FRIED FRANK

To Our Clients and Friends

Memorandum

October 6, 2020

THE CAYMAN ISLANDS REMOVED FROM THE EU "BLACKLIST"

On October 6, the EU Council announced that the Cayman Islands have been removed from the EU's official list of non-cooperative jurisdictions for tax purposes, commonly referred to as the EU "blacklist".

The Cayman Islands had been added to the list on February 18 this year due to EU Council concerns about the adequacy of its economic substance rules for collective investment vehicles. The EU Council reported that those concerns have now been addressed based on new reforms adopted by the Cayman Islands in September.

The blacklisting earlier this year was a significant point of concern for many fund sponsors with funds formed in the Cayman Islands, or considering launching new funds in the Cayman Islands, as well as for their investors. While this swift reversal of the blacklisting (which has occurred at the earliest possible opportunity) will certainly be welcome news for fund sponsors and investors, reputational sensitivities may persist, particularly among certain groups of investors.

Please call Nick Thornton, David I. Shapiro, or your usual Fried Frank contact if you would like to discuss this subject in any further detail.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its contents. If you have any questions about the contents of this memorandum, please call your regular Fried Frank contact or an attorney listed below:

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