

Ministry of Financial Services & Commerce

Cayman Islands Government

BENEFICIAL OWNERSHIP ENFORCEMENT AND APPEAL

PROCEDURES MANUAL

Issued by the Competent Authority for Beneficial Ownership

on 29 October 2026.

FOREWORD

Section 26 of the Beneficial Ownership Transparency Act, (2026 Revision (***Act***) provides the power for the Registrar to impose an Administrative Fine for a breach of the Act or the Beneficial Ownership Transparency Regulations, 2026 (***Transparency Regulations***).

Regulation 13 of the Transparency Regulations sets out the process where a person who receives an Administrative Fine can appeal against a decision of the Registrar to impose an Administrative Fine.

This Guidance is made under Section 28(1)(b) of the Act and provides:

1. an overview of the Registrar's powers under the Act and Transparency Regulations;
2. a summary of the enforcement approach;
3. details on how to pay an Administrative Fine; and
4. an outline of the appeals process.

The Guidance will be reviewed at a minimum of every two years from the first date of publication, and updated when necessary.

TABLE OF CONTENT

TABLE OF DEFINITIONS 4

1. ENFORCEMENT FRAMEWORK 6
2. ADMINISTRATIVE FINES 7
3. INVESTIGATIONS 8
4. IMPOSITION OF AN ADMINISTRATIVE FINE 8
5. APPEALS PROCESS 9
6. PAYMENT OF FINES 10
7. PUBLICATION OF ENFORCEMENT FINE 11

TABLE OF DEFINITIONS

Any reference in this Guidance to a **Section** or **Subsection** is made with respect to the relevant Section or Subsection of the Act.

Act	Beneficial Ownership Transparency Act, (2026 Revision)
Administrative Fine	means a fine imposed by the Registrar under section 26 of the Act, comprising an initial fine and, where applicable, a continuing fine
AFN	means an Administrative Fine notice issued by the Registrar under Regulation 11(1)
Administrative Fines Review Committee	means the committee appointed by the Competent Authority for Appeals under Regulation 12(3)
BO	beneficial owner, as set out in Section 4
BO Information	information required to be identified in line with Section 12
BOR	beneficial ownership register, as set out in Section 13(1)
Business Day	means a day other than a Saturday, Sunday or public general holiday within the meaning of the Public Holidays Act (2007 Revision)
Competent Authority	means the Minister referred to in Section 5 and includes the person designated by the Minister under this Section, the Registrar
Competent Authority for Appeals	means the Minister referred to in Section 5 and includes the person designated by the Minister under this Section, the Chief Officer for the Ministry of Financial Services
CSP	corporate service provider, as defined in Section 2
Individual	defined in Section 2(1) and Section 2(2)
Legal Person	set out in Section 3
Notice of Appeal Decision	means a notice issued by the Competent Authority for Appeals in accordance with Regulation 15(3)

Notice of Decision	means a notice issued by the Registrar when the Registrar has concluded that a breach did not occur or the investigation into the potential breach has been discontinued
Notice of Investigation	means a notice issued by the Registrar to signal the start of an investigation into a suspected breach
RBO	Registrable beneficial owners, as set out in Section 7
Recipient	means the person named on an Administrative Fine Notice, Notice of Investigation or Notice of Decision as the recipient
Registrar	set out in Section 2
Rules	means the Beneficial Ownership Transparency (Administrative Fine Rules (2026)
Required Particulars	set out in Section 12
Restrictions Notice	set out in Section 19
Transparency Regulations	Beneficial Ownership Transparency Regulations, (2026 Revision)
Voluntary Disclosure	Where the CSP recognises that a breach has occurred and willingly notifies the Registrar

1. ENFORCEMENT FRAMEWORK

1.1 Legal Persons are required to identify their RBOs and provide the Required Particulars to their CSP for them to establish and maintain a BOR.

1.2 The responsibility for compliance with beneficial ownership obligations vests with various persons. In summary, the Act requires the:

a. Categorisation of a Legal Person;
b. Identification of a Legal Person's RBOs or senior managing official;
c. Procurement and maintenance of adequate, accurate and current BO Information;
d. Identification of any relevant change as set out in Section 14(3);
e. Issuance of Restrictions Notices (where applicable); and
f. Provision of a Legal Person's BO Information to a CSP or Contact Person (where relevant), and to the Competent Authority.

1.3 Under Section 26 of the Act, the Registrar may apply an Administrative Fine for breaches of obligations relating to beneficial ownership. The Registrar is prohibited from applying an Administrative Fine in the circumstances where criminal proceedings have commenced. Where a criminal offence has occurred, Section 27 of the Act applies.

