



Cayman Islands
Cayman Registered Agent and
Corporate Secretarial Services
www.hcsoffshore.com

LEGAL ANALYSIS

What are the duties of a Director of a Cayman Islands' company?

The constitutional documents of a Cayman Islands company, the Memorandum of Association and the Articles of Association (“**Articles**”), set out the governance rules and the powers of the Directors of the company. However, the Directors also owe fiduciary duties and certain duties of skill and care under English common law. Among the principal **fiduciary duties owed to a Cayman company**, the Directors are required to:

1. act, in good faith, in what they consider reasonably to be the best interests of the company;
2. exercise their powers under the Articles for the purposes for which those powers are conferred;
3. avoid conflicts of interests or (where conflicts are permitted by the Articles) ensure that any conflicts are properly disclosed during Board meetings;
4. exercise their powers independently, without subordinating to the will of others; and
5. not misuse the property of the company and not make secret profits from their position as a Director.

The Directors should also acquire and maintain a sufficient knowledge of the business on a continuing basis and attend diligently to the affairs of the company, duties which need to be carried out with reasonable care, diligence and skill. In addition, the Directors also have certain statutory obligations under the Cayman Islands Companies Law (2020 Revision) (the “**Companies Law**”).

Directors are generally not liable except in cases of negligence, fraud, breach of fiduciary duty, or an action not within their authority which is not ratified by the company. They may be indemnified by the company against personal liability for losses incurred arising out of the company's business, including in case of negligence and breach of duty (other than breaches of fiduciary duty), except in cases of willful default or fraud.



This publication is intended to merely provide a brief overview and general guidance only and is not intended to be a substitute for specific legal advice or a legal opinion. For more specific advice on the above matters, please contact:

Yun Sheng		yun.sheng@hcs offshore.com
Vivian Huang		vivian.huang@hcs offshore.com





Hermes Corporate Services Ltd.

Fifth Floor, Zephyr House
122 Mary Street, George Town
P.O. Box 31493
Grand Cayman KY1-1206
Cayman Islands

Vivian Huang/Yun Sheng

T: +1 (345) 749 7493

E: vivian.huang@hcs offshore.com

E: yun.sheng@hcs offshore.com

www.hcs offshore.com



Hermes Corporate Services Ltd.

www.hcs offshore.com