



**THE CAYMAN ISLANDS ANTI-MONEY  
LAUNDERING AND COUNTER TERRORIST  
FINANCING STRATEGY 2017-2021**

# Contents

Foreword by the Honourable Attorney General.....	ii
Executive Summary.....	iii
Introduction .....	1
The ML/TF National Risk Assessment .....	4
Strategic Themes, Objectives and Actions .....	7
Strategic Theme 1: Enhancing the Jurisdiction’s AML/CFT Legal and Regulatory Framework .....	7
Strategic Theme 2: Implementing a Comprehensive Risk-Based Supervisory Framework .....	10
Strategic Theme 3: Strengthening of Sanctions, Intelligence and Enforcement .....	13
Strategic Theme 4: Enhancing Domestic Co-operation and Co-ordination .....	16
Strategic Theme 5: Ensuring an Efficient and Effective System for International Co-operation .....	18
Strategic Theme 6: Raising AML/CFT Awareness amongst all Stakeholders and the General Public .....	20
Policy Implementation, Monitoring and Evaluation .....	22
Implementation.....	22
Monitoring and Evaluation.....	22
Annex: List of Abbreviations .....	23

## Foreword by the Honourable Attorney General

It gives me great pleasure on behalf of the Government of the Cayman Islands to present the Cayman Islands Anti-Money Laundering and Counter Terrorist Financing Strategy 2017 – 2021. The strategy represents the result of close collaboration among stakeholders with a vested interest in ensuring that the Cayman Islands AML/CFT framework continues to be robust and at all times of the highest standards for preventing, detecting and deterring money laundering, terrorist financing and proliferation financing.

The Cayman Islands has long been an active participant in international efforts to disrupt organised crime and to remove the profit from criminal activity. As a founding member of the Caribbean Financial Action Task Force, the Cayman Islands has demonstrated its commitment to international best-practice embodied within the 40 Recommendations of the Financial Action Task Force.

Having been through three mutual evaluations by the Caribbean Financial Action Task Force, the jurisdiction is scheduled to undergo a fourth round in the second half of 2017. Not only does our AML/CFT strategy prepare the jurisdiction for the fourth round, more importantly, it provides an overarching look at our vision of an efficient and effective AML/CFT framework and provides a guide for its achievement. This will assist competent authorities in initiating coordinated action for the implementation of adequate money laundering, terrorist financing, and proliferation financing risk mitigation measures, and allow the private sector to better align its efforts with national objectives.

As we look toward the further strengthening of the Cayman Islands AML/CFT framework, I sincerely thank all the stakeholders who made the successful completion of this document a possibility. I implore you to demonstrate the same commitment and fervour as we pursue its effective implementation.

## Executive Summary

The Cayman Islands AML/CFT Strategy (2017 – 2021) was designed to address the findings of the jurisdiction’s money laundering and terrorist financing national risk assessment and, more generally, to provide a road map for the strengthening of the existing AML/CFT framework over the next four years.

The first section of this strategy document introduces the purpose and functions of the Strategy and sets the context within which it is designed and expected to operate. The second section outlines key findings of the national risk assessment; and the final section provides the strategic themes, objectives and actions which are designed to address these findings and result in a stronger and more effective AML/CFT framework.

An AML/CFT strategy, as recognised by the Financial Action Task Force, contributes to an effective system for the prevention, detection and deterrence of money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. In that regard, the formulation and completion of the strategy outlined in this document will contribute positively to an evaluation of the Cayman Islands’ under the Financial Action Task Force’s mutual evaluation procedures.

The vision underpinning this strategy is that of a “robust, adaptive and responsive AML/CFT framework, consistent with international standards, and effective in securing the integrity of the Cayman Islands’ financial system”.

With this vision at the forefront of the strategy formulation process, and with a mission which includes promoting and adopting a multi-agency approach which incorporates the widest means of international cooperation for the protection of the Cayman Islands’ financial system against money laundering, terrorist financing and proliferation financing, the Government of the Cayman Islands designed this strategy around six strategic themes.

