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Cayman Islands beneficial ownership regime – Steps guide

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Steps guide – Determining reporting requirements

This Steps Guide is to assist clients with Cayman Islands entities to:

- A. determine whether they are required to report under the Cayman Islands beneficial ownership regime (the **BO Regime**); and
- B. where applicable, assist in identifying registrable beneficial owners of the relevant entity.

Please answer the following questions in respect of each Cayman Islands entity. For further information and support, reach out to your usual Maurant contact or any of the contacts listed below.

A. DETERMINING REPORTING REQUIREMENTS

Step 1. In scope

Is the entity:

- a trust; or
- a foreign company or partnership registered in the Cayman Islands?

Yes → The entity is outside the scope of the Cayman Islands BO Regime and there is no need to continue with further steps in this guide.

No → The entity falls within the definition of a 'Legal Person' for the purposes of the Beneficial Ownership Transparency Act, 2023 (the **Act**) and is in scope of the BO Regime. Please continue to step 2.

Step 2. Regulated Cayman funds

Is the entity registered with the Cayman Islands Monetary Authority (**CIMA**) as a mutual fund or a private fund?

Yes → The entity may¹ provide their corporate services provider with details of a **contact person** for beneficial ownership purposes. This contact person must be either a licensed fund administrator or another person licensed or registered with CIMA. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 3.

Step 3. Listed on a stock exchange

Is the entity listed on the Cayman Islands Stock Exchange or an approved stock exchange²?

Yes → The entity may³ provide their corporate services provider with the name and jurisdiction of the approved stock exchange. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 4.

Step 4. Subsidiary of a listed entity

Is the entity a subsidiary⁴ of an entity that is listed on the Cayman Islands stock exchange or an approved stock exchange?

Yes → The entity may⁵ provide their corporate services provider with the name and jurisdiction of the approved stock exchange and details of relationship to the listed entity. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → Please continue to step 5.

Step 5. Licensed entities

Is the entity licensed⁶ with CIMA?

Yes → The entity may⁷ provide their corporate services provider with the regulatory law under which the entity is licensed. In this case, the entity is not required to report its registrable beneficial owners and there is no need to continue with further steps in this guide.

No → The entity will be required to identify and report its beneficial owners. Please continue to step 6 in '**B. Establishing registrable beneficial owners**'.

¹ If the entity chooses not to provide the details of a contact person to their corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 3 of this guide.

² The approved stock exchanges are listed in Schedule 4 of the Companies Act (2023 Revision) as amended by the Companies (Amendment of Schedule 4) Order, 2023 which is linked [here](#).

³ If the entity chooses not to provide the details of the stock exchange to its corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 4 of this guide.

⁴ See definitions section on page 3.

⁵ If the entity chooses not to provide the details of the stock exchange to its corporate services provider, the entity is required to identify and report its registrable beneficial owners. Please go to step 5 of this guide.

⁶ This does not include registered persons under the Securities Investment Business Act (2020 Revision) or the Virtual Asset Service Providers Act (2024 Revision) (both as amended).

⁷ If the entity chooses not to provide the details of the regulatory law under which it is licensed, the entity is required to consider and report its registrable beneficial owners. Please go to part B of this guide.

B. ESTABLISHING REGISTRABLE BENEFICIAL OWNERS

Step 6. Ownership or control

Does any **individual** (which includes any deemed beneficial owner (DBO))⁸ directly or indirectly⁹ (but *not* through a reportable legal entity)¹⁰ hold 25% or more of the shares, voting rights or partnership interests in the entity (other than solely in the capacity of a professional advisor or professional manager)?

Yes → Any such individual or DBO will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 7 to establish if there are any other registrable beneficial owners in relation to the entity.

No → Please continue to step 7.

Step 7. Ultimate effective control

Does any individual or DBO otherwise exercise ultimate effective control over the management of the entity (other than solely in the capacity of a professional advisor or professional manager¹¹)?

Yes → Any such individual or DBO will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 8 to establish if there are any other registrable beneficial owners in relation to the entity.

No → Please continue to step 8.

Step 8. Control through other means

Does any individual exercise control of the entity through other means (other than solely in the capacity of a professional advisor or professional manager)?

Yes → Any such individual or DBO will be a registrable beneficial owner and their details must be reported accordingly. Please continue to step 10 to establish if there are any reportable legal entities in relation to the entity.

