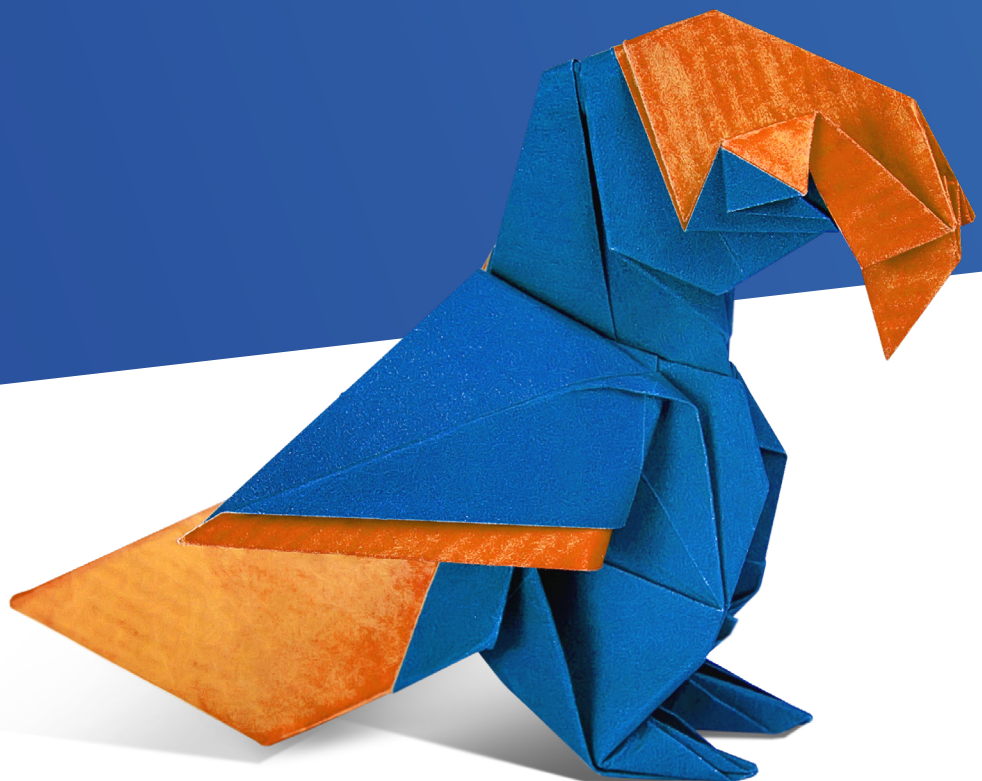


Caribbean Regulatory Update – Q3 2025

9 October 2025

This regulatory update provides a comprehensive summary of legal and regulatory developments in the Cayman Islands and the British Virgin Islands 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. Securities Investment Business – Updates

Securities Investment Business (Amendment) Bill 2025

Proposed amendments to the Securities Investment Business Act (as revised) ("**SIBA**") were recently circulated to the industry for consultation. These amendments include:

- Annual audit required for Registered Persons;
- Pre-approval required for any change of directors or auditors; and
- No issuance or transfer of shares in a Registered Person until SIBA registration is approved by the Cayman Islands Monetary Authority ("**CIMA**").

These requirements are already imposed on SIBA licensees and derive from CIMA's assessment of the Securities Investments Business sector against the International Organisation of Securities Commissions Objectives (IOSCO) and Principles of Securities Regulation. Accordingly, while there would still be some differences as between the respective regulatory requirements on SIBA Licensees and Registered Persons (for instance, as regards regulatory reporting), such differences will narrow if the amendments are brought into force.

CIMA Applications

The Cayman Islands Monetary Authority ("**CIMA**") has published a new Application Form for individuals and entities seeking to make a licence application under SIBA.

2. Virtual Asset Service Providers (VASPs) - Updates

Virtual Asset (Service Providers) (Amendment) Act, 2025 (the "VASP Amendment Act")

The VASP Amendment Act has been passed; however, it is not yet in force.

The key takeaways from this amendment Act are that the sale of virtual service tokens or the issuance of an equity interest as defined under the Mutual Funds Act (as revised) (the "**MFA**") and the Securities Investment Business Act (as revised), or an investment interest as defined under the Private Funds Act (as revised) (the "**PFA**"), do not comprise the issue of virtual assets.

In the meantime, the Ministry of Financial Services and Commerce has released consultation drafts of Amendments to the MFA and the PFA to introduce tokenised funds (together, the "**Tokenised Fund Amendments**") on which the industry is consulting.

We expect that the VASP Amendment Act will likely be brought into force at the same time as the Tokenised Fund Amendments.

Virtual Asset Service Providers ("VASPs"): Intensified On-Site and Off-Site Oversight

CIMA has issued a supervisory circular to help financial service providers, particularly VASPs strengthen their anti-money laundering ("**AML**"), countering the financing of terrorism ("**CFT**"), and sanctions compliance programmes. The circular highlights CIMA's risk-based approach to supervising VASPs under the Virtual Asset (Service Providers) Act, referencing recent on-site inspections and desk-based reviews that assessed VASPs' adherence to the Anti-Money Laundering Regulations, AML Guidance Notes, and the Travel Rule.

Key findings include deficiencies in risk assessments, technology testing, customer due diligence, ongoing monitoring, sanctions compliance, board oversight, outsourcing arrangements, independent audits, employee training, and record-keeping.

