Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · NORTHERN CARIBBEAN AND ATLANTIC

Doing Business in the Cayman Islands

A practical guide to establishing, operating and growing a business in the Cayman Islands

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FOREWORD

The Cayman Islands is one of the world's leading international financial centres and a growing domestic economy in its own right. We serve businesses there through our Caribbean Service Desk, managed from our headquarters in Kingston.

Investors are drawn to the Cayman Islands for good reason: a stable British Overseas Territory with English common law, a currency fixed to the US dollar, no direct taxes and a deep pool of legal, financial and professional expertise. Opportunity sits alongside rules that need careful handling from the first day, including local ownership controls, business licensing, work permits and international reporting obligations.

This guide sets out what you need to know in plain language: how to choose a structure, how the set-up process works, how the revenue system operates without income tax, how to employ people, and which incentives may be available. It is written for investors, entrepreneurs and regional and international groups considering the Cayman Islands.

Our Caribbean Service Desk in Kingston is ready to help you turn a plan into a well-run, compliant business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide gives a practical overview of establishing and running a business in the Cayman Islands. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act.

OVERVIEW

01 The Cayman Islands at a glance

Three islands, Grand Cayman, Cayman Brac and Little Cayman, with an economy built on financial services, tourism and real estate.

CAPITAL
George Town
On Grand Cayman, home to most residents

POPULATION
About 90,600
Official estimate, 2025

LANGUAGE
English
Official language of business and law

CURRENCY
Cayman Islands dollar (KYD)
Fixed at CI$1 = US$1.20

LEGAL SYSTEM
English common law
Grand Court; final appeal to the Privy Council, London

TIME ZONE
UTC−5
Eastern Standard Time all year; no daylight saving

DIRECT TAXES
None
No income, corporate, capital gains or payroll tax

IMPORT DUTY
22% on most goods
A main source of government revenue

STATUS
British Overseas Territory
Elected government; CARICOM associate member

Leading sectors

- Investment funds
- Banking and trust services
- Insurance and reinsurance
- Tourism and hospitality
- Real estate and construction
- Legal and professional services
- Technology and digital
- Ship and aircraft registration
- Retail and distribution

Gateways

Owen Roberts International Airport on Grand Cayman has direct flights to North America, the UK and the region. Charles Kirkconnell International Airport serves Cayman Brac and Edward Bodden Airfield serves Little Cayman. George Town is the main cargo and cruise port.

Public holidays

Twelve public holidays in 2026, including National Heroes Day (January), Emancipation Day (May) and Constitution Day (July). Public holidays are paid under the Labour Act.

INVESTMENT CLIMATE

02 Why the Cayman Islands

Stability, tax neutrality and deep financial and legal expertise make the Cayman Islands a natural base for international business.

Global financial centre

The Cayman Islands is a leading domicile for investment funds, captive insurance and structured finance. Businesses have access to experienced lawyers, administrators, auditors and bankers, overseen by the Cayman Islands Monetary Authority (CIMA).

Stability and a fixed currency

As a British Overseas Territory with an elected government, the Cayman Islands offers political continuity. The Cayman dollar has been fixed to the US dollar since 1974, which removes currency risk for US-dollar businesses.

Tax neutrality and familiar law

There are no direct taxes on income, profits or gains. Company, partnership and trust law follows English common law, and courts recognise commercial contracts and security interests in the way international investors expect.

A growing domestic economy

Alongside its international business, the Cayman Islands has a busy domestic market. The Economics and Statistics Office reported real growth of 2.8% in the first nine months of 2025 and unemployment of 2.6% in autumn 2025, with a population that continues to grow.

Ownership and licensing rules protect the local market, so investors serving local customers must plan their structure with care.

Where the opportunities are

Sector	Examples of opportunity
Financial services	Fund formation and administration, insurance and reinsurance, fiduciary and corporate services
Tourism	Hotels and resorts, attractions, dive and marine tourism, supply chains for food and services
Real estate	Residential and commercial development, property management and construction services
Technology	Digital, media, outsourcing and fintech businesses
Health care	Medical services, wellness and health care supply

Department of Commerce and Investment

The Department of Commerce and Investment (DCI) administers trade and business licences and local company control licences, and is the first contact for investors trading locally.