1.4 The enforcement action is progressed via a three-tiered process. These steps consist of the following:

a. Notice of Investigation;
b. Notice of Decision; and
c. AFN.

1.5 The enforcement framework promotes due process which ensures transparency, fairness and cooperation, in a timely manner, during and after the investigative process. RBOs and Legal Persons are given opportunities to openly communicate with the Registrar before decisions are made to apply Administrative Fines. Also, where persons disagree with the Registrar's decision to impose an Administrative Fine, they may submit an appeal to the Competent Authority for Appeals.

2. ADMINISTRATIVE FINES

2.1 The Registrar is empowered to apply effective, proportionate and dissuasive sanctions to RBOs, Legal Person, and CSPs who breach any provision related to their respective obligations. Schedule 1 of the Transparency Regulations sets out the different breaches.

2.2 In determining whether to impose an Administrative Fine, the Registrar will take into consideration the following:

- Whether a breach has occurred and the nature of the breach;
- The explanation provided in response to any request for information or notice issued by the Registrar or Competent Authority;
- Any other factor relevant to the case:
- The guiding principles in Part 2 of the Rules

2.3 The fine for each breach is CI$5,000. In addition to the fine for the breach, the Registrar may impose a further fine of CI$1,000 for:

- Every month that the breach continues until either the breach stops or is remedied;
- Payment of the initial fine and all fines imposed for the continuing breach, or
- The total of the initial fine and all fines for the continuing breach amounts to CI$25,000.

2.4 In the circumstances of an early resolution the Registrar may reduce the statutory fine in accordance with Part 4 of the Rules.

2.5 Where the Registrar commences an investigation relating to a CSP for the potential failure by the CSP to deposit BO Information for more than one Legal Person, and the Registrar make(s) a reasonable determination that the CSP did not provide rebuttable evidence, the Administrative Fine issued relates to each Legal Person for which the breach occurred.

2.6 If a CSP identifies that they have breached any provisions of the relevant legislation, Voluntary Disclosure to the Registrar by email to RegistrarofCompanies@gov.ky is encouraged and valued. The Voluntary Disclosure must contain the nature of the breach(es) and the measures taken by the person to remedy the breach. This demonstrates good faith by the CSP. It also contributes to an efficient and effective

enforcement framework. The impacts of the Voluntary Disclosure on any enforcement action will be considered by the Registrar on a case by case basis.

3. INVESTIGATIONS

3.1 Following analysis of the BOR, where the Registrar determines there is potential breach, the Registrar may issue a Notice of Investigation in order to notify the RBO, Legal Person or CSP of the potential breach(es). This signals the start of the investigation, giving the RBO, legal person or CSP an opportunity to provide a response to the Registrar, together with any relevant evidence to rebut the potential breach. Relevant evidence may include, but is not limited to, copies of emails, on-boarding documents, updated Required Particulars, and any relevant dates.

3.2 Upon receipt of a Notice of Investigation, a written response from an RBO, Legal Person or CSP must be provided within 14 business days, together with any evidence on which they seek to rely. Where an extension is needed to facilitate a response, a written request must be sent to the Registrar (within the 14 business day timeframe) for consideration.

3.3 The Registrar gives due consideration to all information provided by or on behalf of the RBO, Legal Person or CSP in response to the Notice of Investigation, (including any failures to respond). Where the Registrar concludes that a breach occurred, the Registrar may impose an Administrative Fine commensurate with the breach(es).

3.4 Where the Registrar concludes that a breach did not occur, a Notice of Decision is issued to the Recipient of the Notice of Investigation. This Notice of Decision officially closes the investigation.

4. IMPOSITION OF AN ADMINISTRATIVE FINE

4.1 Where the Registrar imposes an Administrative Fine, the AFN will contain the information set out in Regulation 12(3). The AFN will be sent to the most recent email address provided by the Recipient, to a director or senior officer of a Legal Person, or to the CSP.

4.2 Where the AFN has been sent via the CSP to another Recipient, the CSP is required to forward the AFN to the intended Recipient in accordance with Section 25 of the Act. Upon receipt of the AFN, the Recipient has 30 calendar days to make the fine payment. Please see Paragraph 6 for details on the payment of an Administrative Fine.