CIMA emphasises the need for robust policies, effective oversight, and timely remediation of identified gaps, noting that VASPs are generally responsive to supervisory feedback.

The Authority also uses data analytics and transaction sampling to monitor compliance and identify emerging risks, reinforcing its commitment to maintaining high AML/CFT standards in the Cayman Islands' virtual asset sector.

These findings ought be considered and applied by all VASPs, as they will be a CIMA focus during inspection.

3. Crypto-Asset Reporting Framework/Common Reporting Standard - Updates

The Ministry of Financial Services has issued consultation draft regulations of the Crypto-Asset Framework (CARF) Regulations 2025 in order to implement the OECD's CARF framework. As noted by the Department of International Tax Cooperation (the "DITC"):

"CARF is a new OECD global standard for the automatic exchange of information on crypto assets. Endorsed by the G20, it aims to further enhance cooperation among tax authorities for increased transparency in fighting tax evasion and money laundering.

To achieve this, CARF addresses gaps and challenges posed by such crypto assets as decentralised exchanges, peer-to-peer transactions, and privacy coins, which are not covered by the Common Reporting Standard ("CRS"). Because it builds on CRS principles, CARF leverages the CRS infrastructure and network."

The CRS (as implemented in the Cayman Islands) will also being amended to expand its scope to encompass digital financial products like crypto assets and Central Bank Digital Currencies.

4. National Risk Assessment and OSAIF

The Cayman Islands has launched its 2025–2026 National Risk Assessment (the "NRA"), a two-year initiative aimed at strengthening its anti-money laundering, counter-terrorist financing, and counter-proliferation financing (AML/CFT/CPF) framework.

The NRA assists the jurisdiction's preparations for the 5th Round Caribbean Financial Action Task Force (CFATF) Mutual Evaluation, scheduled to begin in 2027. The NRA also reinforces the Cayman Islands' reputation as a global leader in financial services.

The NRA will be overseen by the newly established Office for Strategic Action on Illicit Finance (OSAIF), a centralised authority that reinforces the jurisdiction's alignment with international standards, particularly those of the Financial Action Task Force (FATF).

5. Non-Compliant Directors' Amnesty Scheme

CIMA has announced the launch of its One-time Non-Compliant Directors' Amnesty Scheme (the "**Scheme**"), a limited opportunity for eligible registered directors to voluntarily settle outstanding annual fees and accrued penalties at a discounted rate.

The Scheme will run from 16 September to 15 October 2025 and is open to registered directors within the 1–19 covered entities category, who, as of 31 August 2025, have more than two years of unpaid annual fees. It provides these directors with the opportunity to regularise their status under the Directors Registration & Licensing Act, 2014 ("**DRLA**").

Directors who meet the criteria have been contacted directly via email with the relevant participation instructions. If you believe you may be eligible but did not receive a notification, please contact the Authority at amnesty@cima.ky.

Country by Country Reporting ("CBCR")

On 29 August, the DITC opened CBCR functionality on the DITC Portal. The previous CBCR-specific portal was taken offline on 24 July 2015. This means that all Multinational Enterprise (MNE) Groups with Cayman Islands Constituent Entities (CEs) must re-register with the Tax Information Authority (TIA) via the DITC Portal by 30 November 2025.

British Virgin Islands

1. BVI – FATF “increased monitoring”

On 13 June 2025, the Financial Action Task Force (“FATF”) added the British Virgin Islands to its list of jurisdictions under increased monitoring (“grey list”). The BVI Government has confirmed its commitment to the FATF action plan. In placing the BVI under such monitoring, the FATF stated that it “does not call for the application of enhanced due diligence measures” to the BVI, but members are encouraged to consider the listing in their risk analysis.

The British Virgin Islands government press release can be [found here](#).

2. Financial Annual Returns – Update

The BVI FSC’s transitional grace period for first-time company Financial Annual Returns ended on 30 June 2025. Going forward, BVI companies must file the annual return with their registered agent within nine (9) months of each financial year-end (e.g., for companies with a 31 December 2024 year-end, the annual return must be filed by 30 September 2025).

On 2 January 2025, the British Virgin Islands Limited Partnership (Amendment) Act, 2024 was brought into force, implementing a series of amendments to the Limited Partnership Act of 2017. This included a requirement for BVI limited partnerships to file an annual financial return (similar to the obligations for BVI companies). The filing obligation will commence from 1 January 2026 and the returns are due within nine (9) months of financial year-end (e.g., for limited partnerships with a 31 December 2025 year end, the annual return must be filed by 30 September 2026).

News Update

We are pleased to announce that Tim Dawson has joined as a partner to lead Campbells' Cayman Islands regulatory, compliance and non-contentious insurance and reinsurance practices. Tim's expertise encompasses the full range of Cayman Islands financial services regulatory matters including each of the topics highlighted in this update. Tim's details in addition to our other key contacts are listed below.

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:



Richard Spencer

Partner, Head of FinTech
& Co-Head of Corporate
rspencer@campbellslegal.com

Unfold more



Simon Thomas

Partner, Head of Investment Funds
& Co-Head of Corporate
stthomas@campbellslegal.com

Unfold more



Tim Dawson

Partner
tim.dawson@campbellslegal.com

Unfold more



Guy Williamson

Partner, BVI
gwilliamson@campbellslegal.com

Unfold more