



Cayman Islands Update – Q3 2025

Waystone's Cayman update provides a quarterly review of a wide range of Cayman Islands related regulatory compliance matters including news, guidelines and significant updates.

This edition features regulatory updates and developments for funds as well as the latest insights and news from Waystone:

Ministry of Financial Services and Commerce Consultation Papers

The Ministry of Financial Services and Commerce (the "MFSC") has shared consultation papers on proposed upcoming regulatory changes as follows:

1. CRS Amendment Regulations

The MFSC shared a consultation paper titled "[Amendments to the Common Reporting Standard](#)" together with the draft Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2025 (the "[CRS Amendment Regulations](#)").

The purpose of the consultation paper is to provide background information and request feedback on the amendment of the Common Reporting Standard (CRS) and the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2021 Revision) to assist with the draft CRS Amendment Regulations.

2. Crypto-Asset Reporting Framework

The MFSC has shared a consultation paper titled "[Crypto-Asset Reporting Framework](#)" and the draft Tax Information Authority (International Tax Compliance) (Crypto-Asset Reporting Framework) Regulations, 2025 ("[CARF Regulations](#)").

The purpose of this consultation paper is to provide information and request feedback regarding the implementation of the Crypto-Asset Reporting Framework ("CARF") to assist with the review of the draft CARF Regulations. The Department of International Tax Cooperation ("DITC") anticipates that implementing CARF will help ensure the recent gains in tax transparency are preserved and will support ongoing efforts to combat tax evasion and money laundering.

Submissions to both consultations should be made in the format detailed in the consultation papers by 15 September 2025.

Governance Matters in Evergreen Funds: The Role of the Independent Director

Evergreen funds are becoming an increasingly attractive option in private markets, offering greater flexibility and ongoing access to capital. However, their open-ended structure also introduces specific governance challenges that require continuous oversight.

[Kelly Chai](#), Director at Waystone, outlines the critical role that independent directors play in ensuring strong governance within evergreen fund structures. Without a fixed termination date, these vehicles require careful management of liquidity, valuation, and investor alignment. Independent directors serve as a stabilising force, ensuring transparency, fairness, and long-term operational integrity.

Key areas of focus include:

- Effective liquidity management frameworks that protect all investors
- Ongoing monitoring of potential conflicts of interest
- Oversight of valuation processes to ensure fairness for incoming and existing investors
- Strategic continuity and operational oversight across market cycles.

As these fund structures continue to evolve, strong, independent governance remains essential to building investor trust and maintaining long-term sustainability.

Read the full article [here](#).

How Can Waystone Help

Waystone offers expert fund governance through experienced, independent directors who ensure robust oversight and navigate complex regulatory requirements. Our directors work closely with our governance team, using industry-leading technology to provide transparent decision-making and maintain a clear audit trail.

For more information on our [independent directors](#), please contact your usual Waystone representative.

Voluntary Liquidations

Key Dates for Voluntary Liquidation in Cayman

Date	Standard Gazette Appointment	Extraordinary Gazette
30-Oct-25	Standard Gazette submission deadline – 31 October 2025 date to appointment Voluntary Liquidator*	
10-Nov-25	Gazette publication to advertise appointment and final meeting	05-Nov-25
10-Dec-25	The creditor notice period expires and should allow for the final meeting held by 31 January 2026	
*in order for the voluntary liquidation to be concluded by 31 January 2026 to avoid 2026 Registrar of Companies fees.		

Waystone recommends that you act immediately in order to allow sufficient time to complete the voluntary liquidation process to avoid the 2026 annual fees.

Non-CIMA Registered Funds

In order to avoid 2026 annual Cayman Islands’ Registrar of Companies fees, a Voluntary Liquidator would need to have held the fund’s final general meeting before 31 January 2026. For a limited partnership, the final dissolution notice must be filed by this date.

CIMA Registered Funds

A full de-registration request should be submitted to the Cayman Islands Monetary Authority (“CIMA”) by 1 December and must be approved by 31 December 2025 to avoid the 2026 annual license fee. The fund must be in good standing with CIMA before de-registration (i.e., must have paid all prescribed fees, submitted all the required audited financial statements, and have no outstanding queries or regulatory filings due to CIMA). Noting that funds that submit de-registration filings late in December may risk CIMA not approving the de-registration prior to 31 December 2025, therefore due to pay the full 2026 annual CIMA fee. There is no pro-rata option for annual fees.

Strike Off

The strike off is the most cost-effective method of dissolution and is generally only appropriate for an entity which has not engaged in any substantial business activity or has been dormant for a considerable length of time. A strike off request should be submitted to the Cayman Islands Registrar of Companies by 31 December to avoid the annual fees.

Waystone’s Liquidations Team is comprised of experienced professionals who are fully supported by our in-house fund governance specialists. We act as an Independent Voluntary Liquidator and prepare all statutory documentation. Our team has expert knowledge of the CIMA regulatory framework and provides step-by-step management and guidance throughout the process, minimising the length of time from the initial announcement of the intention to wind-up, until the fund is de-registered with CIMA and formally dissolved.

To find out more about Waystone’s [dissolution services](#), please reach out to us at: liquidations@waystone.com.

DITC – Economic Substance Reminder

On 5 December 2024, the DITC presented at the annual Cayman Islands Directors Association (“CIDA”) Educational Day. Two areas of focus they are seeing in particular are:

- Misclassification of Relevant Activities on Economic Substance Notifications (“ESN”) which often results in failure to submit an Economic Substance Return (“ESR”)
- Management accounts submitted by Relevant Entities along with their ESRs were prepared at consolidated/group level when they should be specific to the Relevant Entities only (i.e., standalone management accounts).

