

CAYMAN ISLANDS



BENEFICIAL OWNERSHIP TRANSPARENCY (AMENDMENT) (NO. 2) BILL, 2025

Supplement No. 1 published with Legislation Gazette No. 36 dated 9th October, 2025.

A BILL FOR AN ACT TO AMEND THE BENEFICIAL OWNERSHIP TRANSPARENCY ACT, 2023 TO PROVIDE FOR THE SUBMISSION OF CERTAIN INFORMATION WHERE THE LEGAL PERSON IS A SUBSIDIARY OF A LISTED ENTITY; TO EMPOWER THE COMPETENT AUTHORITY TO PROVIDE INFORMATION IN RESPECT OF THE BENEFICIAL OWNERSHIP REGISTER OF A LEGAL PERSON TO, AMONG OTHER ENTITIES, OTHER GOVERNMENTS; TO CLARIFY THAT THE ADMINISTRATIVE FINES UNDER THE ACT ARE MAXIMUM FINES; TO ENSURE THE CONTINUED EFFECTIVENESS OF THE BENEFICIAL OWNERSHIP LEGISLATIVE FRAMEWORK; AND TO PROVIDE FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce



Memorandum of OBJECTS AND REASONS

This Bill amends the Beneficial Ownership Transparency Act, 2023 (“principal Act”) in order to —

- (a) provide for the submission of certain information where the legal person is a subsidiary of a listed entity;
- (b) empower the competent authority to provide information in respect of the beneficial ownership register of a legal person to, among other entities, other governments;
- (c) clarify that the administrative fines under the principal Act are maximum fines;
- (d) ensure the continued effectiveness of the beneficial ownership legislative framework; and
- (e) provide for incidental and connected purposes.

Clause 1 provides the short title of the legislation.

Clause 2 amends section 10 of the principal Act to provide that a legal person may be exempt from the provisions of the Act if the legal person is designated as a company to which section 80 of the Companies Act (2025 Revision) applies, or if the legal person is registered in accordance with section 7 of the Non-Profit Organisations Act (2020 Revision).

Clause 3 amends section 12 of the principal Act to provide that where a legal person is a subsidiary of a listed entity, for the purposes of providing the competent authority with written confirmation of the legal person’s category, in addition to providing the name and jurisdiction of the stock exchange, the legal person shall also provide the name of the listed entity.

The clause also amends section 12 of the principal Act to provide an additional required particular in respect of an individual under section 2(2) of the principal Act. It is proposed that such an individual shall also include the nature in which the individual owns or exercises control of the legal person.

Clause 4 amends section 13 of the principal Act to provide that the beneficial ownership register that is established and maintained by an ordinary resident company that does not engage a corporate services provider shall contain adequate, accurate and current beneficial ownership information.

The clause also amends section 13 of the principal Act to provide that the beneficial ownership information that is regularly deposited by the corporate services provider shall be adequate, accurate and current.

Clause 5 amends section 14 of the principal Act to provide that a legal person is not required to give notice to a registrable beneficial owner requesting confirmation of a

relevant change if the legal person has already been informed of the relevant change and has received the required particulars.

Clause 6 amends section 19 of the principal Act to, among other things, provide clarity regarding the process by which restrictions notices are issued.

The amendment provides that the corporate services provider shall send a restrictions notice to the legal person concerning a relevant interest in that legal person if, by the end of thirty days after the receipt of the notice issued to the legal person under section 18(1) —

- (a) a notice under section 8 or 14 was served by the legal person and the legal person has not received compliance with the notice served under section 8 or 14; or
- (b) a notice under section 8 or 14 was not served by the legal person and the legal person has not provided the corporate services provider with a valid reason sufficient to justify the legal person's failure to serve the notice under section 8 or 14.

