

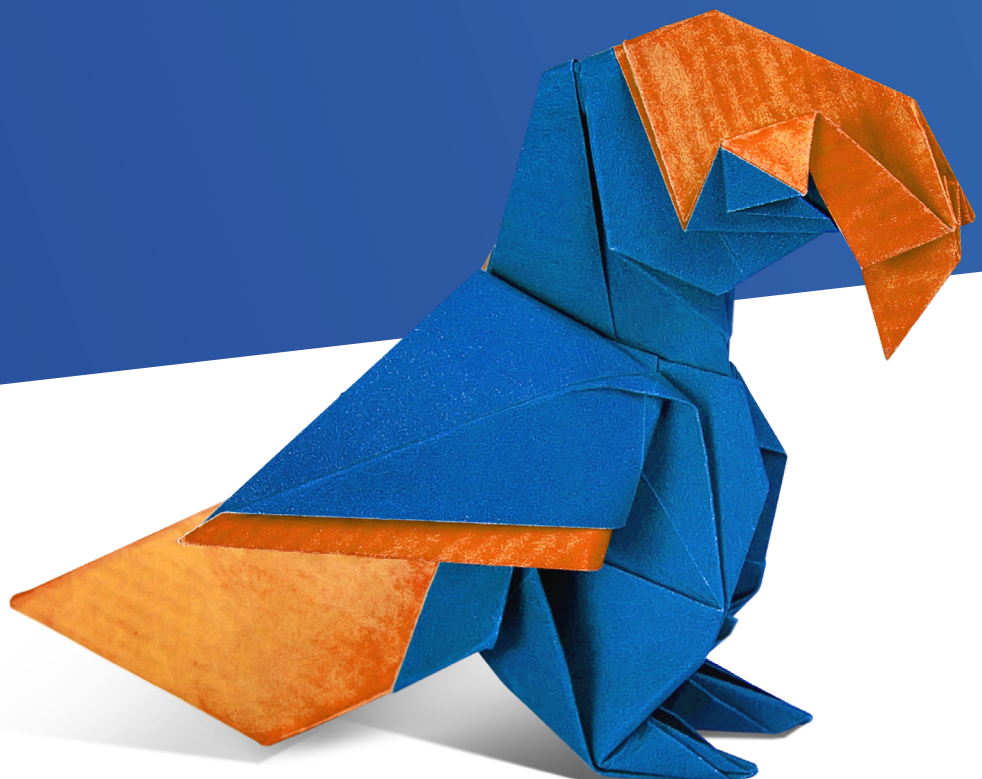


Caribbean Regulatory Update – Q4 2025

9 January 2026

This regulatory update provides a comprehensive summary of legal and regulatory developments in the Cayman Islands and 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. Modified CRS and CARF

The Cayman Islands has implemented the OECD's updated Common Reporting Standard (CRS) and the Crypto-Asset Reporting Framework (CARF) with the relevant regulations taking effect from 1 January 2026.

The two regimes are complementary. CRS requires the reporting of account balances and information on payments and proceeds from the sales of defined assets, which now include certain types of crypto assets and electronic money.

CARF requires transaction-based reporting of exchanges between Relevant Crypto-Assets and Fiat currencies, exchanges between one or more forms of Relevant Crypto-Asset and transfers of Crypto Assets. Existing Reporting Crypto-Asset Service Providers must register with the Tax Information Authority by 30 April 2026.

Other notable changes to the CRS regime include the deadline for new FI registration changing to 31 January in the next calendar year following becoming a FI, all reporting moving to 30 June from 2027, and a requirement for principal points of contact to be Cayman Islands resident.

For a more comprehensive explanation, please see our client briefing [here](#).

2. Companies Act: Changes commencing 1 January 2026

The Companies (Amendment) Act, 2024, came into force on 1 January 2026 and introduced a range of modernisations to the Cayman Islands Companies Act.

Changes include a streamlined process for capital reductions via a special resolution and directors' solvency statement, avoiding a court application.

Foreign companies without share capital can now migrate into the Cayman Islands as exempted companies. It is easier to convert between Limited Liability Companies (LLCs), Foundation Companies, and Exempted Companies.

Exempted companies are able to re-register as ordinary resident companies.

There is now explicit permission for redemption or repurchase of fractional shares, which ought to be a benefit for investment funds.

3. Changes to Financial Services fees from 1 January 2026

The Government has consolidated the annual mutual fund/private fund registration fee and the separate annual return fee into a single annual payment due at the start of each year. Within the consolidated amount, the annual return component will increase from US\$366 (CI\$300) to US\$549 (CI\$450) and, for AIVs and sub-funds under the Private Funds Act, from US\$183 (CI\$150) to US\$274 (CI\$225). A new US\$122 (CI\$100) annual fee will apply to the registered office of each exempted limited partnership. The objective is to eliminate mid-year billing, simplify compliance, and reduce duplicate cycles; operators and registered office providers should update invoicing calendars and investor communications accordingly.

There will be staged licence fee increases for banks in 2026 and 2027, the fee amount being tiered according to assets held.

Insurance licence fees for all categories of licensee have been raised by 10%.

4. Amendments to the Beneficial Ownership Transparency Act

In October 2025, the Beneficial Ownership Transparency (Amendment) (No. 2) Bill, 2025 was gazetted although it is not yet in force. Changes include the requirement to provide particulars for subsidiaries of listed entities, refinements with respect to information change notification and restriction notice processes, explicit information-sharing gateways with foreign beneficial ownership authorities, changes to public access parameters, and clarification of penalty amounts and fine assessment factors.

