Recent developments:
For the latest developments relating to the Cayman Islands, see Deloitte tax@hand.

Investment basics:
Currency – Cayman Islands Dollar (KYD)
Foreign exchange control – No
Accounting principles/financial statements – GAAP/IFRS
Principal business entities – These are the exempted company, nonresident company and local company.

Corporate taxation:
There is no corporate income tax in the Cayman Islands.

Withholding tax:
There is no withholding tax on dividends, interest, royalties or technical service fees in the Cayman Islands, and no branch remittance tax.

Other taxes on corporations:
Capital duty – No
Payroll tax – No
Real property tax – No
Social security – No
Stamp duty – Stamp duty is imposed on the transfer of Cayman Islands real estate. The duty is applied on the greater of the purchase price or the fair market value of the land and building at the time of the transfer, at a rate of 7.5% for most property. Stamp duty also applies to a "land holding company," as defined.

Transfer tax – No
Other – Duty, charged at varying rates depending on the goods, is levied on most goods imported into the islands. There also is a tonnage fee for vessels.

Anti-avoidance rules:
Transfer pricing – No
Thin capitalization – No
Controlled foreign companies – No
Disclosure requirements – The Cayman Islands has adopted country-by-country (CbC) reporting rules in accordance with the OECD BEPS project. The rules require certain multinationals to submit a CbC report to the Cayman Islands Tax Information Authority.

Other – The International Tax Cooperation (Economic Substance) Law, 2018 (ES Law) was passed into law in December 2018. The ES Law requires certain Cayman Islands legal entities carrying on a “relevant activity” to comply with the economic substance requirements, as outlined in the ES Law. Legal entities include Cayman Islands companies (other than a domestic company), limited liability partnerships and foreign companies registered in the Cayman Islands.

Relevant activities include activities in the following businesses: (a) banking; (b) insurance; (c) fund management; (d) headquarters; (e) distribution and service center; (f) financing and leasing; (g) holding company; (h) intellectual property; and (i) shipping.

The ES Law is effective from 1 January 2019, with a six-month transitional period for existing entities.
Compliance for corporations:

There are no significant tax compliance obligations for corporations in the Cayman Islands.

Personal taxation:

There is no personal income tax in the Cayman Islands.

Other taxes on individuals:

Capital duty – No
Stamp duty – See above under "Other taxes on corporations."
Capital acquisitions tax – No
Real property tax – No
Inheritance/estate tax – No
Net wealth/net worth tax – No
Social security – No

Compliance for individuals:

There are no significant tax compliance obligations for individuals in the Cayman Islands.

Value added tax:

There is no VAT in the Cayman Islands.

Source of tax law:

Customs Law

Tax treaties:
The Cayman Islands has not concluded any tax treaties

Tax authorities:

Department for International Tax Cooperation.

Contact:

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