

LEGAL UPDATE

Undertaking Voluntary Liquidations of Cayman Islands Entities prior to 31 December 2018.

Voluntary liquidations generally

As the conclusion of 2018 approaches, clients should give some thought to whether or not they have Cayman entities which they wish to liquidate prior to the end of 2018 for, among other things, the purpose of avoiding annual government registration fees due in January 2019. A voluntary liquidator of a Cayman company or exempted limited partnership (ELP) is required to hold the final general meeting for that company or file the final dissolution notice for that ELP on or before 31 January 2019.

Voluntary liquidations – Funds registered with CIMA

Investment Funds which are registered with the Cayman Islands Monetary Authority (CIMA) should commence voluntary liquidation and submit documents to CIMA in order to have those Funds' status change from "active" to "license under liquidation" by Monday, 31 December 2018 if they are to avoid their annual fees payable to CIMA for 2019. It is also important for investment funds registered with CIMA to give some thought to CIMA's requirement for a final "stub" audit for the period of 2018 in respect of which the Fund operated before going into liquidation. CIMA may be reluctant to grant a partial year audit waiver for a liquidating Fund.

As an alternative to voluntary liquidation, some investment fund managers might be considering a wind down of one or more CIMA registered funds prior to the end 2018 and wish to de-register from CIMA or at least go into the status of "licence under termination" with CIMA in order to avoid or reduce annual registration fees payable to CIMA for 2019. If not already started, we recommend that action be taken now to begin this process.

For specific advice on voluntary liquidation of Cayman Islands' entities or winding down investment funds before 31 December 2018, please contact any of:

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