5. FRA sanctions: New annual reporting obligation; UK list transition

On 6 November 2025, the Cayman Financial Reporting Authority (FRA) announced a requirement for persons holding or controlling funds or economic resources of designated persons under UK sanctions as at 30 September 2025, to provide a report by way of a specified form by 30 November 2025, with annual reporting thereafter.

The UK's OFSI will retire its Consolidated List at 09:00 GMT on 28 January 2026, with the UK Sanctions List becoming the sole official source of designated persons.

Entities should embed the FRA filing into year-end compliance calendars, align asset-freeze controls and record-keeping, and update screening systems accordingly.

6. Regulatory Calendar 2026

Please click [here](#) to access Campbells 2026 Cayman Islands Key Annual Dates Calendar (which provides key regulatory filing dates for clients).

British Virgin Islands (BVI)

1. BVI limited partnerships – annual financial return requirement (Financial Return Order 2025)

The BVI Financial Services Commission has published the Limited Partnership (Financial Return) Order, 2025, which prescribes the form of the annual financial return that a BVI limited partnership must submit to its registered agent.

The Order is deemed effective from 1 September 2025 and operationalises the annual submission obligation in section 54A of the Limited Partnership Act (Revised Edition 2020).

The requirement applies to all BVI limited partnerships except (i) LPs regulated under BVI financial services legislation that already provide financial statements to the FSC, and (ii) LPs that file an annual tax return with the Inland Revenue Department, accompanied by financial statements.

2. Economic substance: transition from BOSSs to VIRRGIN for ES filings

The International Tax Authority (ITA) has issued a notice to registered agents confirming the transition of economic substance (ES) filing requirements from the Beneficial Ownership Secure Search system (BOSSs) to the Virtual Integrated Registry Regulatory General Information Network (VIRRGIN).

Registered agents will be unable to access BOSSs after 26 December 2025, and VIRRGIN will be available for ES filings from 2 January 2026. Outstanding filings, reopened declarations, and section 11 notice requests should be submitted ahead of the BOSSs cut-off.

Entities should liaise with their registered agent promptly to avoid disruption around year-end and to confirm any revised internal filing workflows under VIRRGIN.

3. EU AML list – proposed addition of the BVI as a “high-risk third country”

The European Union has announced that the BVI has been added to its list of high-risk third-country jurisdictions for anti-money laundering purposes. The update is described as reflecting an alignment of EU measures with FATF decisions (rather than a separate EU assessment), following the BVI's placement on the FATF grey list earlier in 2025. The listing is expected to take effect unless the European Parliament or Council objects within the applicable scrutiny period, and will enter into force 20 days after publication in the Official Journal.

In practice, EU-regulated institutions and certain counterparties may apply enhanced due diligence measures to BVI-related relationships and transactions. While the listing does not change BVI law, BVI structures with EU touchpoints (including banking, service providers, investors, and deal counterparties) may experience additional information requests and longer onboarding timelines. Clients should ensure that beneficial ownership and source of funds documentation is readily available and that AML policies and procedures are consistently applied across group entities.

4. Tax transparency – CRS 2.0 implementation (from 1 January 2026) and CARF (planned later)

The BVI International Tax Authority has confirmed that the British Virgin Islands intends to implement CRS 2.0 with effect from 1 January 2026.

In practical terms, BVI reporting financial institutions will need to collect the expanded CRS 2.0 data set during 2026, with reporting under the updated standard expected to be submitted to the ITA by May 2027.

The BVI has also committed to the implementation of the OECD's Crypto-Asset Reporting Framework (CARF), with exchanges currently targeted for 2028.

Affected entities should begin gap analysis of onboarding documentation, due diligence procedures and data capture systems to ensure readiness for 2026 collection and subsequent reporting.

5. "Existing Companies" – ROM/ROD/ROBO filings (statutory deadline passed; fees/penalties deferred to 31 March 2026)

"Existing Companies" (incorporated prior to 2 January 2025) were required to comply with the new BVI statutory filing requirements (including filing their register of members (ROM), register of directors (ROD) and register of beneficial owners (ROBO) with the Registrar) by 1 January 2026.

The Registry/FSC has approved time-limited transitional measures extending the period during which existing entities may file the relevant registers and BO information without filing fees and without the application of late filing penalties until 31 March 2026, with filing fees and late filing penalties to be reinstated from 1 April 2026.

This concession does not amend the statutory transitional filing deadline: entities that have not yet filed will have their status reflected as "in penalty" during the concession period (although no penalties will be charged) and their status will revert to active once the requisite filings are made.

Clients and registered agents should prioritise completion of any outstanding filings as soon as practicable (and in any event ahead of 31 March 2026) to avoid bottlenecks and to mitigate delays to routine corporate transactions.

6. Regulatory Calendar 2026

Please click [here](#) to access Campbells 2026 BVI Key Annual Dates Calendar (which provides key regulatory filing dates for clients).

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
sthomas@campbellslegal.com

Unfold more



Tim Dawson

Partner
tim.dawson@campbellslegal.com

Unfold more



Guy Williamson

Partner, BVI
gwilliamson@campbellslegal.com

Unfold more