

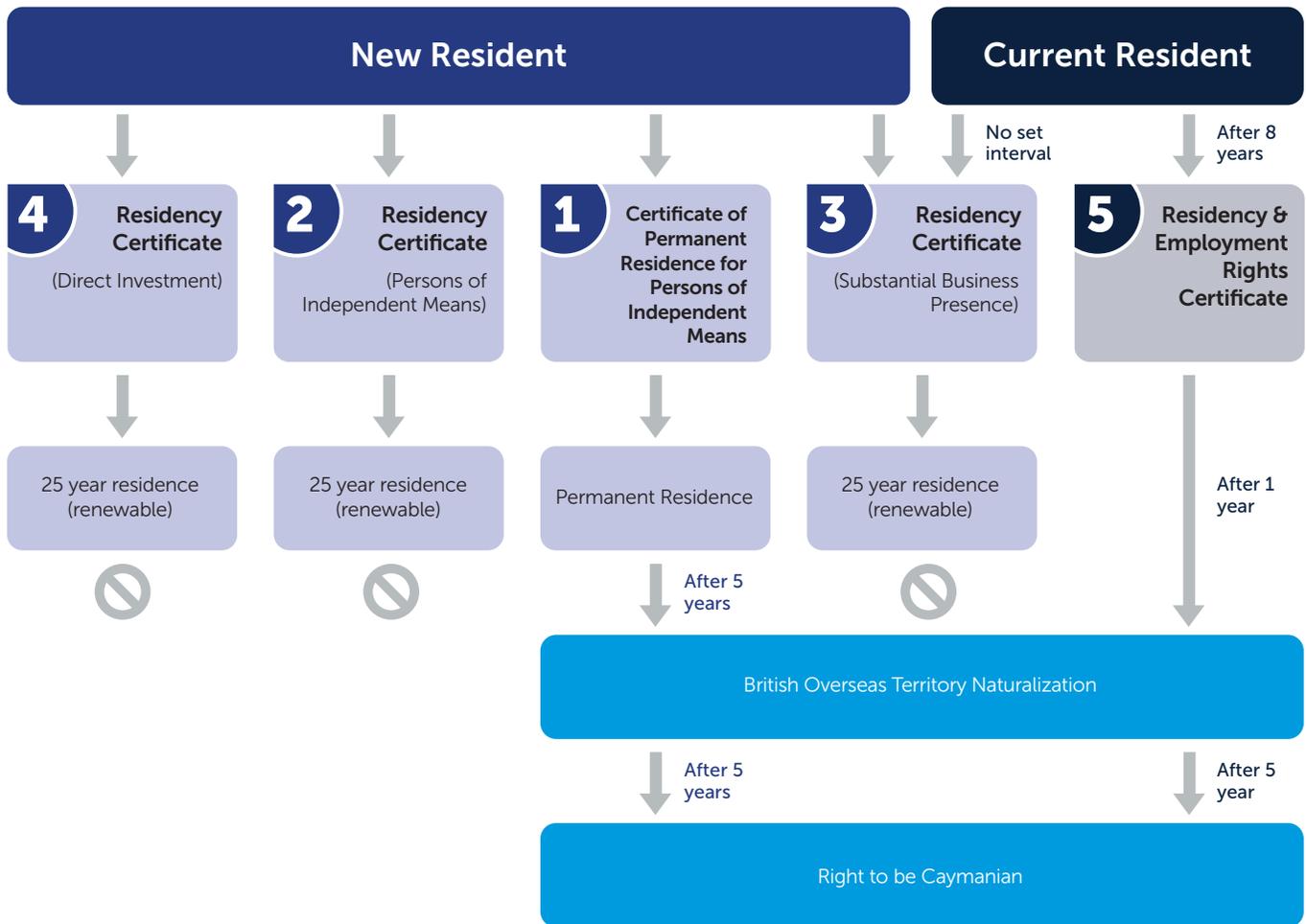


Routes to Residency in the Cayman Islands

www.walkersglobal.com

Global Legal and Professional Services

BERMUDA | BRITISH VIRGIN ISLANDS | CAYMAN ISLANDS | DUBAI | GUERNSEY | HONG KONG | IRELAND | JERSEY | LONDON | SINGAPORE



The Cayman Islands have a population of approximately 70,000, of which the majority are expatriates with temporary working and residency rights or expatriates who have acquired a permanent right to remain in the Islands. With their high living standards, low crime rate, reputable legal system, good infrastructure and professional population, the Cayman Islands present an increasingly attractive jurisdiction in which to reside or to establish a business.

