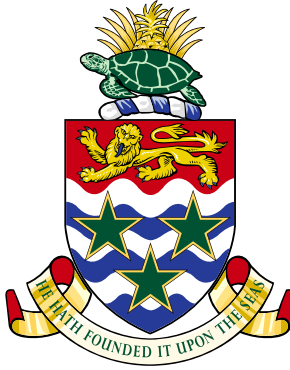


CAYMAN ISLANDS



LIMITED LIABILITY COMPANIES (AMENDMENT) BILL, 2019

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A BILL FOR A LAW TO AMEND THE LIMITED LIABILITY COMPANIES LAW (2018 REVISION) TO MAKE CERTAIN INFORMATION RELATED TO LIMITED LIABILITY COMPANIES ACCESSIBLE; TO INCREASE THE PENALTY FOR FAILURE TO COMPLY WITH BENEFICIAL OWNERSHIP REQUIREMENTS; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS



Memorandum of
OBJECTS AND REASONS

The Bill seeks to amend the Limited Liability Companies Law (2018 Revision) (“the principal Law”) to make certain information related to limited liability companies accessible and to increase the penalty for failure to comply with beneficial ownership requirements.

Clause 1 contains the short title and commencement provisions.

Clause 2 introduces a new section 4A which would require the Registrar of Limited Liability Companies, upon receipt of a request in writing, to provide information to the Anti-Corruption Commission, the Cayman Islands Monetary Authority, the Financial Crimes Unit of the Royal Cayman Islands Police Service, the Financial Reporting Authority, the Tax Information Authority and any competent authority as defined under section 2 of the *Proceeds of Crime Law (2019 Revision)*, which is assigned responsibility for monitoring compliance with money laundering regulations under section 4(9) of the *Proceeds of Crime Law (2019 Revision)*.

Clause 3 introduces a new section 34A which would require the Registrar of Limited Liability Companies to make a list of the names of the managers of a limited liability company available for inspection by any person.

Clause 4 amends section 100 of the principal Law to provide for a fine of twenty-five thousand dollars in the case of a first offence where a limited liability company knowingly and wilfully contravenes section 73(1), 74(1), 78, 79(1) or (1A) or 81(2) of the principal Law or knowingly and willfully fails to issue a notice as required by section 75, 81 or 82(3) of the principal Law. Clause 4 also provides for a fine of one hundred thousand dollars where a limited liability company commits a second offence and further seeks to empower the court to strike the limited liability company off the register where the limited liability company has been convicted of a third offence.

Clause 5 amends section 101 of the principal Law to provide for a fine of twenty-five thousand dollars for a person who commits a first offence of failing to comply with a notice issued under section 75 or 81 of the principal Law and in the case of a second or subsequent offence, a fine of fifty thousand dollars.

Clause 6 amends section 102 of the principal Law to provide for a fine of twenty-five thousand dollars for a person who commits a first offence of failing to comply with a duty under section 76 or 83 of the principal Law and in the case of a second offence, a fine of fifty thousand dollars or to imprisonment for a term of two years, or both.



CAYMAN ISLANDS



**LIMITED LIABILITY COMPANIES
(AMENDMENT) BILL, 2019**

Arrangement of Clauses

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CAYMAN ISLANDS**LIMITED LIABILITY COMPANIES
(AMENDMENT) BILL, 2019**

A BILL FOR A LAW TO AMEND THE LIMITED LIABILITY COMPANIES LAW (2018 REVISION) TO MAKE CERTAIN INFORMATION RELATED TO LIMITED LIABILITY COMPANIES ACCESSIBLE; TO INCREASE THE PENALTY FOR FAILURE TO COMPLY WITH BENEFICIAL OWNERSHIP REQUIREMENTS; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

1. (1) This Law may be cited as the Limited Liability Companies (Amendment) Law, 2019.
- (2) Section 3 of this Law shall come into force on such date as may be appointed by Order made by the Cabinet.

