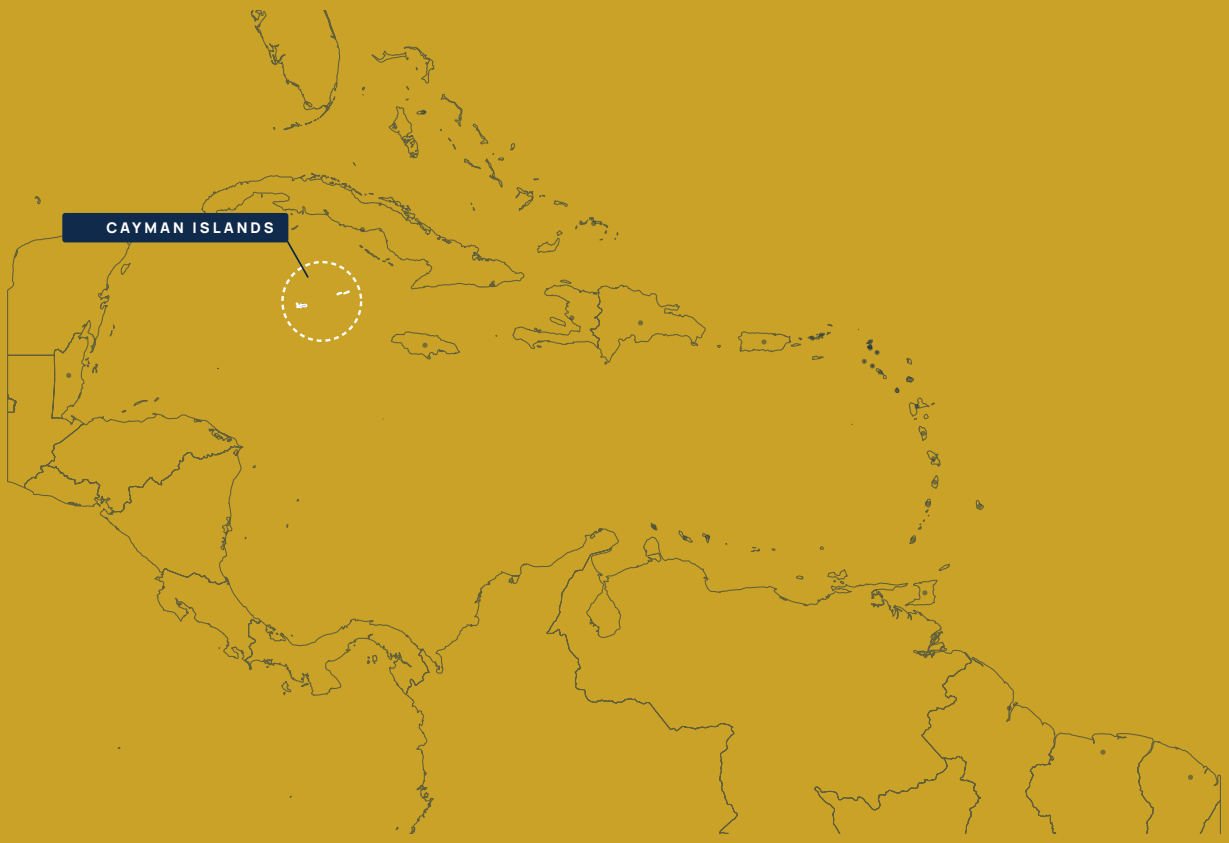


OPERATING EXPENSES
CI$1.25 billion
Core Government, 2026

OPERATING SURPLUS
CI$11.1 million
Core Government, 2026; CI$37.7m in 2027

PUBLIC DEBT
8.5% of GDP
Average over 2026 and 2027

CARIBBEAN TAX SERVICE DESK · NORTHERN CARIBBEAN AND ATLANTIC

The Cayman Islands Budget Review 2026–2027

What the 2026–2027 Budget means for businesses and individuals

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FOREWORD

The 2026–2027 Budget covers two financial years and introduces no new taxes. It raises revenue instead through higher fees in financial services and other sectors, and a higher stamp duty rate on high-value property.