Below is a summary of the five routes to permanent residency in the Cayman Islands. While there are requirements which are common to each category of application (e.g. relating to age, health and criminal history), there are different financial

requirements for each of the five routes to residency. These five routes are:

- Certificate of Permanent Residence for a Person of Independent Means
- Residency Certificate (Persons of Independent Means)
- Residency Certificate (Substantial Business Presence)
- Residency Certificate (Direct Investment)
- Work Permit (resulting in indefinite residency)

A brief overview of each is given below.

1 Certificate of Permanent Residence for a Person of Independent Means (resulting in indefinite residence and the ability to apply to be a British Overseas Territory citizen)

A successful applicant will be granted indefinite residency in the Cayman Islands, but will be required to submit an annual declaration to the Department of Immigration confirming (among other things) that the conditions set out below continue to be met.

This Certificate of Permanent Residence does not allow the applicant to work in the Cayman Islands although a supplemental application can be submitted to allow the right to work.

This is the only route (through investment and independent means) which allows the holder of this certificate, subject to

certain requirements, to apply for naturalization as a British Overseas Territories Citizen.

An applicant for a Certificate of Residency for a Person of Independent Means must provide evidence showing (i) an investment of at least US\$2,500,000 in developed real estate in the Cayman Islands; and (ii) that the applicant has the financial means to maintain him/herself and any dependents.

The cost of applying for a Certificate of Permanent Residence is a US\$610 and, if the application is approved, there is an issue fee of US\$122,000 plus US\$1,220 per dependant.

2 Residency Certificate - Persons of Independent Means (resulting in 25 year term residency)

A successful applicant will be granted residency for a renewable period of 25 years, but will be required to submit an annual declaration to the Department of Immigration confirming (i) the conditions below continue to be met, and (ii) that the applicant was in the Cayman Islands for a minimum of thirty days in aggregate for the preceding calendar year.

Importantly, this category of Residency Certificate does not grant the holder a right to work in the Cayman Islands and there is no option to submit a supplemental application for the right to work.

An applicant for the grant of Residency Certificate (Persons of Independent Means) must (i) provide evidence of a continued

source of annual income of no less than US\$150,000, (ii) at all times maintain a bank account in the Cayman Islands with a balance of not less than US\$490,000 in assets, and (iii) have invested an amount of US\$1,220,000 in the Cayman Islands, with at least US\$675,000 of that amount invested in real estate.

The cost of applying for this category of Residency Certificate is a US\$610 and, if the application is approved, there is an issue fee of US\$24,500 plus US\$1,220 per dependant. A fee of US\$1,220 per dependant is payable per annum.

3 Residency Certificate - Substantial Business Presence (resulting in 25 year term residency)

This category is open to persons wishing to become resident as well as persons that are already resident in the Cayman Islands. A successful applicant will be granted residency for a renewable period of 25 years, but will be required to submit an annual declaration confirming (i) the conditions below continue to be met, and (ii) that the applicant was in the Cayman Islands for a minimum of ninety days in aggregate for the preceding calendar year.

This category of Residency Certificate does confer on the holder a right to work in the Cayman Islands in the business in which he or she has invested or is employed in a senior management capacity.

An applicant for a “Residency Certificate (Substantial Business Presence)” must provide evidence of (i) ownership of an interest

of 10% or more, or (ii) be employed in a senior management capacity in a business within an approved category, which itself must employ a minimum of four full-time employees in Cayman. The applicant must also be resident in the Islands for a minimum of ninety days in each calendar year.

The cost of applying for this category of Residency Certificate is US\$1,220 and, if the application is approved, there is an issue fee of US\$6,100 plus US\$1,220 per dependant. The holder is also required to pay an annual fee equivalent to that paid by a work permit holder who is employed in the same occupation. A fee of US\$1,220 per dependant is payable per annum.

4 Residency Certificate - Direct Investment (resulting in a 25 year term residency)

A successful applicant will be granted residency for a renewable period of 25 years, but will be required to submit an annual declaration confirming that the applicant and his business (i) complies with the original requirements, (ii) holds appropriate licences for the business, and (iii) the applicant was in Cayman for a minimum of ninety days in aggregate for the preceding calendar year.

This category of Residency Certificate confers on the holder a right to work in the Cayman Islands in the business in which he or she has invested.