Insertion of section 4A in the Limited Liability Companies Law (2018 Revision) - registrar to provide information

2. The *Limited Liability Companies Law (2018 Revision)*, in this Law referred to as the “principal Law”, is amended by inserting after section 4 the following section —

“Registrar to provide information

- 4A.** (1) The Registrar shall, upon request by an entity under subsection (2), provide any information required to discharge any function or exercise any power, under the following Laws —
- (a) the *Anti-Corruption Law (2019 Revision)*;
 - (b) the *Monetary Authority Law (2018 Revision)*;
 - (c) the *Proceeds of Crime Law (2019 Revision)*; or
 - (d) the *Tax Information Authority Law (2017 Revision)*.
- (2) For the purposes of subsection (1), the following entities may request information from the Registrar —
- (a) the Anti-Corruption Commission established under section 3 of the *Anti-Corruption Law (2019 Revision)*;
 - (b) the Authority;
 - (c) the Financial Crimes Unit of the Royal Cayman Islands Police Service;
 - (d) the Financial Reporting Authority as defined under section 2 of the *Proceeds of Crime Law (2019 Revision)*;
 - (e) the Tax Information Authority designated under section 4 of the *Tax Information Authority Law (2017 Revision)*; or
 - (f) a competent authority as defined under section 2(1) of the *Proceeds of Crime Law (2019 Revision)* which is assigned responsibility for monitoring compliance with the money laundering regulations under section 4(9) of the *Proceeds of Crime Law (2019 Revision)*.
- (3) A request for information by an entity under subsection (2) shall be made in writing.
- (4) Where a request for information is made under subsection (1), the information shall be provided within forty-eight hours of receipt of the request.
- (5) The recipient of any information provided by the Registrar under this section shall —
- (a) use the information for the purpose for which it was provided;
 - (b) retain the information for as long as is necessary to carry out the purpose for which it was provided; and
 - (c) not disclose the information for any purpose other than the purpose for which it was provided, without the consent of the Registrar.”.



Insertion of section 34A - registrar to make list of managers available for inspection

3. The principal Law is amended by inserting after section 34, the following section —

“Registrar to make list of managers available for inspection

34A. (1) The Registrar shall maintain a list of the names of the current managers of a limited liability company.

(2) The Registrar shall make available for inspection by any person, the list of the names of the current managers of a limited liability company under subsection (1), on payment of the prescribed inspection fee for each inspection and subject to such conditions as the Registrar may impose.”.

Amendment of section 100 - failure of a limited liability company to establish or maintain beneficial ownership register

4. The principal Law is amended in section 100 —

(a) by renumbering the section as section 100(1);

(b) in subsection (1) as renumbered, by repealing paragraphs (a) and (b) and substituting the following paragraphs —

“(a) in the case of a first offence, to a fine of twenty-five thousand dollars; or

(b) in the case of a second or subsequent offence, to a fine of one hundred thousand dollars.”; and

(c) by inserting after subsection (1) as renumbered, the following subsection —

“(2) Where a limited liability company is convicted of a third offence under subsection (1), the court may order that the limited liability company be struck off the register by the Registrar in accordance with section 40, as if it is a limited liability company that the Registrar has reasonable cause to believe is not carrying on business or is not in operation.”.

Amendment of section 101 - failure to comply with notices

5. The principal Law is amended in section 101(3) by repealing paragraph (a) and substituting the following paragraph —

“(a) on conviction on indictment —

(i) in the case of a first offence, to a fine of twenty-five thousand dollars; or

- (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or”.

Amendment of section 102 - failure to provide information

6. The principal Law is amended in section 102(2) by repealing paragraph (a) and substituting the following paragraph —

“(a) on conviction on indictment —

- (i) in the case of a first offence, to a fine of twenty-five thousand dollars; or
- (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or”.

Passed by the Legislative Assembly the day of , 2019.

Speaker

Clerk of the Legislative Assembly