Clause 7 amends section 22 of the principal Act to provide, among other things, that the competent authority, in respect of the beneficial ownership register of a legal person, may provide information to —

- (a) a foreign beneficial ownership authority that exercises similar functions and has similar responsibilities with respect to beneficial ownership as the competent authority;
- (b) a foreign authority with designated responsibility for combatting money laundering or terrorist financing, following consultation with a relevant body in section 22(2)(a), (b), (c), (d), (e), (f), (g), (h), (i) or (j)(i); and
- (c) a government, government department or public authority of a country or territory or of a part of a country or territory in accordance with the legislation, where the information is being sought in the context of a potential or actual business relationship or transaction with the legal person about whom the information is sought.

The clause also amends section 22 of the principal Act to provide the details that members of the public may access in relation to the different categories of individuals, namely individuals referred to in section 2(2) of the principal Act, and individuals other than those referred to in section 2(2) of the Act, except where such an individual is a minor.

Clause 8 amends section 26 of the principal Act by repealing subsections (2) and (3) and substituting proposed new subsections (2), (3) and (3A).

Among other things, the clause clarifies that the fines that may be imposed by the Registrar for prescribed breaches are maximum fines.

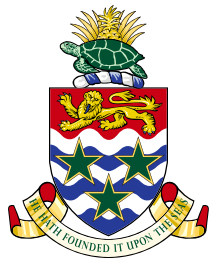
The proposed new subsection (3A) provides that in determining the amount of an administrative fine to be imposed, the Registrar shall take into account the rules referred to in section 29.

Clause 9 amends section 29 of the principal Act as a consequence of the amendment of section 26 of the principal Act. The clause stipulates that the rules made by the Registrar may provide for —



- (a) the matters that are to be taken into account in making an initial assessment of the amount of an administrative fine; and
- (b) aggravating and mitigating factors that are to be taken into account in making a final assessment of the amount of an administrative fine to be imposed.

CAYMAN ISLANDS



BENEFICIAL OWNERSHIP TRANSPARENCY
(AMENDMENT) (NO. 2) BILL, 2025

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ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Act may be cited as the Beneficial Ownership Transparency (Amendment) (No. 2) Act, 2025.

Amendment of section 10 of the Beneficial Ownership Transparency Act, 2023 - exemption

2. The *Beneficial Ownership Transparency Act, 2023*, in this Act referred to as the “principal Act”, is amended in section 10(3) as follows —



- (a) by deleting the words “A company that is” and substituting the words “A legal person that is”; and
- (b) in paragraph (b), by inserting after the words “section 7” the word “of”.

Amendment of section 12 - required particulars and written confirmation required for categories of legal persons

3. The principal Act is amended in section 12 as follows —

- (a) in subsection (4), by repealing paragraph (a) and substituting the following paragraph —
 - “(a) for particulars under subsection (1)(a) —
 - (i) the name and jurisdiction of the stock exchange; and
 - (ii) where the legal person is a subsidiary of a listed entity, in addition to the information under subparagraph (i), the name of the listed entity;”; and
- (b) in subsection (6) as follows —
 - (i) in paragraph (c), by deleting the word “and” appearing at the end of the paragraph; and
 - (ii) by inserting after paragraph (c) the following paragraph —
 - “(ca) the nature in which the individual owns or exercises control of the legal person; and”.

Amendment of section 13 - duty to establish and maintain register

4. The principal Act is amended in section 13 as follows —

- (a) in subsection (2), by inserting after the words “beneficial ownership register” the words “containing adequate, accurate and current beneficial ownership information”; and
- (b) in subsection (3), by inserting after the word “deposit”, the words “adequate, accurate and current”.

Amendment of section 14 - duty to keep register current

5. The principal Act is amended in section 14 by inserting after subsection (2) the following subsection —

- “(2A) A legal person is not required to give notice to a registrable beneficial owner requesting confirmation of a relevant change if the legal person has already been informed of the relevant change and has received the required particulars.”.