The Budget keeps the Cayman Islands' revenue system unchanged in its essentials: no income, corporate, payroll or value added tax. The measures fall on fees paid by funds, companies, licensed firms and professionals, and on buyers of property worth CI$2 million or more, who have paid stamp duty at 10% since 1 January 2026. Some proposed fee changes were later reviewed or deferred.

This review sets out the figures, the revenue measures and their effective dates, and what they mean for each sector. It should be read with our Cayman Islands Doing Business Guide and Tax Guide.

The Cayman Islands is served by Dawgen Global's Caribbean Tax Service Desk, managed from our headquarters in Kingston. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026–2027 Budget and what it means for businesses and individuals in the Cayman Islands. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

The Minister for Finance and Economic Development, Hon. Rolston Anglin, presented the Strategic Policy Statement on 15 October 2025 and the Budget Address on 6 November 2025. Parliament passed the Appropriation (Financial Years 2026 and 2027) Bill on 21 November 2025.

OPERATING REVENUE	OPERATING EXPENSES	OPERATING SURPLUS
CI$1.26 billion	CI$1.25 billion	CI$11.1 million
Core Government, 2026; CI$1.32 billion in 2027	Including financing; CI$1.29 billion in 2027	2026; CI$37.7 million in 2027

NEW REVENUE MEASURES	CAPITAL INVESTMENT	BORROWING
CI$72.5 million	CI$139.5 million	Up to CI$236m
2026; CI$99.9 million in 2027	2026, Core Government and public entities	Over two years, for capital spending only

Five key messages

- **No new taxes.** There is still no income, corporate, payroll or value added tax.
- **Higher fees.** Revenue comes from fees in financial services, professional licensing, immigration and trade licensing.
- **Stamp duty on high-value property.** 10% on transfers of CI$2 million or more from 1 January 2026.
- **Surpluses in both years.** The Budget meets all five fiscal principles of the Public Management and Finance Act.
- **A two-year budget.** It runs for the calendar years 2026 and 2027.

ECONOMY

02 Economic context

The economy is growing steadily, led by tourism and financial services, with low unemployment and moderate inflation.

REAL GDP	INFLATION	UNEMPLOYMENT
+2.4%	2.8%	2.6%
First quarter of 2026; 2.8% in the first nine months of 2025	First quarter of 2026	Labour Force Survey, as of December 2025

STAYOVER VISITORS	CREDIT RATING	CURRENCY
288,694	Aa3	CI$1 = US$1.20
January to June 2026, up 11.3%	Moody's, stable outlook, reaffirmed June 2025	Fixed exchange rate

Budget assumptions

The Budget uses Economics and Statistics Office forecasts of growth of 2.6% in 2025, 2.2% in 2026 and 2.5% in 2027, average inflation of about 2.4%, and unemployment of about 2.8% to 3.0%.

Tourism

Cruise passengers rose 6.8% and hotel revenue 17.3% in the first half of 2026. Year-to-date hotel occupancy was 73.3%.

Outlook

Growth is expected to stay in the 2% to 3% range. The economy is small and concentrated in financial services and tourism, and is exposed to hurricanes and to changes in international financial rules.

Fiscal rules

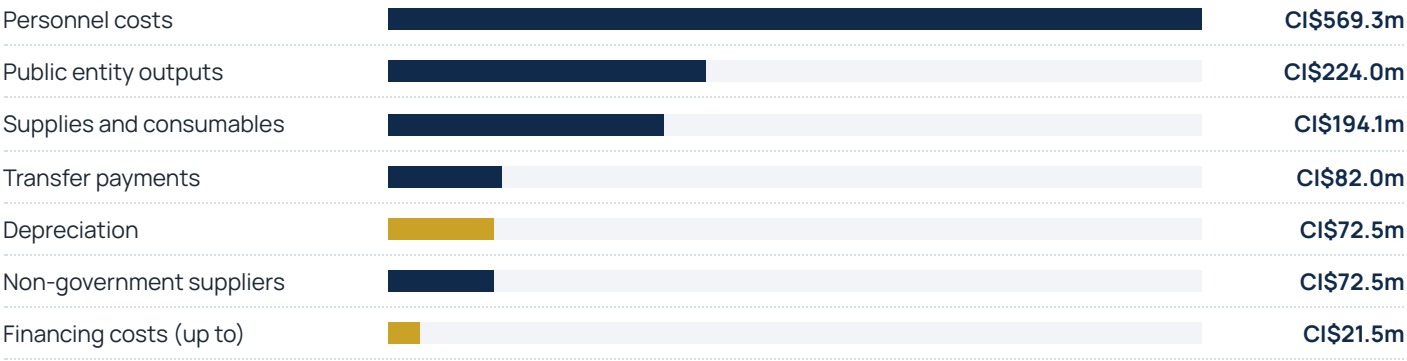
The Public Management and Finance Act and the Framework for Fiscal Responsibility set limits on debt, debt service and cash reserves. There is no IMF programme.