No → Please continue to step 9.

Step 9. Ownership under a trust

Is there a trust that meets any of the requirements of steps 6 to 8 above?

Yes → A trustee of such trust must be identified as the contact person for beneficial ownership purposes. Please continue to step 10 to establish if there are any reportable legal entities in relation to the entity.

No → Please continue to step 10.

Step 10. Reportable legal entities

Is there a Cayman Islands legal entity (other than a foreign company, foreign entity or a foreign limited partnership) which (a) holds a direct interest in the entity such that if it were an individual, it would be a beneficial owner of the entity; (b) otherwise exercises ultimate effective control over the management of the entity; or (c) is an entity through which any beneficial owner or reportable legal entity indirectly holds a relevant interest¹² in the entity?

Yes → Any such reportable legal entity will be a registrable beneficial owner and the reportable legal entity's details must be reported accordingly. There is no need to consider the ownership or control of a reportable legal entity.

No → Please continue to step 11.

Step 11. Senior managing official

Where no individual, trust, DBO or reportable legal entity has been identified at steps 6 to 10, a senior managing official of the entity must be identified as the contact person for beneficial ownership purposes, but such person will not be a beneficial owner.

A senior managing official is a person with a control or authority function, and may be, for example, a director or chief executive officer of the entity (or equivalent). Where multiple directors (or other persons) individually exercise the same level of authority, at least one director (or other person) should be identified.

⁸ For the purposes of the Act, both natural persons and **deemed beneficial owners** are considered individuals. A deemed beneficial owner includes: (a) a corporation sole; (b) a government or government department of a country or territory or a part of a country or territory; (c) an international organisation whose members include two or more countries or territories (or their governments); and (d) a public authority.

⁹ An individual will be a beneficial owner of a Cayman legal person *indirectly* if they have a majority stake in an entity which itself either (a) directly holds the shares, right or interest in the Cayman legal person or (b) is part of a chain of ownership where each entity in the chain holds a majority stake in the entity below it and the last entity in the chain holds the shares, right or interest in the Cayman legal person. A person or entity (**A**) holds a **majority stake** in an entity (**B**) where (i) A holds a majority (ie, more than 50%) of the voting rights in B; (ii) A exercises ultimate effective control over the management of B; (iii) A is a member of B and alone controls a majority (ie, more than 50%) of the voting rights in B pursuant to a joint agreement with other shareholders or members; or (iv) A has the right to exercise, or actually exercise, dominant direct influence or control over B.

¹⁰ If an individual holds their interest in the entity indirectly through a second Cayman Islands legal person which is classified as a reportable legal entity (see step 10), then the reportable legal entity but not the individual indirect interest-holder will be a registrable beneficial owner of the entity.

¹¹ See the definitions section on the next page.

¹² For the purposes of the Act, a relevant interest means an interest that a person holds in a legal person consisting of (a) a partnership interest or shares or voting rights in the legal person; or (b) ultimate effective control over the management of the legal person.

Definitions

DBO means a deemed beneficial owner as described in footnote 8.

Legal Person includes the following Cayman Islands entities:

- companies, limited liability companies and foundation companies; and
- exempted limited partnerships, limited partnerships and limited liability partnerships).

Professional advisor includes a lawyer, an accountant or a financial advisor, who provides advice or direction in a professional capacity.

Professional manager includes a liquidator, a receiver or a restructuring officer who exercises a statutory function.

Reportable legal entity in relation to a Legal Person means another Legal Person (other than a foreign company, foreign entity or a foreign limited partnership) that if it were an individual would be a beneficial owner of the first mentioned legal person.

Senior managing official includes a director or a chief executive officer of the legal person. The senior managing official is the person who exercises control of the legal person.

A legal person is a **subsidiary of a listed entity** if:

- the listed entity holds 75% or more of the shares or voting rights in the subsidiary legal person;
- the listed entity exercises ultimate effective control over the subsidiary legal person; or
- the listed entity controls the subsidiary legal person by other means.

Ultimate effective control is defined as including ownership or control exercised through a chain of ownership or by means of control other than direct control.

Contacts

For any assistance in understanding your legal obligations under the Act, or to query whether Mourant Governance Services (Cayman) Limited can provide a contact person for your CIMA-regulated fund, please reach out to your usual Mourant contact or to one of the contacts listed below. Please also see our full guide to [The Cayman Islands beneficial ownership regime](#).



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