

Legal Briefings

Cayman Islands: Key dates to terminate a Cayman company to avoid unnecessary fees for 2024.

October 2023

If you are considering terminating a Cayman company by way of voluntary liquidation or strike-off, it is crucial to adhere to specific deadlines and procedures to avoid unnecessary fees for the year 2024. There will be varying requirements depending on whether the entity is regulated or non-regulated.

Options for termination - voluntary liquidation or strike-off

There are two principal routes to voluntarily dissolving a Cayman Islands company after the conclusion of its operations. Dissolution can be achieved either through (i) voluntary liquidation or (ii) a strike-off. The dissolution will mean that the company is removed from the Register maintained by the Registrar of Companies in the Cayman Islands and cease to exist ultimately. Please see our previous Briefing on this topic. [Briefing - Voluntary liquidation or Strike-off?](#)

Crucial Date for Striking off a company before the close of 2023

For entities that are to be struck off before year end 2023, the Registrar of Companies has published the following Strike Off dates. Companies which seek to be struck off by 29 December 2023 will need to file the strike off application by 8 November 2023.

<u>Quarterly Strike Dates</u>	<u>Registry Cut Off Dates</u>	<u>Gazette Publication Date</u>
31-Mar-23	15-Feb-23	27-Feb-23
30-Jun-23	10-May-23	22-May-23
29-Sep-23	16-Aug-23	28-Aug-23
29-Dec-23	08-Nov-23	20-Nov-23

Liquidation of a non-CIMA registered entity

For an entity not regulated by the Cayman Islands Monetary Authority (**CIMA**) the final general meeting of the shareholders of that entity must be held before 31 January 2024 in order to avoid the 2024 annual fees payable to the Registrar of Companies. However, as the dissolution of entities is only completed some time after the final general meeting closes, leaving matters till January 2024 might even prove to be too late. We advise that the voluntary liquidation process starts as soon as possible.

For entities which are Reporting Financial Institutions under FATCA/CRS, there will be filing obligations for both 2023 and 2024 if the liquidation is not completed by 31 December 2023.

Audit requirements for a CIMA Regulated Fund

Where the entity is a regulated mutual or private fund, it is essential to complete and file the final audit or apply for and obtain an audit waiver before submitting the de-registration documents to CIMA. Also, submission of an application to CIMA is usually not sufficient as CIMA may take a while to process the application and if the application is not processed in time for the waiver to be granted in 2023, the 2024 annual fees to CIMA will be incurred.

To prevent incurring the annual CIMA license fees for 2024, one must ensure that (i) the entity's final audit is completed and filed with CIMA by 31 December 2023, or even earlier if possible **and** (ii) the de-registration application has been submitted to CIMA and has been processed and approved by CIMA before 31 December 2023. It is important to leave sufficient time to submit the deregistration documents well in advance of 31 December 2023 to give CIMA sufficient time to process the application for de-registration, thereby allowing the entity to avoid unnecessary annual CIMA license fees for the following year. Where, for example, an investment fund has ceased to trade within 2023, but is either not able to return the proceeds to investors, nor complete the final audit before the end of 2023, then 2024 CIMA annual license fees will be payable in full.

Following amendments by CIMA to the regulatory procedures, there is no longer any relief in relation to annual license fees available for a company which is in the process of terminating its license.

If the entity is registered with CIMA, it must first be de-registered with CIMA.

If the subject company is a regulated mutual or private fund registered with CIMA or a Registered Person investment manager or investment adviser under the Securities Investment Business Act (As Revised), prior to termination, it must first be deregistered from CIMA. To deregister, it must notify CIMA within 21 days of ceasing or formally intending to cease its business activities. As stated above, **to avoid incurring 2024 CIMA annual license fees, the de-registration documents should be submitted and be approved by 31 December 2023.**

Further Assistance

This publication is not intended to be a substitute for specific legal advice or a legal opinion. If you require further advice relating to the matters discussed in this Briefing, please contact us. We would be delighted to assist.

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