

Funding the Future

You couldn't make it up: Cayman proposes a new law say...

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The [Cayman Islands is proposing a new law](#) called:

A LAW TO PROVIDE FOR THE ESTABLISHMENT AND OPERATION OF SPECIAL ECONOMIC ZONES IN RESPECT OF CERTAIN TYPES OF BUSINESSES; AND TO PROVIDE FOR INCIDENTAL AND CONNECTED PURPOSES

They know how to grab attention. don't they?

Except, perhaps that's the last thing they want to do. As they say:

This Bill seeks to provide for the establishment and operation of special economic zones in respect of certain types of businesses.

And as they also say:

Clause 6 empowers the Authority to facilitate the procurement, management, reclamation and disposal of land and other property for the purpose of a special economic zone; the carrying out of development works and other building operations in, on or in respect of a special economic zone; and the preservation, maintenance, regulation, management and improvement of a special economic zone and to provide additional facilities to it.

So we know that the zones are to be in Cayman.

Despite which they say:

Clause 7 provides for the duty of confidentiality on the part of members of the Authority.

So telling secrets will as usual be important in Cayman. Which may be vital because:

Clause 11 provides for a special economic zone to be deemed to be outside of the Islands for the purposes of Parts VII and VIIA and section 201(2)(f) of

the Companies Law which deals with exempted companies, sections 4(1) and 9(1)(f) of the Exempted Limited Partnership Law (which respectively deal with the constitution and registration of exempted limited partnerships) and clause 18 of the legislation (which prohibits the carrying on of trade in the Islands by a special economic zone enterprise and provides for the carrying on of business by a special economic zone enterprise mainly outside of the Islands).

Not let me just unpack that.

What this law does is provide that Cayman will create new areas in the somewhat limited land space of the island where under terms of some secrecy companies will operate but where, despite that fact, they will be deemed to be 'somewhere else'.

This is classic tax haven stuff. [I explained it all some time ago, here](#). But it's astonishing to see Cayman being quite so blatant about it still.

And they tell us tax havens have changed.

Now pull the other one.