LEGAL VEHICLES

03 Choosing a business structure

The right vehicle depends on whether you will trade with customers in the Cayman Islands or mainly abroad. Overseas companies may register as foreign companies.

Vehicle	Key features	Typical use	Main obligations
Ordinary resident company	Separate legal entity with limited liability; may carry on business in the Cayman Islands	Local operating businesses	Trade and business licence; local ownership rules; annual return and list of members
Ordinary non-resident company	Ordinary company that does not carry on business in the Cayman Islands	Holding and some international activities	Annual return and list of members; beneficial ownership
Exempted company	Conducts business mainly outside the Cayman Islands; flexible share capital; may obtain a tax undertaking	Funds, holding companies and international groups	Annual return and fees; beneficial ownership; economic substance
Limited liability company (LLC)	Separate legal personality and limited liability, with flexible governance agreed by members	Funds, joint ventures and US-style structures	Annual return and fees; beneficial ownership
Exempted limited partnership	Partnership of a general partner and limited partners; the general partner bears liability if assets fall short	Private equity, hedge and feeder funds	Registration; annual return; beneficial ownership
Foundation company	Company that may have no members if it has one or more supervisors	Wealth planning, philanthropy and digital asset projects	Annual return; registered office and secretary

Local ownership rules

A company trading locally must normally be at least 60% owned and controlled by Caymanians under the Local Companies (Control) Act. Otherwise it needs a local companies control licence. A 2026 bill would let Cabinet pause new licences in some sectors; check its status before you plan.

Beneficial ownership

Under the Beneficial Ownership Transparency Act, 2023, most entities must identify individuals holding 25% or more or exercising control. Their corporate services provider files details with the authority. Limited access for those with a legitimate interest began in 2025.

GETTING STARTED

04 Setting up: step by step

Companies are registered through a licensed corporate services provider at the General Registry, usually in three to five business days. Licences, bank accounts and work permits take longer.

1 **Plan the structure and name** — WEEK 1

Decide whether you will trade locally or abroad, choose the vehicle and ownership, and check the name with the General Registry.

2 **Register with the General Registry** — WEEK 1–2

File the constitutional documents and registered office details through a licensed provider. Registration usually takes three to five business days, or one day for an express fee.

3 **Obtain a trade and business licence** — WEEK 2–26

Businesses trading locally apply to the Department of Commerce and Investment. Where Caymanians will not own and control 60%, a local companies control licence is also needed, which can take three to six months.

4 **Open a bank account** — WEEK 2–8

Banks apply full know-your-customer checks on the company, directors and owners. Allow extra time where owners are overseas.

5 **Obtain licences and permits** — VARIES

Apply to CIMA for any regulated activity, register with Customs and Border Control for commercial imports, and obtain planning approvals for premises.

6 **Prepare to employ** — BEFORE HIRING

Enrol staff in a registered pension plan, arrange approved health insurance and apply to WORC for work permits for non-Caymanian staff.

7 **Set up accounting and compliance** — BEFORE TRADING

Put in place bookkeeping, payroll, a filing calendar, economic substance and CRS/FATCA classification, data protection and, where required, anti-money laundering controls.

Documents you will usually need

Certified passport and proof of address for each director, shareholder and beneficial owner; evidence of Caymanian status for local owners; a business plan for licence applications; registered office details; and, for an overseas company, certified constitutional documents and a certificate of good standing from its home registry.

TAXATION

05 Tax at a glance

The Cayman Islands levies no direct taxes. Government is funded instead by import duty, stamp duty and fees, while businesses must meet international substance and reporting rules.