These themes involve: enhancing the jurisdiction’s AML/CFT legal and regulatory framework; implementing a comprehensive risk-based supervisory framework; strengthening of sanctions, intelligence and enforcement; enhancing domestic cooperation and coordination; ensuring an efficient and

effective system for international cooperation; and raising AML/CFT awareness amongst all stakeholders and the general public.

It is anticipated that this approach will not only address any deficiency identified by the national risk assessment, but will also strengthen the existing positives within the jurisdiction's AML/CFT system and assist competent authorities and persons engaged in relevant financial business in planning a more tailored approach to addressing money laundering, terrorist financing and proliferation financing concerns within their respective sectors.

# Introduction

The Cayman Islands Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT)<sup>1</sup> Strategy provides the jurisdiction's approach to addressing money laundering (ML), terrorist financing (TF) and proliferation financing (PF) challenges over the next four years. In addition to providing the jurisdiction's roadmap on addressing these matters, it illustrates the Government's priorities and objectives in dealing with financial crime, and contributes to the Cayman Islands' adherence to international obligations set by the Financial Action Task Force (FATF).<sup>2</sup>

The AML/CFT Strategy is informed by, and designed to address, the findings of a national risk assessment which involved the territory's identification of its ML and TF risks at the national and sectoral levels. The national risk assessment was completed in December 2015 and forms the bedrock of the Cayman Islands' risk-based approach to addressing ML and TF threats. Through the national risk assessment, competent authorities charged with responsibility for AML/CFT matters have developed a deep appreciation of the ML/TF risks faced by the jurisdiction and by their respective sectors, and are thus better equipped to develop and implement appropriate risk mitigation strategies.

The key results of the national risk assessment were published for public and private sector consumption on April 26, 2017. It is anticipated that publishing those results will: 1) inform public sector agencies and persons engaged in relevant financial business<sup>3</sup> under the *Proceeds of Crime Law (2016 Revision)* of the existing ML/TF risks, thereby facilitating the design and implementation of adequate measures for risk mitigation; and, 2) provide information that will assist in the efficient allocation of resources for the combatting of ML/TF.

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<sup>1</sup> The term AML/CFT also includes measures for combating proliferation financing

<sup>2</sup> FATF Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (FATF Methodology) – Recommendation 2; Immediate Outcome 1

<sup>3</sup> *Proceeds of Crime Law (2016 Revision)* sec 2 and Schedule 6

Issued on May 22, 2017

Additionally, publishing the results is a fulfilment of the jurisdiction's international obligations under FATF Recommendation 1.<sup>4</sup>

The Government of the Cayman Islands recognises that in order to address the growing sophistication of those that seek to benefit from criminal or illegitimate means, its approach to attending to ML, TF and PF concerns must be one which is comprehensive, involving a sound understanding of risks, and engaging competent authorities, the private sector and the wider public.

The jurisdiction's AML/CFT Strategy therefore seeks to incorporate these stakeholders while outlining an overarching guide to ensuring that the findings of the national risk assessment are addressed, thereby leading to an AML/CFT framework which is stronger and more robust over the next four years. In doing so, the jurisdiction is led by the following vision and mission:

### *Vision*

*A robust, adaptive and responsive AML/CFT framework, consistent with international standards, and effective in maintaining the integrity of the Cayman Islands' financial system.*

### *Mission*

*To promote and adopt a multi-agency approach which incorporates the widest means of international cooperation for the protection of the Cayman Islands' financial system against money laundering, terrorist financing and proliferation financing.*

Being guided by the above-stated vision and mission, the Government of the Cayman Islands considers it prudent to enhance the jurisdiction's AML/CFT framework and address the findings of the national risk assessment by embarking on a course of action under six strategic themes.

### *Strategic Themes*

*1. Enhancing the jurisdiction's AML/CFT legal and regulatory framework;*

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<sup>4</sup> The FATF Methodology, criterion 1.4

2. *Implementing a comprehensive risk-based supervisory framework;*
3. *Strengthening of sanctions, intelligence and enforcement;*
4. *Enhancing domestic cooperation and coordination;*
5. *Ensuring an efficient and effective system for international cooperation;*  
*and,*
6. *Raising AML/CFT awareness among all stakeholders and the general public.*

## The ML/TF National Risk Assessment

The Cayman Islands national risk assessment involved a process through which ML and TF risks to the Cayman Islands were determined. It closely examined ML and TF threats to the Cayman Islands along with vulnerabilities existing within the jurisdiction's legal and institutional framework which could potentially be exploited. It also pointed to a number of strengths within the system. Greater detail is provided in the "*Results of the 2015 Cayman Islands National Risk Assessment Relating to Money Laundering, Terrorism Financing and Proliferation Financing*" document published on April 26, 2017.