PUBLIC FINANCES

03 Fiscal framework

Core Government, CI$ million	2025 forecast	2026 budget	2027 budget
Operating revenue	1,184	1,260	1,320
of which coercive revenue	—	1,200	1,270
Operating and financing expenses	1,174	1,250	1,290
Operating surplus	10.3	11.1	37.7
Entire public sector surplus	—	6.7	30.5
Capital investment	—	139.5	125.3
Closing cash balances	414.2	428.6	470.7

Where the money goes: operating expenses, 2026



Coercive revenue is duties, fees and charges. Other operating revenue is CI$57.5 million in 2026. Gold bars are non-cash or financing items.

Outturn and in-year results

The preliminary 2025 surplus was CI$43.7 million, against a forecast of CI$10.3 million. To June 2026 the Core Government surplus was CI$244.4 million, against CI$187.2 million budgeted, as many annual fees fall due early in the year. Supplementary spending of CI$134.3 million was approved in June 2026.

BUSINESS

04 Measures for businesses

There is no corporate tax to change. The measures for businesses are higher government fees, mostly in financial services.

Measure	What changes	Effective	Yield 2026
Regulated fund fees	Higher CIMA annual fees for registered funds, master funds and sub-funds; any balance due by 15 March 2026	1 Jan 2026	CI$11.1m
Bank, trust and insurance licences	Higher annual licence fees	2026	CI$2.6m
Exempted company fees	Higher annual fees	2026	CI$1.17m
ELPs and service providers	New CI$100 annual fee for exempted limited partnerships and corporate service providers	Budget measure	CI$4.1m
Virtual asset service providers	New annual fee	Budget measure	CI$0.3m
Accounting firms	Higher operating licence fees	2026	CI$3.48m
Legal profession	Higher practitioner fees	2026	CI$10.2m
Company registration and annual fees	Higher Registry fees, budgeted from 2027	2027	CI$20.3m in 2027

Unchanged

No corporate income, capital gains, withholding or payroll tax. Tax undertakings for exempted companies and partnerships continue. The Budget introduced no domestic minimum tax.

Check the detail

Each fee takes effect through regulations or notices from CIMA or the Registry. Confirm the rate and start date for each entity before paying.

INDIVIDUALS

05 Measures for individuals and households

Individuals still pay no income tax. The changes for households are in property stamp duty, licence fees and social programmes.

Stamp duty on land	Rate
Price below CI$2 million	7.5%
CI$2 million or more, from 1 January 2026	10%
First-time Caymanian buyers	None to CI$550,000; reduced to CI$650,000

The higher rate also reaches shares in companies that hold Cayman land. It is budgeted to raise CI$11.7 million in 2026. Concessions for first-time Caymanian buyers are unchanged.

Driver's licence fees

A revised fee schedule took effect on 1 September 2026. Non-Caymanian fees fell to about three times the Caymanian rate, and Caymanians get discounts on three-, five- and ten-year licences.

