



Cayman Islands  
Cayman Registered Agent and  
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[www.hcsoffshore.com](http://www.hcsoffshore.com)

# LEGAL ANALYSIS

## Undertaking Voluntary Liquidations of Cayman Islands' Entities prior to 31 December 2020

### Voluntary liquidations generally

As the conclusion of 2020 approaches, it is time for persons with Cayman Islands companies and/or limited partnerships to give some thought to whether or not they have Cayman entities which they are no longer using and wish to liquidate prior to the end of 2020 in order to, among other things, avoid annual government registration fees due in January 2021. A voluntary liquidator of a Cayman company or exempted limited partnership (ELP) is required to hold the final general meeting for that company or file the final dissolution notice for that ELP on or before 31 January 2021.

### Voluntary liquidations – Funds registered with CIMA

Investment Funds which are registered with the Cayman Islands Monetary Authority (CIMA) should commence voluntary liquidation and submit documents to CIMA in order to have those Funds' status change from "active" to "licence under liquidation" by 31 December 2020 if they are to avoid their annual fees payable to CIMA for 2021. It is also important for investment funds (including private funds) registered with CIMA to give some thought to CIMA's requirement for a final "stub" audit for the period of 2020 in respect of which the Fund operated before going into liquidation. There are a limited number of circumstances in which CIMA will grant a partial year audit waiver for a liquidating Fund.

As an alternative to voluntary liquidation, some investment fund managers might be considering a wind down of one or more CIMA registered funds prior to the end 2020 and wish to de-register from CIMA or at least go into the status of "licence under termination" with CIMA in order to avoid or reduce annual registration fees payable to CIMA for 2021. If not already started, we recommend that action be taken now to begin this process.

*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 us at [enquiries@hcs offshore.com](mailto:enquiries@hcs offshore.com)*





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