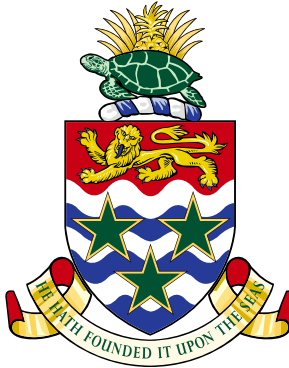


**CAYMAN ISLANDS**



# **TAX CONCESSIONS LAW**

**(2018 Revision)**

**Supplement No. 8 published with Extraordinary Gazette No. 25 of 27th March, 2018.**

## PUBLISHING DETAILS

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Cap. 164 consolidated with Laws 22 of 1969, 6 of 1973, 25 of 1991, 12 of 1994, 8 of 1997, 42 of 2010 and 11 of 2017.

Revised under the authority of the *Law Revision Law (1999 Revision)*.

Originally enacted —

Cap. 164-1st May, 1963

Law 22 of 1969-15th December, 1969

Law 6 of 1973-28th June, 1973

Law 25 of 1991-12th December, 1991

Law 12 of 1994-23rd September, 1994

Law 8 of 1997-18th April, 1997

Law 42 of 2010-9th December, 2010

Law 11 of 2017-27th March, 2017.

Consolidated and revised this 28th day of February, 2018.

*Note (not forming part of the Law): This revision replaces the 2011 Revision which should now be discarded.*



CAYMAN ISLANDS



TAX CONCESSIONS LAW  
(2018 Revision)

Arrangement of Sections

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## CAYMAN ISLANDS



# TAX CONCESSIONS LAW

(2018 Revision)

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## PART I - Introductory

### Short title

1. This Law may be cited as the *Tax Concessions Law (2018 Revision)*.

### Definitions

2. In this Law —

“**approved investments**” mean any investments approved Cabinet in accordance with section 3;

“**business**” includes enterprise and industry;

“**exempted company**” means a company registered as an exempted company under section 164 of the *Companies Law (2018 Revision)*; and

## PART II - Approved Investments

### Approval of investments

3. (1) Subject to this section, Cabinet, on the application of any company, may approve the investment of money in a business carried on or proposed to be carried on in the Islands, and which conforms to the following requirements —

- (a) its operation is such as is likely to bring direct benefit to the Islands, either in development of the tourist industry, beneficial exploitation of natural resources, development of export trade, increased revenues to the Government, improved provision of internal needs, or otherwise as Cabinet may be satisfied will redound to the public good; and
  - (b) it undertakes to employ available Caymanian unskilled and skilled labour and clerical and supervisory staff in preference to non-Caymanian unskilled or skilled labour or clerical or supervisory staff with comparable qualifications.
- (2) The Cabinet shall not approve an investment under this section unless he is satisfied that, other than the value of land, the amount of money to be invested in the business is not less than ten thousand dollars and that not less than three-fourths thereof is being brought into the Islands from sources outside the Islands for the purpose of the investment.

#### **Tax exemption approved investments**

4. (1) An approved investment shall be exempted from any form of tax or duty computed on profits or income, which may be imposed by any legislation having effect in the Islands.
- (2) The exemption aforesaid shall be for such reasonable period as will, in the opinion of the Cabinet, permit the company to recoup in profits or net income the approved investment, and shall in no case be for more than twenty-five years from the date on which the investment is approved.
- (3) The Cabinet may, on the application of any company, approve an increase of that company's approved investment, but the period of exemption pursuant to subsection (2) shall not thereby be extended beyond the period originally established in relation to that company.

#### **Saving re taxes**

5. In the event of the enactment of any legislation in the Islands imposing any tax referred to in this Part, nothing herein contained shall be construed so as to prevent the application of any such tax to any company in respect of capital other than approved investments, or in respect of profits or income therefrom.



## **PART III - Tax Exemption Undertakings**

### **Financial Secretary to give undertaking**

6. (1) The Financial Secretary may give an undertaking to any exempted company or any other company whose operations the Financial Secretary deems to be in the national interest that makes application therefor that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to such exempted company or other company or its operations.
- (2) An undertaking given under subsection (1) may provide, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax, shall be payable —
- (a) on or in respect of the shares, debentures or other obligations of the exempted company or other company referred to in subsection (1); or
- (b) by way of the withholding in whole or part of any relevant payment.
- (3) In subsection (2)(b) “relevant payment” means —
- (a) a payment of dividend or other distribution of income or capital by the exempted company or other company referred to in subsection (1) to its members; or
- (b) a payment of —
- (i) principal or interest; or
- (ii) other sums due under a debenture or other obligation of the exempted company or other company referred to in subsection (1).
- (4) In the period beginning 1st May, 1963 and ending on 1st September, 1996 —
- (a) the power of the Financial Secretary to give an undertaking to an exempted company under subsection (1) shall be deemed always to have included the power to give in any such undertaking the provision described in subsection (2)(b); and
- (b) any undertaking given under subsection (1) shall be deemed to include the undertaking described in subsection (2)
- (5) Any such undertaking as aforesaid may be for any period not exceeding thirty years from the date of the approval of the application and may be in such form as the Financial Secretary shall determine.
- (6) The Chief Officer in the Ministry responsible for Financial Services shall prepare and present to the Cabinet, a report of all applications made and granted pursuant to this section on a monthly basis.
- (7) The first report due to be prepared pursuant to subsection (6) shall be presented to the Cabinet on the date specified by the Cabinet by Order.

**Saving re exemptions**

7. Nothing in this Part shall be construed as exempting any other person not being an exempted company, a company whose operations the Cabinet deems to be in the national interest, an exempted limited partnership or exempted trust ordinarily resident in the Islands from any Law imposing any tax referred to in this Law.

**Publication in consolidated and revised form authorised by the Cabinet this 13th day of March, 2018.**

**Kim Bullings**  
*Clerk of the Cabinet*

