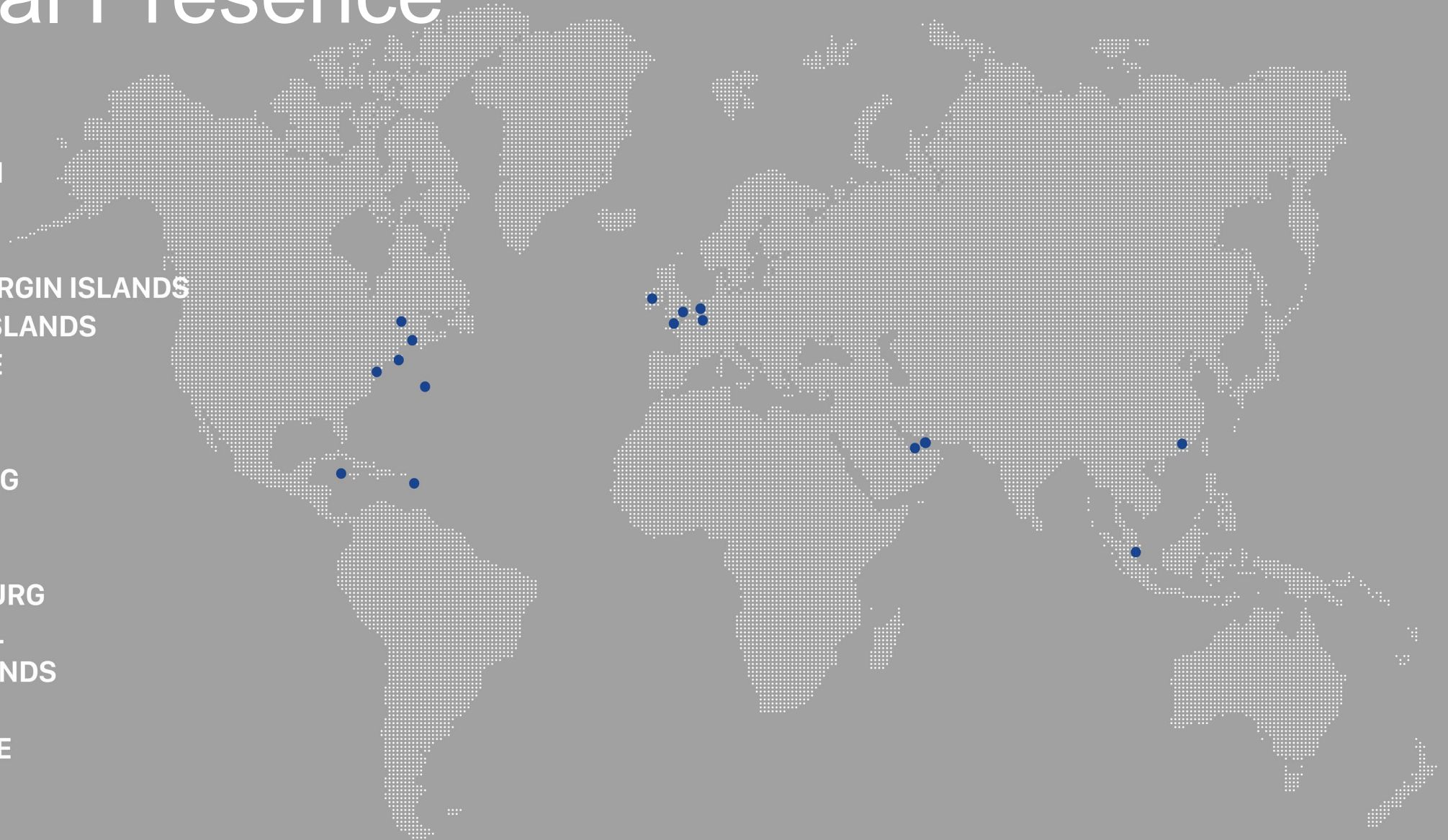
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