

# BULLETIN

## Cayman's Maritime Park Attracts New Wave

Within weeks of its introduction as the 7<sup>th</sup> Business Park in Cayman's Special Economic Zone ("SEZ"), the Cayman Maritime Services Park has generated a wave of interest, with Cayman Enterprise City looking to welcome its first companies in the newly established business park. These will add to the already 162 businesses operating in the SEZ since its inception in 2011.

The Cayman Maritime Services Park is aimed at attracting a number of businesses in the maritime services industry and presents yet another opportunity for certain categories of business to have a physical presence in the Cayman Islands and take advantage of the jurisdictional benefits of operating directly offshore.

The following are the types of maritime business that are now permitted to set-up and conduct business from the Cayman Islands:

- ship owners;
- ship brokers;
- shipping financiers;
- technology companies and start-ups engaged in innovative maritime research and development;
- the head offices of satellite offices of maritime industrial businesses and yacht manufacturing and repair businesses;
- demurrage calculation and post deals expenses calculation;

- freight trading and brokerage business;
- crew salaries and benefits processing companies;
- bunker brokerage companies;
- shipping operations;
- logistics planning and vessel management companies;
- management consulting; and
- other specialised services to maritime sector businesses.

The only restriction for Cayman Islands flagged vessels is that no direct transactions with the Maritime Authority of the Cayman Islands (MACI) will be permitted. However H&J, with its well-established partnerships with the CEC and MACI, is ideally placed to make the process as hassle free as possible.

Be it a turn-key or a tailor-made business solution that is required, within 4-6 weeks, H&J can provide the full suite of legal services required in connection with:

- the establishment of your business, together with necessary office facilities and living accommodations; and
- the relocation of your staff and dependents.

Get in the "Zone" and benefit from:

- 100% foreign ownership of your business
- 100% exemption from all taxes;

- 100% exemption from import duties;
- 5 year work permits/residences grants for employees and their dependents.

### ***Historical Glimpse of The Cayman Islands and Ship Registration***

Located in the Western Caribbean, the Cayman Islands are a remote group of islands. Grand Cayman, the largest and most populous, is some 150 miles south of Cuba, 180 miles west of Jamaica and some 480 miles south of Miami, Florida. Just one hour away by plane, it has direct air links to key US cities, including New York, Miami, Chicago, as well as to Kingston and Montego Bay, Jamaica, and to London. Cayman Brac and Little Cayman lie 60 miles to the east-northeast of Grand Cayman. The three islands form the peaks of a submarine mountain.

The Islands' geographical location has played an important role in its development as a highly competitive tourism and international financial centre. This, along with its strong seafaring history, an internationally renowned and sophisticated ship registry, world class communications and IT infrastructure, make the Cayman Islands an ideal hub for the maritime industry.

### ***The Cayman Ship Registration***

The Cayman Islands is the most sought after location for registering private yachts, with most of the world's superyachts on its register. As a category 1 British Registry, the Cayman Islands Shipping Registry (CISR) is qualified to register vessels of all sizes and classes, from small pleasure yachts, mega-yachts to bulk-carriers. Flying a Cayman Islands flag means reputation, efficiency and quality.

George Town, Cayman Islands, has been a British Registry Port since 1904, following the passing of the British Merchant Shipping

Act in 1894. In those days the Register comprised a few wooden sailing schooners often locally built. Today the Port of George Town is modern and developed. The Islands have a strategic location which is on the trade and cruise liner route to and from the Gulf of Mexico.

### ***Benefits to Cayman Islands flagged vessels***

- Ships and yachts registered in the Cayman Islands are permitted to fly the British Red Ensign (with the Cayman Islands crest in fly) and as a consequence, are entitled to the rights and protection of U.K. maritime law including the British Royal Navy. A great number of yacht owners prefer to have their yachts registered under this flag, because of its reputation as a first class port of registry.
- The Cayman Islands, U.K. and U.S. governments co-operate closely in the campaign against money laundering and drug trafficking. Consequently, the Cayman Islands maintain an excellent relationship with the U.S. coastguard. Yachts registered in jurisdictions less reputable than the Cayman Islands have been subject to rigorous and expensive safety inspections by the U.S. coastguard on entering U.S. waters.
- Cayman provides for more than one port of registry; namely George Town on Grand Cayman, The Creek on Cayman Brac and Bloody Bay on Little Cayman. A Certificate of Registry can be issued for an indefinite period or for a specified period at the discretion of the Registrar of Shipping, and there can be interim registration of vessels. Cayman offers revised levels of liability and increased levels of compensation for oil pollution damage as well as for incidental and connected purposes. Also, registration of

both traditional private pleasure yachts and commercial yachts is permitted.

- The Cayman Islands' comprehensive and modern maritime legislation offers a wide range of benefits and protection for ship owners as well as lenders. This includes international conventions governing manning, safety and pollution which, under Cayman Islands laws, are sometime more flexible in their application than any other British register.

Ship registration in the Cayman Islands has enjoyed a constant pattern of growth, and this is most visible at international yacht

shows, where many vessels can be seen flying the Cayman Islands Red Ensign Flag. This firm stands ready to assist any client requiring comprehensive, knowledgeable and efficient service in this increasingly demanding and competitive market.

If you wish to learn more or obtain specific advice on ship registration or the Cayman Maritime Services Park, please feel free to contact:

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