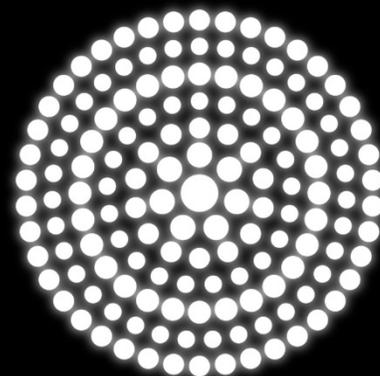


International Tax Cayman Islands Highlights 2021

Updated January 2021



Recent developments

For the latest tax developments relating to the Cayman Islands, see [Deloitte tax@hand](mailto:Deloitte_tax@hand).

Investment basics

Currency: Cayman Islands dollar (KYD)

Foreign exchange control: There are no foreign exchange controls.

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.

Compliance for corporations

There is no corporate income tax in the Cayman Islands.

Individual taxation

There is no individual income tax in the Cayman Islands.

Compliance for individuals

There is no individual income tax in the Cayman Islands.

Withholding tax

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

Anti-avoidance rules

Transfer pricing: There are no transfer pricing rules.

Interest deduction limitations: There are no interest deduction limitation rules.

Controlled foreign companies: There are no CFC rules.

Hybrids: There are no hybrid rules.

Economic substance requirements: The International Tax Cooperation (Economic Substance) Law, 2018 (“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.

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.

Exit tax: There are no exit taxes.

General anti-avoidance rule: The Cayman Islands has not implemented a general anti-avoidance rule.

Value added tax

There is no VAT in the Cayman Islands.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply to both companies and individuals and are imposed at the federal level.

Social security contributions: There are no social security contributions.

Payroll tax: There is no payroll tax.

Capital duty: There is no capital duty.

Real property tax: There is no real property tax.

Transfer tax: There is no transfer tax.

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.

Net wealth/worth tax: There is no net wealth/net worth tax.

Inheritance/estate tax: There is no inheritance/estate tax.

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.

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

Tax authorities: Department for International Tax Cooperation

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