

Cayman Islands AML/CFT Action Plan for 2019

Immediate Outcome (IO)	ACTION	AGENCY
IO.1: Risk, Policy & Coordination		
Money laundering and terrorist financing risks are understood and, where appropriate, actions coordinated domestically to combat money laundering and the financing of terrorism and proliferation.	a) Conduct an assessment of TF threats and vulnerabilities.	IACC
	b) Conduct a ML/TF risk assessment of legal persons and legal arrangements.	Ministry for Financial Services
	c) Coordinate outreach to FIs and DNFBPs on ML/TF risks.	IACC
	d) Incorporate the ACC into the AMLSG and IACC.	AMLU
IO.2: International Cooperation		
	a) Proactive requests for timely assistance from other jurisdictions on ML and TF.	Supervisors, FRA, law enforcement agencies, ODPP
	b) Provision of additional human and IT resources for the FRA.	Portfolio of Legal Affairs
IO.3: Supervision		
Supervisors appropriately supervise, monitor and regulate financial institutions and DNFBPs for compliance with AML/CFT	a) Promulgate the Anti-Money Laundering (Investment Entities) Regulations.	Ministry for Financial Services
	b) Amend the Securities and Investment Law (SIBL) to i) allow greater collection of relevant AML/CFT data, and ii) enable conduct of assessments of fitness & propriety of relevant persons.	Ministry for Financial Services
	c) Provision of additional resources to CIMA to enhance AML/CFT supervisory functions.	Ministry for Financial Services
	d) Implement an administrative fines regime.	CIMA

requirements commensurate with their risks	e) Gather comprehensive data and conduct an ML/TF risk assessment of the Securities Sector, including SIBL EPs.	CIMA
	f) Review AML/CFT compliance of financial institutions and DNFBPs.	CIMA, DCI, CIIPA, CILPA
	g) Register and conduct outreach to DNFBPs, including real estate agents and DPMS.	DCI, CIIPA, CILPA
	h) Conduct comprehensive risk assessments of real estate agents and DPMS.	DCI
IO.4: Financial institutions and DNFBPs		
Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions.	a) FIs and TCSPs keep their institutional ML/TF risk assessments up-to-date. To be reviewed through ongoing monitoring.	CIMA
	b) SIBL EPs implement appropriate AML/CFT policies, procedures and internal controls including risk-mitigation measures. To be reviewed through ongoing monitoring.	CIMA
	c) SIBL EPs to conduct and provide AML audit results. To be reviewed through ongoing monitoring.	CIMA
	d) FIs and TCSPs identify the misuse of corporate vehicles. To be reviewed through ongoing monitoring.	CIMA
	e) Implement a system of AML/CFT supervision for lawyers.	Cayman Islands Legal Practitioners Association (CILPA)
	f) Issue sector-specific guidance to real estate agents and DPMS, including red flags and SARs reporting guidance.	DCI, FRA
	g) Conduct outreach to banks with no physical presence and SIBL EPs with respect to SAR filing.	FRA, CIMA
IO.5: Legal Persons and Arrangements		
Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial	a) Conduct ML/TF risk assessment of legal persons.	Ministry for Financial Services
	b) Implement risk-based measures to prevent the potential misuse of legal persons for ML/TF, commensurate with the risks identified.	CIMA, GR, DCI
	c) Implement greater disclosure requirements for trusts.	Ministry for Financial Services ,relevant supervisors
	d) Impose sanctions for TCSPs and companies for failure to maintain	CIMA, General

ownership is available to competent authorities without impediments.	up-to-date beneficial ownership information.	Registry
IO.6: Financial Intelligence		
Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations.	a) Apply technological enhancements to SARs and cross-border currency reports.	FRA, CIMA, Customs & Border Control
	b) Proactive development of ML and TF financial intelligence by FRA and law enforcement agencies, including requesting information from international partners.	FRA, FCU, Customs and Border Control
	c) Widen the FRA's access to data, including relevant bank accounts and cross-border movement of cash.	FRA, CIMA, Customs & Border Control
	d) Conduct strategic analysis on TF risks.	FRA, FCU
	e) Ensure adequate staffing at the FRA.	Portfolio of Legal Affairs
	f) Ensure ongoing cooperation and coordination among LEAs and FRA.	Financial Crimes Focus Group (FCFG) of the IACC
	g) FRA to provide feedback to reporting entities on the quality of SARs.	FRA
IO.7: ML Investigation and Prosecution		
Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions.	a) Conduct proactive identification, investigation and prosecution of large, complex, stand-alone ML cases; and where applicable, apply proportionate and dissuasive sanctions against natural and legal persons.	FCU, ODPP, Judiciary
	b) Ensure that the FCU is adequately resourced to proactively investigate ML. Refine the Pro-Active Money Laundering Strategy.	FCU, Ministry of Human Resources & Immigration
	c) Engage international counterparts to pursue ML cases against individuals, regardless of nationality.	FCU
	d) Engage the ODPP at an earlier stage in the investigative process through the FCFG.	FCU, ODPP
IO.8: Confiscation		

