

Immigration and Residency in the Cayman Islands

The Cayman Islands is a beautiful archipelago which maintains its rich culture and heritage, while simultaneously ranking within the top ten largest financial centres in the world. As an overseas British Overseas Territory and tax-neutral jurisdiction, Cayman also boasts a strong commitment to the rule of law, world-class health and educational facilities, quality lifestyle choices and excellent transportation links with the USA, Canada and Europe. Foreign investors are able to invest in real estate for the purposes of enjoying a vacation home themselves or to rent to third parties. No express permission is required for foreign investors to purchase real estate and owners are entitled to enter the Cayman Islands to stay for up to six months in an annual period, without the need for specific immigration permission. Therefore, it is not surprising that Cayman attracts international investment as well as those wishing to leave their home jurisdiction to obtain Cayman residency which, in certain cases, can also lead to an eventual grant of Caymanian status and British citizenship.

The Cayman Islands immigration regime is specifically designed to boost the economy and attract investment. As such, there are various options available to persons seeking residency.

For those who are seeking to become legally resident on the basis of a real estate purchase, there are two options.

CERTIFICATE OF PERMANENT RESIDENCE FOR PERSONS OF INDEPENDENT MEANS

Persons who invest a minimum of \$2,000,000 KYD in developed real estate may apply for a Certificate of Permanent Residence for Persons of Independent Means. Once granted, a holder has the right to reside indefinitely in the Cayman Islands with the additional benefit that the permission holder and his spouse can also apply for the right to work in a particular occupation. As the certificate is granted indefinitely, it also qualifies a holder to become eligible to apply for naturalisation as a British Overseas Territory Citizen ('BOTC') once they have been legally and ordinarily resident for 5 years. If naturalisation is granted, it may allow the subsequent benefit of becoming a full British citizen with the ability to apply to become Caymanian.

The criteria to obtain a Certificate of Permanent Residence for Persons of Independent Means can be found in Table 1 below.

RESIDENTIAL CERTIFICATE FOR PERSONS OF INDEPENDENT MEANS

This facility is for persons who wish to reside in the Cayman Islands without the right to work and as such, is ideally suited to retirees. Successful applications are granted for an initial duration of twenty five years but can be extended at the discretion of the Chief Immigration Officer. The criteria which applicants must

satisfy, include a prescribed investment in real estate and that financial standing requirements be met. Details of these requirements can be found in Table 1 below.

It is also possible to obtain residency in the Cayman Islands via avenues which do not require immediate real estate investment but instead require business investment.

CERTIFICATE OF DIRECT INVESTMENT

This option is for persons who have invested in (or wish to invest in) and have substantial management control of, a licensed employment generating business in Cayman. Applicants must demonstrate a track record in business and specific knowledge relevant to carry on the business. They must also be able to make an investment of \$1,000,000 KYD in either a pre-existing or new business(es) in Cayman. If successful, this certificate will be granted for twenty five years, renewable at the discretion of the Chief Immigration Officer.

See Table 1 below for further details.

RESIDENCY CERTIFICATE (SUBSTANTIAL BUSINESS PRESENCE)

This facility is for persons who invest in, or who are employed in a senior management capacity, within an approved category of business in Cayman. If an application is successful, applicants are granted residence for twenty five years. This entitles them to reside and to work in the business in which they are an owner or employed in a senior management capacity. The Certificate is also renewable at the discretion of the Chief Immigration Officer.

See Table 1 below for further details.

Alternatively, for people who wish to become familiar with life in Cayman before committing to substantial real estate or business investment, it is possible to become legally resident in Cayman with the right to work under the work permit regime or by taking employment with the Cayman Islands Government. A person who has been legally and ordinarily resident in the Islands for a period of at least eight years (but not more than nine years) under the foregoing schemes, may apply for a grant of permanent residency. The cost associated with this application depends upon the salary of the applicant and also requires the payment of fees which are equivalent to work permit fees. The application will be assessed on the basis of a points system whereby applicants are graded on their occupation, education and training, experience, local investments, financial stability and contributions to the community. They will also be awarded points for demographic diversity, age distribution, Caymanian connections and knowledge of Caymanian history and culture. Applicants may lose points for things like criminal convictions or

health issues. To be successful, applicants must score one hundred and ten out of a possible two hundred and fifteen points.