The DITC reminds all Relevant Entities to ensure that their Relevant Activities are classified accurately on the ESNs and that all management accounts submitted as part of their ESRs filings are specific to the Relevant Entities rather than at a consolidated/group level.

ESR filing reminder: A Relevant Entity that is carrying on a Relevant Activity shall submit its ESR no later than 12 months after the last day of the end of its financial year. For such Relevant Entities with **financial year end date of 30 September 2024**, they should file their ESRs to the DITC **no later than 30 September 2025**.

ESN filing reminder: All entities registered in the Cayman Islands—including foreign registered entities are required to submit their ESN to the DITC before **31 January 2026**.

DITC – Foreign Account Tax Compliance Act (“FATCA”)/Common Reporting Standard (“CRS”) Reminders

Cayman Islands

For Cayman Islands, the FATCA and CRS filing deadline for the 2024 reporting period was 31 July 2025. The deadline for the CRS compliance is 15 September 2025. Late submissions will incur penalties.

British Virgin Islands (“BVI”)

The BVI Financial Account Reporting System (“BVIFARS”) officially announced that payments are going live. Each enrolled entity is required to pay an annual fee of USD\$185, and payment must be completed by June 1 each year. After the deadline, late fees and enforcement actions will be applied. Please note that the payment can only be completed by the primary user via credit card.

The FATCA and CRS filing deadline for the 2024 reporting period was 31 May 2025.

Additionally, BVIFARS has launched a new CRS Additional Information Form, which is applicable to financial institutions with obligations under the Common Reporting Standard. The filing deadline is nine months from the end of each financial period, and any late submissions will incur penalties.

Cayman Islands Virtual Asset (Service Providers) (“VASPs”)

The Cayman Islands VASP Licensing Regime is now in effect. Per the Virtual Asset (Service Providers) Act (Commencement) Order, 2025 (the Commencement Order), the provisions of the [Virtual Asset \(Service Providers\) \(Amendment\) Act, 2024](#) came into force on 1 April 2025. The Commencement Order has now activated the requirement for certain virtual asset services, including custody services and the operation of a virtual asset trading platform, to be conducted under a full license issued by CIMA.

With the Commencement Order now in effect, entities providing custody services or operating a virtual asset trading platform must obtain a licence from CIMA to continue operating lawfully in the Cayman Islands.

Active VASPs previously operating under a registration with CIMA are now classified as licensable, and are required to transition to a full licence. This means that all such businesses must submit applications for licensing and satisfy the relevant requirements under the VASP Act. VASPs are expected to ensure that their policies and procedures align with CIMA’s expectations to facilitate a smooth transition from registration to licensing.

The VASP Amendment Act has further clarified various provisions of the VASP regime by:

- Updating the definition of ‘Operator’ to better establish who exerts control and should be licensed under the VASP Act
- Adding a requirement for a VASP to have at least three directors - one of whom must be independent
- Clarifying waiver provisions that allow a supervised person to apply for a waiver from registration or licence where the entity meets the waiver requirements
- Introducing a potential audit requirement for entities registered under the VASP Act, depending on the complexity and the size of the virtual asset services provided.

The CIMA Supervisory Information Circular can be found [here](#).

International Updates

FinCEN Postpones Effective Date of Anti-Money-Laundering Rule for Investment Advisers and Exempt Reporting Advisers

On 21 July 2025, the US Department of the Treasury Financial Crimes Enforcement Network (“FinCEN”) announced that it intends to postpone the effective date of the final rule requiring anti-money-laundering (“AML”) programs for certain investment advisers (the “IA AML Rule”). The rule, previously scheduled to take effect on 1 January 2026, will now be delayed until 1 January 2028.

While the IA AML Rule seeks to address illicit finance risks, money laundering and terrorist financing by criminals and foreign adversaries, the FinCEN recognises that the IA AML Rule must be effectively tailored to the diverse business models and risk profiles of the investment adviser sector. During the postponement, FinCEN intends to revisit the substance and scope of the IA AML Rule through a future rulemaking process.

Find out more [here](#).

Waystone Updates

We have moved!

Waystone's Cayman Islands operations have relocated effective 4 August 2025. Our new physical address is:

SIX Cricket Square
George Town, Grand Cayman
Cayman Islands, KY1-1103

Please update your records accordingly. Our P.O. Boxes, postal codes, phone numbers and email addresses all remain unchanged, ensuring no disruption in receiving mail or correspondence.

We can confirm that the Registrar of Companies and CIMA have been notified of our office move.

Thank you for your continued trust in Waystone. Following a seamless transition, we continue to provide you with our exceptional service from our new location.

Upcoming Director Travels

September

- [Paras Malde](#) – London
- [Lynden John](#) – New York
- [Nicole Ramroop](#) – New York
- [Julianne Recine](#) – New York

October

- [Sophia Dilbert](#) – London
- [Kevin Phillip](#) – Hong Kong & Singapore
- [Charl Grobler](#) – San Francisco
- [Claris Ruwende](#) – San Francisco
- Paras Malde – Mumbai
- [Alaina Danley](#) – New York
- Julianne Recine – New York

November

- [Yumi Dube](#) – New York
- Paras Malde – New York
- Alaina Danley – New York

December

- Kevin Phillip – New York

If you would like to meet with any of the independent directors, please contact your usual Waystone representative.

Stay Informed with Our Cayman Update

Our team helps you stay ahead in the ever-evolving regulatory landscape with expert insights on key Cayman Islands compliance matters. This quarterly update covers essential news, guidelines, and significant developments to keep you informed.

If you'd like to discuss any of the topics covered, please reach out to your usual Waystone representative or contact us below.

[Contact Us →](#)