Proceeds and instrumentalities of crime are confiscated.	a) Build upon the commitment to remove the benefit from crime, particularly in stand-alone ML cases with the use of civil forfeiture, where appropriate.	FCU, ODPP
	b) Proactively pursue criminal and civil assets abroad, particularly foreign generated proceeds from complex cases, consistent with the country's risk profile.	FCU, ODPP
	c) Invest in tools, resources and training to identify persons attempting to move cash and BNIs into and out of the Cayman Islands illegally.	Customs & Border Control
	d) Ensure that Official Receivers are adequately trained and resourced to manage confiscated assets.	Ministry of Finance
IO.9: TF Investigation and Prosecution		
Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.	a) Assess TF threats and vulnerabilities in the jurisdiction.	FCU, FRA
	b) Amend guidance to strengthen awareness of TF obligations	CIMA, DCI
	c) Conduct outreach to FIs and DNFBPs on TF risks	CIMA, DCI
	d) TF Training for competent authorities	All competent authorities
	e) Offer specialised TF training to judges and prosecutors	ODPP, Judiciary
	f) Refine the Combatting of TF Strategy for the proactive identification of TF in the financial sector.	RCIPS
IO.10 and IO.11: Targeted Financial Sanctions for TF and PF		
1) Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector	a) Implement timely communication mechanisms for targeted financial sanctions for TF and PF.	CIMA, DCI, FRA
	b) Enhance supervisory guidance and onsite inspection procedures to more fully incorporate targeted financial sanctions for TF and PF, and test the promptness of the mechanism once designations take effect.	CIMA, DCI
	c) Conduct outreach to FIs and DNFBPs on guidance regarding targeted financial sanctions for TF and PF, particularly the freezing mechanism when funds are identified.	CIMA, DCI (with support from FRA)
	d) Complete the risk assessment of the NPO sector and conduct outreach to the NPO sector on targeted financial sanctions for TF.	General Registry

2) Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.	e) Review the cooperation and coordination mechanism to ensure the development and sharing of information to identify potential breaches or violations of targeted financial sanctions for TF and PF.	FRA, relevant supervisors
	f) Review the cooperation and coordination mechanism to ensure the development and sharing on intelligence to identify potential breaches or violations of targeted financial sanctions for PF	FRA, FCU, JIU, Customs & Border Control

GLOSSARY OF ACRONYMS

ACC	Anti-Corruption Commission
AML	Anti-Money Laundering
AMLU	Anti-Money Laundering Unit
AMLSG	Anti-Money Laundering Steering Group
BNI	Bearer Negotiable Instrument
CFT	Combatting the Financing of Terrorism
CIIPA	The Cayman Islands Institute of Professional Accountants
CILPA	Cayman Islands Legal Practitioners Association
CIMA	Cayman Islands Monetary Authority
DCI	Department of Commerce and Investment
DNFBP	Designated Non-Financial Business or Profession
DPMS	Dealers of Precious Metals and Precious Stones
FCFG	Financial Crimes Focus Group
FCU	Financial Crimes Unit of the Royal Cayman Islands Police Service (RCIPS)
FI	Financial Institution
FRA	Financial Reporting Authority
IACC	Inter-Agency Coordination Committee
JIU	Joint Intelligence Unit of the RCIPS
ML/TF	Money Laundering/Terrorism Financing
NPO	Non-Profit Organisation
ODPP	Office of the Director of Public Prosecution
PF	Proliferation Financing
SAR	Suspicious Activity Report
SIBL EP	Securities and Investment Business Law Exempted Person
TCSP	Trust and Company Service Provider
UNSCR	United Nations Security Council Resolution