Where government revenue comes from	
Import duty	22% on most goods; higher on vehicles, alcohol and tobacco; lower or nil on some items
Stamp duty on property	7.5% on most transfers of land; 10% where the price is CI$2 million or more, from 1 January 2026; also applies to shares in land-holding companies
Stamp duty on security	1% to 1.5% on mortgages and charges, depending on the sum secured
Work permit fees	Paid by the employer each year, by occupation
Licence fees	Annual trade and business and local company control licence fees, by activity
Registry and CIMA fees	Annual government fees for companies, partnerships and regulated entities

Taxes that do not apply	
Businesses	No corporate income, capital gains, withholding or payroll tax; no VAT or sales tax
Individuals	No income, capital gains, inheritance or gift tax; no annual property tax

International reporting	Filed with
Economic substance	DITC
CRS and FATCA	DITC
Country-by-country reports	DITC

Exempted companies may obtain a 20-year undertaking against future taxes, extendable by 10 years. There are no general double tax treaties, but tax information is exchanged under bilateral and multilateral agreements. The OECD global minimum tax had not been adopted locally at mid-2026.

Recent changes

Stamp duty rose to 10% on property deals of CI$2 million or more from 1 January 2026, and concessions for first-time Caymanian buyers widened in 2025. CRS amendments and new crypto-asset reporting rules took effect on 1 January 2026. Trade and business licence fees rose for several sectors from 28 April 2026.

PEOPLE

06 Employing people

There is no payroll tax, but employers must provide a pension and health insurance, pay the minimum wage and meet Labour Act standards.

Minimum standards

- **Minimum wage:** CI$8.75 an hour from 1 January 2026, across all sectors
- **Hours:** standard week of up to 45 hours; overtime at least time and a half unless agreed in writing
- **Vacation:** two weeks' paid leave a year, rising to three weeks after four years and four weeks after ten years
- **Sick leave:** paid at the basic wage for the first ten days in each year
- **Maternity:** 12 weeks' leave, with 20 working days at full pay and 20 at half pay
- **Notice:** generally the interval between pay days, up to 30 days, unless the contract differs
- **Severance:** one week's basic wage for each completed year of service, after a year's continuous employment

Statutory payroll contributions

Contribution	Employee	Employer
Income tax	None	None
Pension	5%	5%
Health insurance	Up to 50% of standard premium	Balance

Pension is due by the 15th of the next month on earnings up to CI$87,000 a year. Employees must be insured from day one, at least under the Standard Health Insurance Contract.

Bringing in foreign staff

Work permits

Non-Caymanians need a work permit from WORC, applied for by the employer after advertising the vacancy for 21 days on the WORC portal and in local media.

2026 reforms

From 1 May 2026, first-time permit holders must generally stay with their sponsoring employer for two years. Employers must tell WORC within seven days when employment ends.

Term limits and SEZ

Term limits restrict how long most permit holders may stay. Staff of special economic zone companies receive five-year certificates under a separate regime.

HR essentials from day one

Give every employee written terms of employment, keep accurate time, pay and leave records, confirm pension and health cover in writing, track permit expiry dates, and adopt a staff handbook covering conduct, grievances, data protection and health and safety. Most disputes we see start with missing paperwork, not bad intentions.

MONEY AND ASSETS

07 Banking, currency and property

Banking and finance

The Cayman Islands is a major international banking centre, with retail banks serving the domestic market alongside banks focused on international business, all licensed and supervised by CIMA.

- **No exchange controls:** funds, profits and capital can be moved in and out freely
- **Fixed currency:** the Cayman Islands dollar is fixed at CI$1 = US$1.20 and issued by CIMA
- **US dollar accounts** are widely available, and US dollars are accepted in most shops
- **Capital markets:** the Cayman Islands Stock Exchange lists funds, debt and other securities
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks under the Proceeds of Crime Act

Financial reporting

IFRS and US GAAP are both widely used. Regulated funds file audited financial statements with CIMA within six months of the year-end.

Land and property

Foreign nationals and foreign-owned companies may buy and own land without special approval. Land is registered with the Registrar of Lands, and there is no annual property tax.

