

# Department for International Tax Cooperation



## CAYMAN ISLANDS

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## Economic Substance Legislation and Resources

### Legislation

- [The International Tax Co-operation \(Economic Substance\) Law, 2018](#)
- [The International Tax Co-operation \(Economic Substance\) \(Prescribed Dates\) Regulations, 2018](#)

### Cayman Islands Resources

- Economic Substance Guidance v1.0  
*(to be published following private sector consultation)*

## External Resources

### A. OECD Reference Materials

The following OECD documents contain the core elements of economic substance and should be referred to:

- BEPS Actions (see BEPS Action 5).  
<http://www.oecd.org/tax/beps/beps-actions.htm>
- OECD (2015), Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/9789264241190-en>
- OECD (2017), Harmful Tax Practices - 2017 Progress Report on Preferential Regimes: Inclusive Framework on BEPS: Action 5, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/9789264283954-en>
- BEPS Action 5 peer review and monitoring.  
<http://www.oecd.org/tax/beps/beps-action-5-peer-review-and-monitoring.htm>
- OECD (2018, Resumption of application of substantial activities for no or nominal tax jurisdictions – BEPS Action 5, OECD, Paris.  
<http://www.oecd.org/tax/beps/resumption-of-application-of-substantial-activities-factor.pdf>

### B. EU Reference Materials

The following EU documents contain the EU's requirements for so-called "2.2 jurisdictions" (including the Cayman Islands) to introduce economic substance requirements consistent with the substantial activities requirements under the OECD's BEPS Action 5 by 1 January 2019:

- Scope of criterion 2.2 and Terms of reference for the application of the Code test by analogy (Annex VII of The EU list of non-cooperative jurisdictions for tax purposes)  
<http://data.consilium.europa.eu/doc/document/ST-15429-2017-INIT/en/pdf>
- Scoping paper on criterion 2.2 of the EU listing exercise (Annex 4 Code of Conduct Group (Business Taxation) Report to the Council Endorsement)  
<http://data.consilium.europa.eu/doc/document/ST-9637-2018-INIT/en/pdf>

## Industry Advisories

*Please note that the Industry Advisories are listed in chronological order and information in an advisory may be replaced in part or in its entirety by information in a subsequent advisory.*

- (to be added in due course)