Payroll item	Position
Income tax	None
Pension	5% employee, 5% employer, to CI$87,000
Minimum wage	CI$8.75 an hour from 1 Jan 2026

Support for households

- CI$25.1 million for financial assistance and home repairs
- CI$37.3 million for local and overseas scholarships
- CI$9.0 million for public school meals
- CI$10.0 million in ex-gratia payments to seafarers and veterans

Immigration fees

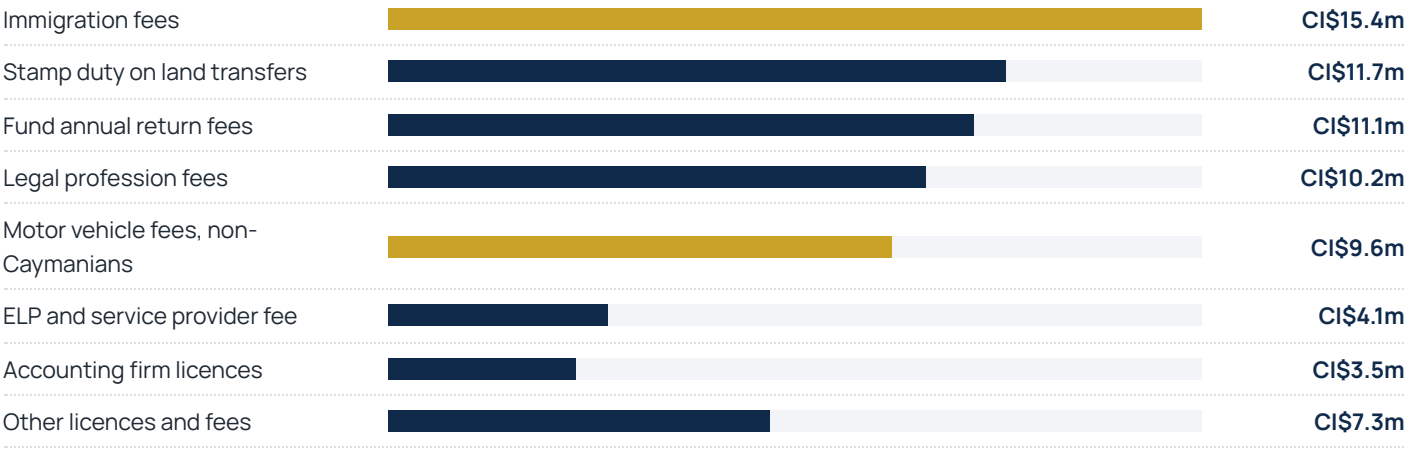
Higher application fees were consulted on in February 2026 and the start date was deferred. Work permit fees themselves are not changing.

INDIRECT REVENUE

06 Duties, fees and other revenue

Import duty, stamp duty and fees remain the core of the revenue system. Rates of import duty and tourism accommodation tax are unchanged.

Yield of the new revenue measures, 2026



Gold bars are measures later deferred or revised, so their yield may differ. Other items include bank, trust, insurance, liquor, trader, realtor and SEZ fees.

Charge	Change	Effective
Special economic zone	New trade certificate fees	27 Feb 2026
Beneficial ownership access	Higher fees for legitimate interest applications	18 Mar 2026
Trade and business licences	Higher fees in several sectors	28 Apr 2026
Local companies control licences	Higher fees	Budget measure
Import duty; accommodation tax	No change: 22% on most goods; 13%	—

