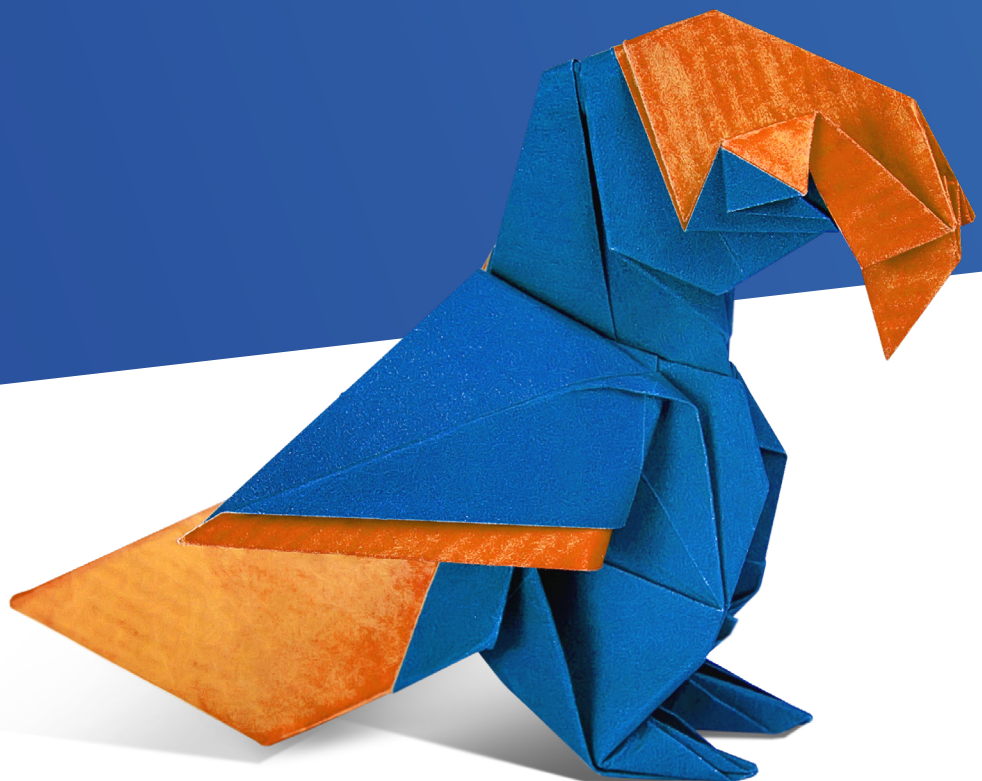


Caribbean Regulatory Update – Q2 2025

17 July 2025

This regulatory update provides a comprehensive summary of legal and regulatory developments in the Cayman Islands and the British Virgin Islands (BVI) over the last quarter.

For further guidance, please contact your usual Campbells advisor or one of the key contacts listed at the end of this update.



Cayman Islands

1. Beneficial Ownership Updates

Beneficial Ownership Transparency (Amendment) Act 2025

Following the Beneficial Ownership Transparency Act 2023, the Beneficial Ownership Transparency (Amendment) Act 2025 came into force on 19 February 2025, introducing several clarifications and enhancements to the beneficial ownership framework.

Key updates include:

- Clarification of "beneficial owner" definitions, particularly regarding trustee and senior managing official identification;
- Exemption for non-profit organisations from BOTA provisions;
- Enhanced requirements for corporate services providers regarding register maintenance; and
- Empowerment of the competent authority to provide search platform access to Customs and Border Control Service.

Beneficial Ownership Transparency (Amendment) Regulations 2025

The accompanying regulations, effective 27 February 2025, further refined the framework by:

- Requiring notification of deceased beneficial owners with the date of death;
- Clarifying provisions for direct interests in legal persons;
- Adding fines for failure to provide requested beneficial ownership information; and
- Enhancing provisions for senior managing officials and identified trustees.

2. Virtual Asset Service Providers (VASPs): Phase 2 Licensing Regime

On 1 April 2025, the much-anticipated "Phase 2" of the Virtual Asset (Service Providers) Act (2024) ("**VASP Act**") licensing regime came into force, introducing a comprehensive licensing regime for all VASPs providing virtual asset trading platform and custodian services.

Licensing Requirements

Entities providing virtual asset custody or operating custodian services must apply for a license under CIMA. All other virtual asset service providers (VASPs) continue to require registration under the VASP Act, unless a waiver has been granted.

Existing registered as VASPs providing licensable activities, applications for licenses must be submitted within 90 days of 1 April 2025 (deadline: 29 June 2025). New applicants seeking to provide custody or trading services must apply through CIMA's online REEFS platform.

Waiver Provisions

The VASP licensing framework includes waiver provisions allowing supervised persons (entities already licensed under other regulatory laws) to apply for exemptions where virtual asset services do not materially alter their regulatory scope

On 23 May 2025, CIMA provided further guidance on the licensing process for existing registered VASPs, new applicants, and waiver applications for entities seeking to be licensed or registered by CIMA.

Tokenised funds

Phase 2 of the VASP regime clarifies that tokenized funds which are already regulated under either the Mutual Funds Act (2025 Revision) or the Private Funds Act (2025 Revision) and the Securities and Investment Business Act (as revised) are exempt from additional registration and licensing requirements under the VASP Act.

Governance Enhancements

The amendments introduce strengthened governance requirements, including:

- Minimum of three directors required for all VASPs, with at least one independent director;
- Enhanced operational standards for client communications and public disclosures;
- Stricter custody and safeguarding requirements for client assets; and
- Mandatory segregation of client assets from proprietary holdings.

British Virgin Islands (BVI)

1. Beneficial Ownership Regulations Guidelines

Extended Deadlines for Beneficial Ownership Compliance

As set out in our [Q1 Regulatory Update](#), on 2 January 2025, amendments to the BVI Business Companies (Amendment) Act, 2024 and the BVI Business Companies (Amendment) Regulations, 2024 came into force. On 30 May 2025, the BVI Financial Services Commission announced that an extension (of six months) for BVI companies to file beneficial ownership information.

This extension provides additional time for existing BVI companies and BVI limited partnerships to comply with the new requirements introduced under the BVI Business Companies (Amendment) Act, 2024 and the Beneficial Ownership Regulations, 2024.

The deadline, originally set for 2 July 2025, has been extended to 1 January 2026.

Further details on the amendments to the BVI Business Companies Act (as revised) are set out in our client advisory, available [here](#).

2. Ongoing Implementation of Q1 2025 Reforms

The significant legislative changes implemented in Q1 2025 continue to take effect, including:

- Enhanced register filing requirements for companies and limited partnerships;
- Expanded beneficial ownership obligations;
- Updated Banks and Trust Companies Act provisions; and
- Revised limited partnership legislation framework.

As detailed in our [Q1 Regulatory Update](#), these reforms align BVI's regulatory framework with international standards and ensure consistency between different entity structures.

Key Contacts

For further information or specific advice on how these developments may impact your business, please contact your usual Campbells advisor or one of the following:



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