

Alert

Additional OECD CRS Self-Certifications Required from Investors Subscribing to Cayman Islands (and Other Non-U.S.) Investment Funds on or After January 1, 2016

December 17, 2015

The Cayman Islands (along with the United Kingdom, Ireland, Jersey, Guernsey, the British Virgin Islands and over 70 other countries) has committed to implementing the OECD Common Reporting Standard (“CRS”), which will require investment funds to collect tax identification and tax residency information from all new subscribers and transferees (including debt-holders and equity-holders) who become investors on or after Jan. 1, 2016 (collectively, “New Investors”). In order to facilitate the collection of this information, the Cayman Islands Department for International Tax Cooperation (“DITC”) published, on Dec. 8, 2015, self-certification forms that can be used to collect the information required under CRS from individual and entity investors in Cayman Islands investment funds. Along with the publication of these forms, DITC announced that, while investment funds should strive to collect self-certifications from New Investors upon subscription, investment funds have 90 days from the subscription date to collect the necessary self-certifications.

Investment managers of Cayman Islands investment funds should update their subscription documents to include the necessary self-certifications. Given the short time frame, Cayman Islands investment funds that have already distributed subscription documents in anticipation of Jan. 1, 2016 subscriptions should reach out to their New Investors within 90 days of subscription to ensure that they collect the required self-certifications in a timely manner. Investment funds in other jurisdictions in which CRS is being adopted as of Jan. 1, 2016 should consult their advisers for the exact self-certification requirements operative in those jurisdictions.

In addition to collecting the required information from New Investors, Cayman Islands investment funds generally will need to obtain similar self-certifications from their pre-existing investors, i.e., those who invested prior to Jan. 1, 2016, and complete the due-diligence process in respect of such investors by: (1) Dec. 31, 2016 for individuals with account balances of at least \$1 million; and (2) Dec. 31, 2017 for all other investors. Investment funds in other jurisdictions in which CRS is being adopted as of Jan. 1, 2016 should collect the necessary information from pre-existing investors and complete the due-diligence process in accordance with the timetable prescribed by their own jurisdiction’s CRS guidance.

To view the announcement from DITC and the Cayman Islands self-certification forms, click [here](#).

If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel.

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