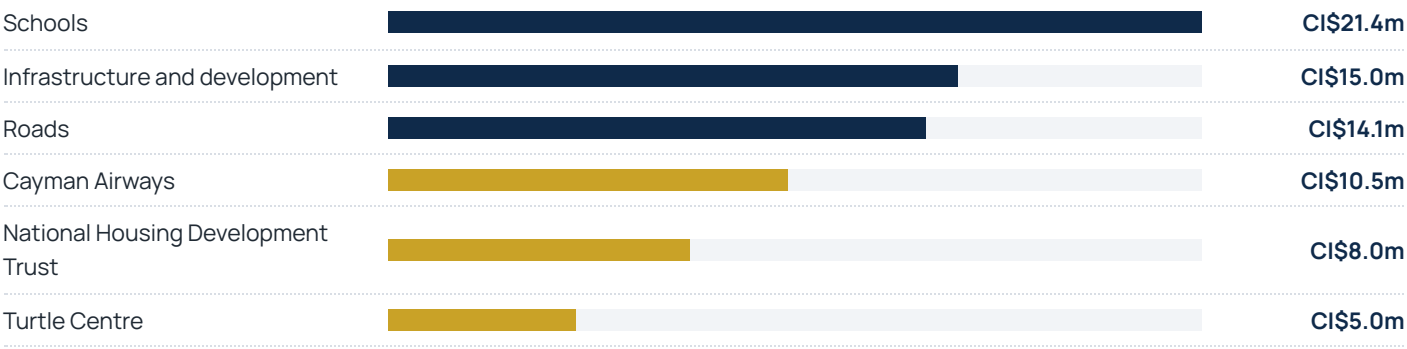
SPENDING

07 Spending priorities and capital programme

The Strategic Policy Statement sets seven broad outcomes. Education, health, housing and infrastructure lead the spending plans.

Education, immigration and workforce · Housing, infrastructure and environment · Economy · Health and social development · Caymanian identity and culture · Public services · Governance and public safety

Capital programme, 2026



Core Government capital is CI$111.3 million in 2026 and CI$97.9 million in 2027; gold bars are public entities. Schools include a new high school on Cayman Brac.

Health and social

- CI$77.6 million for CINICO cover for pensioners, seafarers and veterans
- CI$65.2 million for the Health Services Authority
- CI$43.0 million for tertiary medical care
- CI$18.6 million for Cayman Airways airlift

Supplementary, June 2026

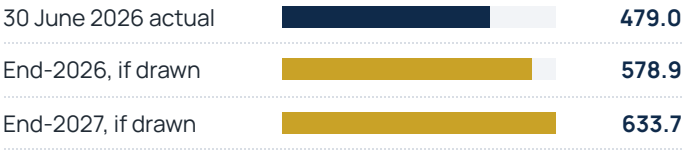
CI$134.3 million, including CI$48.0 million for schools, CI$21.0 million for public land and CI$12.0 million for conservation land.

DEBT

08 Debt, financing and fiscal rules

Public debt is low by international standards. New borrowing is allowed for capital projects only, and only if needed.

Core Government debt, CI$ million



Projections assume all authorised borrowing is drawn. Repayments are CI$50.4 million in 2026 and CI$57.2 million in 2027.

Financing

Borrowing of up to CI$124 million in 2026 and CI$112 million in 2027 is authorised for the capital programme. At 30 June 2026, cash and deposits of CI$588.9 million exceeded debt.

Fiscal principles

Test	2026	2027
Operating result positive	CI$11.1m	CI$37.7m
Net worth positive	CI$2.5bn	CI$2.5bn
Debt service, max 10% of revenue	6.5%	7.4%
Net debt, max 80% of revenue	23.4%	24.2%
Cash reserves, min 90 days	91.6 days	96.3 days

Risks to watch

Cash reserves sit close to the 90-day minimum in 2026. Revenue depends on financial services fees and property activity, and the islands are exposed to hurricanes.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Funds and asset management	Higher CIMA annual fees for registered funds, master funds and sub-funds from 1 January 2026. Budget fee costs for each structure, and pass them through where documents allow.
Banking, trust and insurance	Higher annual licence fees. Corporate service providers face a new annual fee alongside exempted limited partnerships.
Legal and accounting firms	Higher practitioner and operating licence fees. Review fee budgets and client pricing.
Real estate and construction	Stamp duty of 10% on deals of CI$2 million or more, including transfers of shares in land-holding companies. Realtor and developer licence fees rise. A public capital programme in schools, roads and housing.
Tourism and hospitality	Accommodation tax unchanged at 13%. Strong arrivals in 2026. Continued support for Cayman Airways.
Retail and distribution	Import duty unchanged. Higher trade and business licence fees in several sectors from 28 April 2026, and higher liquor licence fees.
Technology and SEZ	New special economic zone trade certificate fees from 27 February 2026. A new fee for virtual asset service providers.
SMEs and employers	No payroll tax. Minimum wage of CI$8.75 an hour, pension and health cover, and immigration application fees under review.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Check that 2026 CIMA and Registry fees were paid at the new rates
- [ ] Budget for the higher company fees expected in 2027
- [ ] Review licence renewal dates and new fee levels
- [ ] Price stamp duty into property deals of CI$2 million or more
- [ ] Track immigration fee changes before applying

