

Cayman Islands: Economic Substance Regime Extended to Partnerships

On 30 June 2021, the Cayman Islands Government published the International Tax Co-operation (Economic Substance) (Amendment of Schedule) Regulations, 2021¹. The main change to the regulations is the addition of partnerships to the definition of a 'relevant entity'. The categories of relevant activities and exempted activities remain unchanged. Please refer to our previous Client Update² for further information on relevant activities.

Partnerships formed on and after 30 June 2021 are required to satisfy the economic substance test from the date on which they commence a relevant activity. Partnerships formed prior to 30 June 2021 are required to satisfy the economic substance test from 1 January 2022. All partnerships, irrespective of formation date, will be required to notify the Tax Information Authority on or before January in each year of their operations in the jurisdiction during the prior year.

Cayman Islands Government Release

A copy of the 1 July press release from the Cayman Islands Ministry of Financial Services can be found [here](#).

The new regulations address the European Union's tax good governance initiatives and ensure that the jurisdiction remains cooperative and

committed to complying with international tax measures.

How can Maples Group help?

If you have any questions relating to these changes, please reach out to any of the below or your usual Maples Group contact.

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¹ International Tax Co-operation (Economic Substance) (Prescribed Dates) (Amendment) Regulations, 2021

² <https://maples.com/en/knowledge-centre/2020/9/cayman-islands-update-economic-substance-guidance-notes-v3-issued>

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