TABLE 1

	Criteria	Entitlement	Fees	Other
Certificate of Permanent Residence for Persons of Independent Means	<p>Investment of \$2,000,000 KYD in developed real estate in the Islands;</p> <p>Clean criminal record (applicant and spouse);</p> <p>Good health and adequate health insurance (applicant, spouse and any dependants);</p> <p>Sufficient financial resources to maintain self and dependants.</p>	<p>Right to reside indefinitely.</p> <p>An additional right to work can be applied for.</p>	<p>Application fee: \$500 KYD</p> <p>Issue fee: \$100,000 KYD</p> <p>Variation fee: \$500 KYD</p> <p>Additional fees for dependants and work permit equivalents.</p>	<p>A maximum of 250 grants can be made annually.</p> <p>A holder has the option of seeking naturalization as a BOST Citizen and thereafter, the right to be Caymanian.</p>
Residential Certificate for Persons of Independent Means	<p>The applicant must be at least 18 years old;</p> <p>Not have any serious criminal convictions;</p> <p>Be in good health and possess adequate health insurance coverage;</p> <p>Meet the following financial standing criteria:</p> <ul style="list-style-type: none"> • Continuous source of income of at least \$120,000/\$75,000 KYD; OR • Maintains an account balance of at least \$400,000 KYD with a Cayman Islands institution; AND • Invested \$1,000,000/\$500,000 KYD of which at least \$500,000/\$250,000 KYD must be in developed real estate in the Cayman Islands <p>*Note figures in blue relate to amounts where the applicant intends to reside in Grand Cayman. Figures</p>	<p>Right of residency (without the right to work) for 25 years, renewable thereafter at the discretion of the Chief Immigration Officer.</p>	<p>Application fee: \$500 KYD</p> <p>Issue fee: \$20,000 KYD</p> <p>Additional fees for dependants or variations.</p>	<p>Especially suited to retirees.</p> <p>No option of naturalization.</p> <p>Must maintain residency in the Islands for a minimum of 30 days per annum and make annual declarations.</p>

	in purple apply where residence is intended in Cayman Brac or Little Cayman.			
Certificate of Direct Investment	<p>The applicant has made, or proposes to make, an investment of at least \$1,000,000 KYD in a licensed employment business(es) in the Cayman Islands, in which the person exercises, or will exercise, substantial management control;</p> <p>Has a substantial business track record or entrepreneurial background including specific professional, technical or other knowledge that is relevant and necessary;</p> <p>The applicant and any spouse must have clean criminal records and be in good health.</p>	<p>Right of residency and the ability to work in the invested business for 25 years.</p> <p>Additional right for spouse and dependants to reside without the right to work.</p>	<p>Application fee \$1,000 KYD</p> <p>Issue fee: \$20,000 KYD</p> <p>Additional fees for variations, dependants and work permit equivalents.</p>	<p>No option of naturalization.</p> <p>Must maintain residency in the Islands for a minimum of 90 days per annum.</p> <p>Requirement to provide audited financial statements and other declarations at designated intervals.</p>
Residency Certificate (Substantial Business Presence)	<p>The applicant must own or propose to own, either directly or indirectly, a minimum of ten percent of shares in an approved category of business*, through which they have established, or will establish, a substantial business presence in the Islands; OR</p> <p>Is, or will be employed, in a senior management capacity in an approved category of business.</p> <p>*Approved categories of business are: fund administration, brokerage, investment and fund management, investment banking, financial trading, captive insurance, reinsurance underwriting, investment banking, actuarial services, insurance claims management, family office, hedge fund incubation, any business operating from Cayman Brac providing Human Resource, Accounting, Administrative, IT, or other back office support, any company registered as an exempted company under the Companies Law</p>	<p>Residency for 25 years (renewable at the discretion of the Chief Immigration Officer) which entitles a person to reside in the Islands and work in the business in which he has invested or is employed.</p> <p>Be accompanied by his/her spouse or dependent children.</p>	<p>Application fee \$1,000 KYD</p> <p>Issue fee: \$5,000 KYD</p> <p>Additional fees for variations, dependants and work permit equivalents.</p>	<p>No option of naturalization.</p> <p>Must maintain residency in the Islands for a minimum of 90 days per annum and make annual declarations.</p>

Figures as per Immigration Regulations 2018 and may be subject to change.

This briefing is intended to provide an overview of the different options for residency only. It is not a substitute for legal advice, nor is it legal opinion and should not be taken as such. It is recommended that due to the complexity of the immigration system that persons seek specific legal advice based upon their personal circumstances and requirements. Our specialist attorneys are able to provide advice and ancillary services such as corporate services and conveyancing upon request. Please contact our firm for further information at info@broadhurstllc.com.