

## Alert

# Managing Your Cayman Business and Transactions During the COVID-19 Pandemic

Author: Alan Dickson, Partner

Conyers recognises the strains that are being placed on our clients during the present COVID-19 crisis. We would like to reassure you of our continued support and provide an update on the operation of our Cayman office and international business support in the jurisdiction. In these exceptional circumstances you are likely to encounter practical challenges, in the handling of business transactions and the day-to-day running of your operations. We have set out some guidance on such matters.

## Conyers' Cayman office

Our dedicated attorneys and administrators are working normal hours, but are now working remotely. Our systems and processes are designed to securely support this type of working environment, which enables us to ensure that our clients' interests continue to be protected and advanced in these difficult times, whilst prioritising the safety and well-being of our people. Please see a link to our update of [31 March](#) which provides additional details in respect of the regulations and restrictions in effect in the Cayman Islands.

## Meetings and Economic Substance Requirements

Cayman currently has a soft curfew in place which requires all non-essential workers to "shelter in place" other than for very limited purposes. Gatherings or events involving more than two persons are not allowed. In addition, board members and advisors who would ordinarily travel to Cayman in order to participate in meetings are being prevented from doing so for at least the next several weeks. However, meetings should continue to be held by audio or video conferencing. Notice of meetings should be given to all directors, and other formalities observed, in the usual way. Directors of Cayman companies are advised to examine their constitutional documents to determine if meetings may be held by telephone or video-conferencing link.

Where board of director meetings are required to be held virtually due to the measures put in place to combat COVID-19, the Cayman Department for International Tax Cooperation (DITC) will take this into consideration when determining whether an entity has passed or failed the economic substance test in its reporting due in 2021. However, it is noted that the requirement to be directed and managed in Cayman is only one element of the economic substance test and that an entity that is within scope is also required to conduct core income generating activities in relation to its relevant activity.

## Extensions for Filings

**Annual returns:** As of 26 March, the Cayman Islands Government has deferred the obligation to file annual returns and pay annual fees for companies, limited liability companies, foundation companies and exempted limited partnerships incorporated or registered in the Cayman Islands. The filing deadline has been extended until 30 June. No additional fees will be payable by entities that avail themselves of the extension. Failure to file annual returns and/ or pay annual fees by 30 June will result in penalties as of 1 July.

**Economic Substance Notifications:** The deadline for entities required to make an economic substance notification (which is a prerequisite for filing an annual return) has consequently also been extended to 30 June.

**Beneficial Ownership Submissions:** The General Registry has given a one month extension for beneficial ownership submissions. The extension went into effect on 23 March and will cease on 20 April. It is expected that the Registry's digital platform will come online sometime in the next few weeks in order to allow corporate services providers to make electronic filings going forward.

**Changes to Directors, Officers or Registered Office:** The filing deadline for changes to an entity's Directors & Officers Register or changes to its Registered Office has been extended by 30 days for changes on or after 1 March. Accordingly, any such filings will not incur penalties if made by 30 April.

**Changes to Memorandum and Articles of Association:** Similarly, the filing deadline for amendments to constitutional documents (including filings in respect of increases in share capital) has been extended by 30 days for changes made on or after 1 March meaning that no penalties will accrue for late filings if made by 30 April.

## Government Offices

The Registrar of Companies (RoC), the Cayman Islands Monetary Authority (CIMA) and other public offices are functioning on a remote basis and have implemented new guidelines for using their services throughout this isolation period. All correspondence and application requests must be submitted electronically and all payments must be made via wire transfer.

The General Registry has advised that express applications are still being processed within 24 hours and that other non-express applications are being processed in approximately three business days.

Where documents are required to be notarised or certified, the RoC will accept documents that have been notarised or certified online or by use of audio-video technology. Similarly, in cases where CIMA would normally require a notarised affidavit in advance of a fund registration application, they will instead accept a written confirmation from an operator of the fund authorising the registered office or other service provider to attend to such filing.

In respect of legalisation and apostille requests, whilst the Passport Office is currently closed, they are moving to a provisional system whereby attorneys will send notarised documents to their clients as usual and instruct them to contact the Passport Office to provide provisional confirmation of the authenticity of the notary signatures. The Passport Office has advised that an express service is not available with this provisional system.

Searches of the public register of directors is currently unavailable and is suspended until further notice due to the closure of government offices and the requirement to be physically present at the government office to conduct such searches.

## We are here to help

Like you, we are deeply concerned about the rapidly evolving situation and are closely monitoring developments. It is important that businesses do not lapse into accepting the practical or simplest solution at the expense of sound practices. Please feel free to reach out to your usual Conyers contacts with questions, no matter how basic they may seem. We will be pleased to help.

We will do our best to keep you up to speed with developments as the situation evolves in the Cayman Islands, and we have created a dedicated page on our website for useful information and articles: <https://www.conyers.com/news-insights/covid-19/>.

---

### Authors:

**Alan Dickson**

Partner

[alan.dickson@conyers.com](mailto:alan.dickson@conyers.com)

+1 345 814 7790

**Maree Martin**

Counsel and Head of Knowledge Management

[maree.martin@conyers.com](mailto:maree.martin@conyers.com)

+1 345 814 7781

This article is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to merely provide a brief overview and give general information.

For further information please contact: [media@conyers.com](mailto:media@conyers.com)