Typical costs on a property purchase	
Stamp duty	7.5% of the price; 10% at CI$2 million or more; usually paid by the buyer
First-time Caymanian buyers	No duty on homes up to CI$550,000; reduced rate on the excess up to CI$650,000
Mortgage stamp duty	1% to 1.5% of the sum secured
Legal and agent fees	Agreed with the attorneys and agents involved

Before you build

Development needs planning approval from the Central Planning Authority on Grand Cayman or the Development Control Board on Cayman Brac and Little Cayman, and sensitive sites may need environmental review.

GROWTH LEVERS

08 Incentives, trade and customs

With no direct taxes, incentives focus on tax certainty, the special economic zone, licence fee relief and duty concessions for approved projects.

Key incentive regimes

Regime	What it offers
Special economic zone	Relief from certain duties and fees and five-year staff certificates for approved internet, technology, media, commodities, outsourcing, academic and maritime businesses
Tax undertakings	Government guarantee against future taxes: 20 years, extendable, for exempted companies; 50 years for exempted limited partnerships
Duty concessions	Relief from import duty that government may grant for approved developments and projects
Small business support	Licence fee discounts for qualifying Caymanian micro and small businesses
Home ownership	Stamp duty concessions for first-time Caymanian buyers

Eligibility and conditions apply to each regime. Zone companies may not trade with the local market outside the zone.

Market access

- **United States:** about an hour's flight from Miami, with a currency fixed to the US dollar
- **United Kingdom:** British Overseas Territory with close legal and institutional links
- **CARICOM:** associate member, but outside the Single Market and Common External Tariff
- **Registries:** a respected shipping registry and aircraft register serving international owners

Customs

Customs and Border Control handles imports through its Customs Online System. Commercial importers register for a Trader Identification Number, and goods must be declared within seven days of arrival. Duty is charged at tariff rates on the value of the goods.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
General Registry	Companies, partnerships, annual returns, beneficial ownership
Department of Commerce and Investment	Trade and business licences, local company control licences
Cayman Islands Monetary Authority	Banks, insurance, funds, securities, fiduciary services and currency
Department for International Tax Cooperation	Economic substance, CRS, FATCA and country-by-country reporting
Customs and Border Control	Imports, exports and duties
Financial Reporting Authority	Suspicious activity reports
WORC	Work permits and residency
Department of Labour and Pensions	Labour standards and pensions
Office of the Ombudsman	Data protection
Planning authorities	Planning and building approvals

Key filing dates

When	What
15th of each month	Pension contributions for the previous month
15 January	CIMA annual fees and declarations for regulated entities and registered directors
31 January	Economic substance notification, then annual return and Registry fees; penalties after 31 March
30 April / 31 July	CRS and FATCA registration for new financial institutions / annual CRS and FATCA reports
Within 12 months of year-end	Economic substance return for entities with relevant activities
90 days before expiry	Trade and business licence renewal

Beneficial ownership details are filed monthly through the corporate services provider. Late filing penalties build quickly.

Anti-money laundering

Financial institutions and designated non-financial businesses, such as real estate agents, must meet the Proceeds of Crime Act and Anti-Money Laundering Regulations and report to the Financial Reporting Authority.

ACTION PLAN

10 Your first 90 days: checklist

Use this checklist to track the essential steps from decision to first trading day.

Days 1–30: establish

- [ ] Agree business plan, structure and ownership
- [ ] Confirm whether local ownership rules apply
- [ ] Check and reserve the company name
- [ ] Gather KYC documents for directors and owners
- [ ] Register with the General Registry
- [ ] Record beneficial ownership information
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Apply for a trade and business licence
- [ ] Apply for a local companies control licence if needed
- [ ] Apply to CIMA for any regulated activity
- [ ] Register with Customs and Border Control
- [ ] Advertise roles and apply for work permits
- [ ] Assess special economic zone or other incentives
- [ ] Lease premises and confirm planning approvals

Days 61–90: operate

- [ ] Set up the accounting system and chart of accounts
- [ ] Enrol staff in a pension plan and health insurance
- [ ] Issue written employment contracts
- [ ] Classify for economic substance and CRS/FATCA
- [ ] Put AML and data protection policies in place
- [ ] Agree year-end and audit arrangements

Ongoing

- [ ] Monthly pension contributions
- [ ] Monthly beneficial ownership updates
- [ ] Annual return and economic substance filings
- [ ] Annual financial statements
- [ ] Renew licences and permits on time

YOUR PARTNER

11 How Dawgen Global helps

From the first conversation to your first filing, one Dawgen Global team supports you through our Caribbean Service Desk, managed from Kingston.