Amendment of section 19 - issue of restrictions notice by corporate services provider

6. The principal Act is amended in section 19 as follows —

- (a) by repealing subsection (1) and substituting the following subsection —

“(1) The corporate services provider of a legal person to which this Act applies shall send a restrictions notice to the legal person concerning a relevant interest in that legal person if, by the end of the period of thirty days beginning with the date of receipt of the notice issued to the legal person under section 18(1) —

 - (a) a notice under section 8 or 14 was served by the legal person and the legal person has not received compliance with the notice served under section 8 or 14; or
 - (b) a notice under section 8 or 14 was not served by the legal person and the legal person has not provided the corporate services provider with a valid reason sufficient to justify the legal person’s failure to serve the notice under section 8 or 14.”; and
- (b) by inserting after subsection (2) the following subsection —

“(2A) Where the relevant interest is subject to a pre-existing security interest granted to a third party who is not affiliated with the legal person, the restrictions notice shall not take effect.”.

Amendment of section 22 - access to beneficial ownership information

7. The principal Act is amended in section 22 as follows —

- (a) in subsection (2), by repealing paragraph (ia);
- (b) by inserting after subsection (2A) the following subsection —

“(2B) The competent authority may provide a registrable beneficial owner with information on the search platform relating to the registrable beneficial owner.”;
- (c) in subsection (4) as follows —
 - (i) by deleting the words “Subject to subsection (5), the competent authority,” and substituting the words “The competent authority,”; and
 - (ii) by deleting the words “subsections (2)(a) through (g)” and substituting the words “subsection (2)(a) through (i)”;
- (d) by inserting after subsection (4) the following subsection —

“(4A) The competent authority, in respect of the beneficial ownership register of a legal person, may provide information to —

- (a) a foreign beneficial ownership authority that exercises similar functions and has similar responsibilities with respect to beneficial ownership as the competent authority;
 - (b) a foreign authority with designated responsibility for combatting money laundering or terrorist financing, following consultation with a relevant body in subsection (2)(a), (b), (c), (d), (e), (f), (g), (h), (i) or (j)(i); and
 - (c) a government, government department or public authority of a country or territory or of a part of a country or territory in accordance with this Act, where the information is being sought in the context of a potential or actual business relationship or transaction with the legal person about whom the information is sought.”; and
- (e) in subsection (6), by repealing paragraph (a) and substituting the following paragraphs —
- “(a) for an individual, other than an individual who is a minor within the meaning of section 2 of the *Age of Majority Act (1999 Revision)* or an individual referred to in section 2(2) —
 - (i) name;
 - (ii) country of residence;
 - (iii) nationality;
 - (iv) month and year of birth; and
 - (v) nature of control;
 - (aa) for an individual referred to in section 2(2) —
 - (i) name;
 - (ii) principal office;
 - (iii) legal form; and
 - (iv) nature of control; and”.

Amendment of section 26 - administrative fines

8. The principal Act is amended in section 26 by repealing subsections (2) and (3) and substituting the following subsections —
- “(2) A person who commits a prescribed breach is liable to a fine of five thousand dollars.
 - (3) The Registrar may, in addition to the fine for the initial breach, impose a further fine of one thousand dollars for every month that the breach continues, until one of the following occurs —
 - (a) the breach stops or is remedied;



- (b) payment of the initial fine and all fines imposed for the continuing breach; or
- (c) the total of the initial fine and all fines for the continuing breach amounts to twenty-five thousand dollars.

(3A) In determining the amount of an administrative fine to be imposed under subsection (2) or (3), the Registrar shall take into account the rules referred to in section 29.”.

Amendment of section 29 - Registrar's rule-making power

9. The principal Act is amended in section 29 by repealing paragraph (a) and substituting the following paragraphs —
- “(a) the matters that are to be taken into account in making an initial assessment of the amount of an administrative fine;
 - (aa) aggravating and mitigating factors that are to be taken into account in making a final assessment of the amount of an administrative fine to be imposed; and”.

Passed by the Parliament the day of , 2025.

Speaker

Clerk of the Parliament

