



Earning residency through business investment in the Cayman Islands

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Cline Glidden has particular expertise in advising clients on Cayman real estate, securitisation of funding, and relocations of high-net-worth individuals. In this Q&A, originally published on [the Dart Real Estate blog](#), Cline provides insights into Cayman's residency through business investment programmes.

What are the key differences between Cayman's two residency by business investment programmes?

The Certificate of Direct Investment is for those who have made, or propose to make, an investment of at least US\$1.2 million in an employment generating business in the Cayman Islands where at least 30% of employees are, or will be, Caymanian. The applicant must also hold substantial management control in this business, such as being a director of the board.

In contrast, the Residency Certificate (Substantial Business Presence) is for those who either (i) own, or propose to own, a minimum of 10% of shares in an approved category of business through which you have established a substantial business presence in the Islands; or (ii) those who are employed in a senior management capacity within an approved category of business. In order to confirm that a substantial business presence has been established, the Chief Immigration Officer will consider whether the applicant has established a physical presence on the Islands.

There are also some differences in fees (see final question).

Can an applicant eventually qualify to apply for a Cayman Islands passport through either of these programmes?

Unfortunately not; the only programme which allows the holder to apply for a Cayman passport after five years is the Certificate of Person of Independent Means, which can only be obtained through the purchase of developed real estate valued over US\$2.4 million.

The residency by business investment programmes only provide the holder with a 25-year renewable certificate of residency. It's also important to note that applicants cannot 'upgrade' or change their residency certificate once the application has been submitted, therefore potential investors should have a good idea about what their goals for residency in the Cayman Islands are before they submit an application.

How many applicants typically apply for residency through business investment annually?

The business investment programmes are not particularly popular compared to the residency by real estate investment options. The government typically approves two or three applications a year.

There are a number of possible reasons for this. Although there is initial interest in these programmes, clients often decide that applying for a work permit is the better option for them. Cayman issues work permits for legal and financial services professionals fairly often. Once an individual has held a work permit for eight years, they can apply for permanent residency. This is often a more affordable option for applicants, and it also allows them to apply for a Cayman passport in future years.

However, sometimes clients need a residency certificate immediately for security of tenure or for tax residency purposes. While the business investment programmes provide this, the real estate residency certificates are much more popular. Real estate is a strong and safe investment in the Cayman Islands; aside from the lack of recurring property tax, real estate has tended to appreciate in value. Often it is easier and cheaper to get security of tenure through the real estate investment programmes, especially since the Certificate of Person of Independent Means can be varied to allow the right to work.

What are the various costs associated with applying via either programme?

There are a number of fees associated with the initial application which are outlined in the table below.

However, there are other possible fees that potential investors should be aware of. There will obviously be costs associated with setting up the business and different industries have different regulatory requirements. One of the main costs to consider is a Trade & Business License which is fairly straightforward to calculate. This license requires that there is 60% Caymanian participation within the business; if this is not possible an exemption will be required which can increase the cost considerably. Further, if the business has a substantial immigrant workforce, work permit fees may be a significant start-up cost.

To discuss further, please get in touch with Cline using his contact details on the right.

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