4.3 Where an Administrative Fine is imposed upon a CSP, the Cayman Islands Monetary Authority will be notified.

5. APPEALS PROCESS

5.1 Upon receipt of the AFN, where the Recipient of the AFN is aggrieved by the Registrar's decision to impose an Administrative Fine, the Recipient may submit an appeal application to the Competent Authority for Appeals, within 30 calendar days of receipt of the AFN. The appeal application shall be submitted using the form at Schedule 2 of the Transparency Regulations, and can be sent by email to BOAppeals@gov.ky. Mailing address details can be provided upon request. Appeal applications that are not submitted using the prescribed form may not be considered.

5.2 Following receipt of an appeal application to the Competent Authority for Appeals, the Chief Officer for the Ministry of Financial Services shall establish an Administrative Fines Review Committee comprising of three persons who are officers of the Ministry. Two persons on the Administrative Fines Review Committee shall have knowledge and experience in accounting, financial services, banking or compliance, and the third person shall be an attorney-at-law.

5.3 No individual involved in the decision-making process for the Administrative Fine shall be appointed to the Administrative Fines Review Committee.

5.4 The Registrar will be notified of an appeal application and may make representations to the Administrative Fines Review Committee concerning the appeal and to clarify any points upon which the Administrative Fines Review Committee or Competent Authority for Appeals may require clarity.

5.5 The Administrative Fines Review Committee shall consider the information provided by the applicant, as well as the representations made by the Registrar along with any relevant legislative provisions. Should the Administrative Fines Review Committee require additional information, the Competent Authority for Appeals may by notice in writing (with a clearly stated deadline) require the applicant to provide such documents, statements or any other information as it may reasonably require in the exercise of its functions, and the applicant must comply with any such request. Any failure to respond to a request within the time specified will lead to the Administrative Fines Review Committee continuing with their function to the extent they are able without the requested information.

5.6 The Administrative Fines Review Committee shall consider the appeal, and it shall report its findings and recommendations, including its rationale, to the Competent Authority for Appeals.

5.7 Once the Competent Authority for Appeals receives the Administrative Fines Review Committee's recommendation, the Competent Authority for Appeals shall consider and determine the appeal and may affirm or set aside the original decision made by the Registrar to issue the AFN. In making a decision, the Competent Authority for Appeals shall have regard to, but is not bound by, the findings and/or recommendations of the Administrative Fines Review Committee.

5.8 Within 30 calendar days from the receipt of an appeal, the Competent Authority for Appeals shall give the applicant a Notice of Appeal Decision. Where the Competent Authority for Appeals sets aside the original decision, the original decision is deemed in law to never have been made.

6. PAYMENT OF FINES

6.1 For CSPs, Administrative Fine payments may be submitted by email to ciregistry@gov.ky with the subject line "BO FINES: ROC#, Entity name" and should include a cover letter acknowledging the fines and granting authorisation to debit the escrow CORIS account. All documents attached should be in PDF format. The ROC# refers to your company registration number.

6.2 For RBOs and Legal Persons, Administrative Fine payments may be submitted by email to ciregistry@gov.ky and registrarofcompanies@gov.ky with the subject line "BO FINES: ROC#, Entity name" and must include a cover letter acknowledging the fines and the executed direct deposit confirmation (downloaded from the bank site). All documents attached should be in PDF format. Should the RBO or Legal Person wish to make payment by cheque, this can be processed in-person at the General Registry. For payments by wire transfer, details can be provided upon request.

6.3 For local electronic fund transfers, please ensure that the payment is remitted to the correct Government Department (General Registry) and please ensure the following reference format is included when making your transfers: "BO FINES: ROC#, Entity name"

Payment following Appeal

6.4 Where a person appeals against the decision of the Registrar to impose an Administrative Fine, the person shall not be required to pay the fine specified in the AFN until a decision is made by the Competent Authority for Appeals which affirms the Registrar's decision to impose the fine.

6.5 Where the Competent Authority for Appeals affirms the original decision, the person on whom the Administrative Fine was imposed shall pay the Administrative Fine within 15 calendar days after the date of the decision as specified in the Notice of Appeal Decision.

Failure to Pay

6.6 Where an RBO, Legal Person, or CSP fails to pay an Administrative Fine imposed by the Registrar; or where that Administrative Fine has been appealed and affirmed by the Competent Authority for Appeals, and payment has not been made within 15 calendar days of the decision, the Registrar may:

- Refuse the issuance of a certificate of good standing; and/or
- direct that the Legal Person is struck or removed from the Register after 90 days in accordance with Section 26(9).

7. Publication of enforcement actions

7.1 The Registrar may publish under section 29(b) of the Act and Part 5 of the Rules; details of the administrative fine imposed on a person.