Individuals

- [ ] Check stamp duty and first-time buyer concessions before buying
- [ ] Renew driver's licences at the new rates
- [ ] Check pension deductions on pay

Date	What happens
1 January 2026	10% stamp duty at CI$2m or more; new fund fees; minimum wage CI$8.75
31 January 2026	Annual returns and Registry fees
27 February 2026	New SEZ trade certificate fees
15 March 2026	Balance of 2026 fund fees due
28 April 2026	Higher trade and business licence fees
1 September 2026	Revised driver's licence fees
15 January 2027	CIMA annual fees
31 January 2027	Annual returns and Registry fees for 2027
31 December 2027	End of the two-year budget period

Confirm each fee and date with the authority concerned.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals turn the Budget into a plan.

Budget impact assessment

Modelling fee and duty changes against your costs, prices and structure.

Tax planning and restructuring

Entity structure, tax undertakings and home-country tax for Cayman entities.

Compliance updates and payroll changes

Fee calendars, annual returns, pension and payroll systems.

Incentives and concessions

Special economic zone, duty concessions and stamp duty reliefs.

Cash flow and pricing reviews

Forecasts, repricing for higher fees, and working capital.

Engagement with the tax authority

Correspondence with the DITC, Customs and Border Control and other authorities.

Start with a conversation

Tell us how the 2026–2027 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **caymanislands@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026–2027 Budget

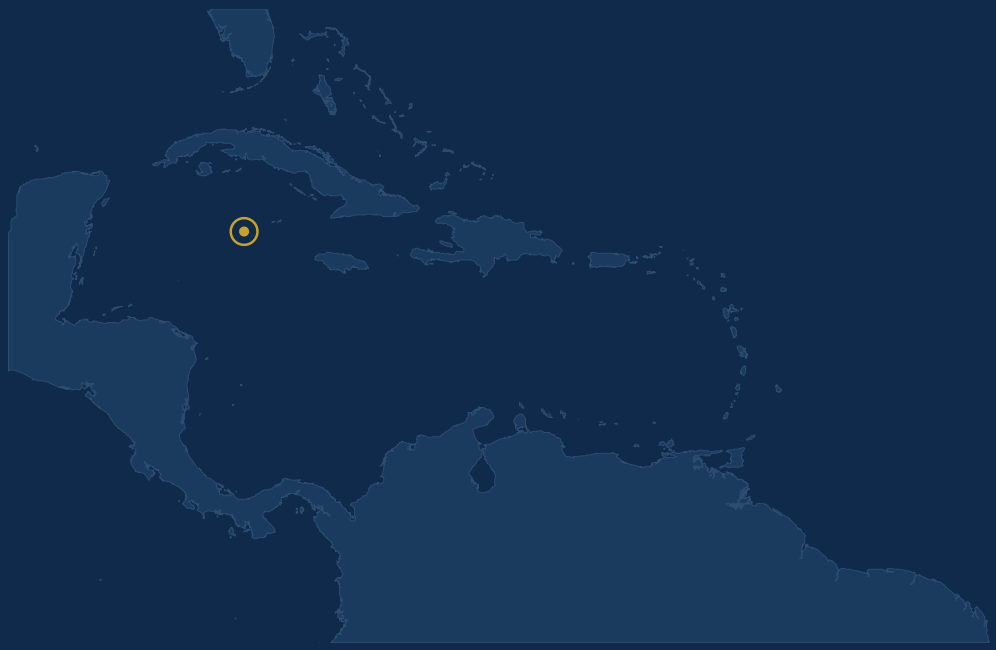
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Key official sources

- Ministry of Finance and Economic Development (gov.ky)
- Parliament of the Cayman Islands (parliament.ky)
- Economics and Statistics Office (eso.ky)
- Cayman Islands Monetary Authority (cima.ky)
- General Registry (ciregistry.ky)
- Customs and Border Control (gov.ky)
- Department of Vehicle and Drivers' Licensing (dvdl.gov.ky)
- Department of Tourism (ourcayman.ky)



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