Market entry and structuring

Choice of vehicle, structuring and business plans.

Corporate secretarial support

Formation support, registers, annual returns and beneficial ownership filings.

Tax advisory and reporting

Economic substance, CRS and FATCA reporting and group tax planning, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing

Bookkeeping, management accounts, payroll and a Virtual CFO.

Audit and assurance

Audits, reviews and special-purpose reporting.

HR, immigration and legal support

Contracts, HR policies, work permits and legal support, with our panel of attorneys.

Risk and compliance

AML programmes, data protection compliance, internal audit and governance.

Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

Licence and incentive applications

Business licence and special economic zone applications.

Start with a conversation

Tell us your plans for the Cayman Islands, and we will set out the steps, timeline and costs. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **caymanislands@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Cayman Islands Caribbean Service Desk

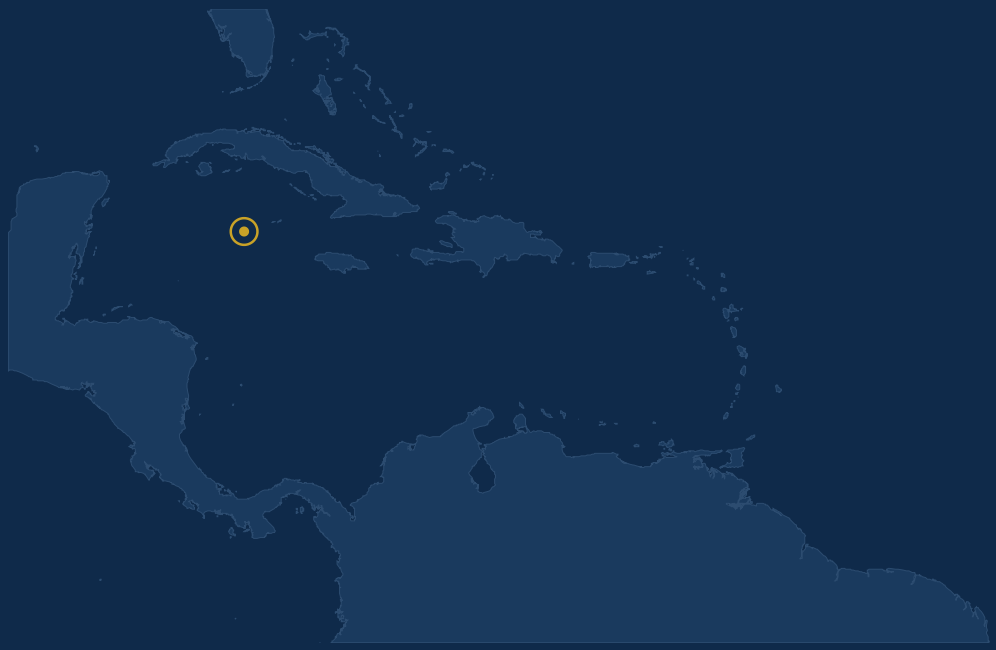
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Key official sources

- General Registry (ciregistry.ky)
- Cayman Islands Monetary Authority (cima.ky)
- Department for International Tax Cooperation (ditc.ky)
- Department of Commerce and Investment (dci.gov.ky)
- Workforce Opportunities and Residency Cayman (worc.ky)
- Department of Labour and Pensions (gov.ky)
- Customs and Border Control (gov.ky)
- Office of the Ombudsman (ombudsman.ky)



This publication contains general information only, current to October 2026, and is not professional advice. Rates, fees, thresholds and procedures change frequently, and several reforms in the Cayman Islands were still being implemented at the time of writing; confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.

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