An applicant for the grant of a “Residency Certificate (Direct Investment)” must provide evidence that (i) s/he has made, or proposes to make, an investment of not less than US\$1,220,000

in a licensed “employment generating business” in the Cayman Islands (being an existing or new venture in which, ordinarily, at least 30% of the total number of employees are Caymanian), and (ii) s/he has an entrepreneurial track record or background, including professional and technical knowledge to carry on the business. To be approved, the applicant must also exercise “substantial management control” over the proposed business.

The cost of applying for this category of Residency Certificate is US\$1,220 and, if the application is approved, there is an issue fee of US\$24,500 plus US\$1,220 per dependant. The holder is also required to pay an annual fee equivalent to that paid by a work permit holder who is employed in the same occupation. A fee of US\$1,220 per dependant is payable per annum.



5

Work Permit

(resulting in indefinite residency and ability to be a British Overseas Territory citizen)

An individual holding a valid work permit can apply for permanent residence, provided the applicant has been employed by an employer based in the Cayman Islands for a period of eight consecutive years.

A successful applicant will be issued a Residency and Employments Rights Certificate, which will remain in force subject to the applicant paying an annual fee (equivalent to the fee payable on grant of permanent residency) and providing an annual declaration confirming the below conditions continue to be met. There are also various ongoing obligations to notify the Government of a change of personal circumstances (e.g., change in number of dependants, asset holdings or changes to employment circumstances).

In addition to the eight year requirement, an applicant is assessed by reference to a regulated points system, requiring a score of no less than 110 points out of a possible 215 points before a grant of permanent residency will be made. An applicant can be awarded points in different categories, all based on the applicant's connections with and contributions to the Cayman Islands as well as personal characteristics (including investments in local real estate or businesses; contributions to Caymanian community initiatives; the applicant's occupation, education, experience and financial stability; results of the mandatory history and culture test; country of origin).

Dependants

It is possible (and common) for applicants of each of the different types of permanent residency, and for work permit applicants, to include their spouse and children (younger than 18) as dependants on their application. It should be noted, however, that unless they are home-schooled, children are required to have a confirmed place in a school in Cayman to remain as dependants of an applicant.

Naturalisation

One year after the grant of permanent residence, the individual can apply to be naturalised as a "British Overseas Territories Citizen" under the British Nationality Act, 1981 of the United Kingdom. There is, however, a requirement for the individual to have been a resident of the Islands for a minimum of 5 years prior to this application. Naturalisation is a pre-requisite to being granted the right to be Caymanian. After having been legally and ordinarily resident in the Islands for 15 years (or 5 years after the grant of permanent residency) an individual may apply for the grant of the right to be Caymanian.

Walkers has significant experience dealing with Cayman Islands immigration and residency matters and can guide clients on their options and assist with each step of the application. Our specialist team handles the Cayman aspects of complex international relocations to the Cayman Islands for UHNW individuals and families as well as for single family offices and businesses. Our multi-disciplinary team also advises on structuring and provides ongoing support following relocation to the Islands.



Further Matters

Taking up permanent residence in the Cayman Islands presents a key opportunity for individuals to re-evaluate their personal estate planning arrangements. It is crucial, however, that structuring options are considered well before you acquire property in the Islands. There are a number of important matters that should be considered which may determine how it is best to structure the acquisition and holding of your property given your circumstances and your longer term wishes - the opportunities for optimal asset protection and tax/estate planning may be lost if this exercise is undertaken too late or not at all. Walkers' Private Capital & Trusts lawyers advise wealthy individuals and their families on all aspects of Cayman trusts and succession law. We will be happy to discuss these matters with you and to coordinate appropriate estate planning advice with immigration and residency applications in order to ensure that you proceed in a way which makes sense both now and in the future.

Key Contacts



Philip Paschalides
Partner, Cayman Islands
T +1 345 814 4675
M +1 345 525 7308
E philip.paschalides@walkersglobal.com



Monique Bhullar
Partner, Cayman Islands
T +1 345 814 6838
M +1 345 525 6838
E monique.bhullar@walkersglobal.com



David Pytches
Partner, Cayman Islands
T +1 345 814 6831
M +1 345 925 6831
E david.pytches@walkersglobal.com



Clive Thomas
Partner, Cayman Islands
T +1 345 814 6824
M +1 345 936 6824
E clive.thomas@walkersglobal.com