

AT A GLANCE

COMPANY MANAGEMENT AND CORPORATE SERVICES

Overview: The Cayman Islands offers a reliable legal and tax-neutral business environment and a world-class legal system, creating the perfect environment for the incorporation of an offshore company. As well as offering an alternative tax regime without any direct tax on personal or corporate income, capital gains or inheritance, the jurisdiction is politically stable, conveniently located geographically and forms a strategic base to access global markets.

The wealth of knowledge and expertise among the company management professionals in the Cayman Islands has grown tremendously from the early 1970s when the first company management firm was established. Responding to the growth in the global need for the offshore corporate product, suitably qualified professionals identified company management as an area of business demanding specialisation.

In 2013 there were 95,530 companies registered in the Cayman Islands and almost 9,500 new companies were incorporated in

that year. Due to the significant growth of the hedge funds industry in Cayman and the institutional nature of that sector, the corporate product in the Cayman Islands has quickly evolved over the years. In fact, many of the new company managers licensed in recent years specialise in fiduciary services for hedge funds through the provision of independent director services.

All company management firms are regulated by CIMA and, as at the end of 2013, there were a total of 110 firms licensed under the Companies Management Law, 17 of these being restricted corporate-

service licences. Whether the service provided includes full management or just the incorporation and provision of a registered office, the company manager will be expected to operate with equal skill and care.

The Cayman Islands Company Managers Association (CICMA) actively encourages the education of young professionals in the business and seeks to involve its membership in various initiatives and discussions on the future of Cayman's financial services industry in general and company management in particular, an increasingly important role in the changing global environment.

Cayman has embraced, and is fully compliant with, all international standards relating to the global fight against money laundering and terrorist financing. Corporate-governance issues are at the forefront in every licenced company manager in Cayman, particularly those providing independent directors for the funds sector. Balancing rights and responsibilities among different participants in the company (shareholders, beneficial owners, directors, managers, creditors, auditors, regulators and other stakeholders) is a skill learnt over years of experience.

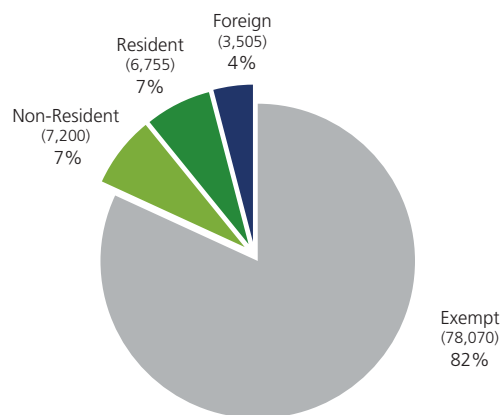
Although the business of company management is rooted in offshore industry history, it continues to reach into the future with the constantly expanding nature of corporate entities in Cayman. The segregated portfolio company is becoming more widely used and the standard exempted company can now include limited duration companies and those transferred from other jurisdictions.

The recent establishment of the special economic zone (Cayman Enterprise City) with its financial incentives is designed to attract existing and new companies in such fields as science, technology and education, and local company managers are ready to play their part in this growth area. Current global initiatives will make further demands for substance in relation to the operation of corporate entities and, as

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STATISTICS

New companies registered by type | 2013



Summary of Companies Registered Annually 2010 through 2013

New Companies Registered

	Exempt		Non-Res		Resident		Foreign		Total	
2010	7,104		230		434		391		8,157	
2011	7,980	18%	156	-29%	485	0%	443	13%	9,064	15%
2012	7,940	12%	69	-70%	506	17%	456	17%	8,971	10%
2013	8,380	5%	48	-69%	430	-11%	575	30%	9,433	4%

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Active Companies on Register at Year End

	Exempt		Non-Res		Resident		Foreign		Total	
2010	72,994		9,651		5,829		2,732		91,206	
2011	74,782	2%	9,060	-6%	6,193	6%	2,929	7%	92,964	2%
2012	75,754	1%	8,206	-9%	6,476	5%	3,176	8%	93,612	1%
2013	78,070	3%	7,200	-12%	6,755	4%	3,505	10%	95,530	2%

Statistics sourced from Cayman Islands Registry