Through the commissioning of eight working groups, the national risk assessment took stock of threats at the national level and investigated vulnerabilities at the national and sectoral levels. At the sectoral level, financial and certain non-financial sectors were examined with vulnerability measured on a scale of low, medium low, medium, medium high and high. Many factors were considered including the level of enforcement of AML obligations, a sector's commitment to good corporate governance, the level of penalties existing within different sectors, the identification infrastructure existing within the sectors, and the quality of AML supervision.

The national risk assessment identified a number of strengths in the Cayman Islands' AML/CFT framework. The jurisdiction has had a long-standing commitment to fighting financial crime and has thus developed a vast network of laws and regulations, including those allowing for international cooperation, for the purpose of tackling ML/TF and PF. Further, the overall supervisory framework for the financial industry is fairly robust and domestic cooperation and coordination at the policy level have effectively taken place within the Cayman Islands for a number of years through the work of the Anti-Money Laundering Steering Group (AMLSG) which, among other things, promotes effective collaboration between regulators and law enforcement agencies.

Notwithstanding these positives the national risk assessment also determined that, like all other jurisdictions, the Cayman Islands faces internal and external threats. Theft, corruption and drug trafficking are the main threats emanating from domestic origins; while, fraud, the evasion by foreigners of

taxes overseas, and drug trafficking in other jurisdictions, present potential threats to the Cayman Islands from foreign origins. The jurisdiction has mitigated these threats through a robust framework of laws and mechanisms for international cooperation. Nonetheless, they continue to be major considerations in designing and implementing measures strengthening the jurisdiction's AML/CFT framework.

Vulnerabilities at the national level at the time of the national risk assessment were found to include a less than fulsome implementation of the risk-based approach to AML/CFT regulation; areas in which domestic cooperation among government agencies at the operational level could be enhanced, notwithstanding strong inter-agency cooperation at the policy level; a lack of supervision of Designated Non-Financial Businesses and Professions (DNFBPs); limited supervision of non-profit organisations; and a sanctions regime which required enhancement to meet the “effective, proportionate and dissuasive” standard required by the Financial Action Task Force.

Further, the national risk assessment identified areas in which increased staffing levels at the Financial Reporting Authority (FRA) and the Financial Crimes Unit of the Royal Cayman Islands Police Service (FCU) would result in greater efficiency in handling suspicious activity reports (SARs) and other suspicions of financial crimes.

Much work has been done over the past year to address these issues. The jurisdiction is currently in the process of fully implementing the risk-based approach through the promulgation of amendments to its *Money Laundering Regulations*, and has passed amendments to its *Proceeds of Crime Law* establishing an inter-agency committee for enhanced domestic cooperation at the operational level, and for the establishment of a supervisor for DNFBPs. The *Proceeds of Crime Law* has also been amended to allow for effective, proportionate and dissuasive administrative and criminal sanctions for breaches of AML/CFT laws.

Additionally, significant steps have been taken to guarantee adequate supervision of non-profit organisations, in particular, the completion of a draft Bill which, amongst other things, seeks to ensure that non-profit organisations are taking measures to effectively address the ML/TF issues within their sector. Additional human resources have also been employed at the FRA, with the hiring of a Sanctions Coordinator responsible for the

administration of targeted financial sanctions relating to TF and PF, and also at the FCU to make for more efficient handling of reports and cases.

At the sectoral level, although much of the supervisory and regulatory framework is found to be adequately strong, vulnerabilities are evident in some areas where there is, for example, limited supervision. A number of measures have already been put in place to address these issues such as amendments to the *Proceeds of Crime Law* for the establishment of a DNFBP supervisor.

The following section – *Strategic Themes, Objectives and Actions* – outlines the strategic direction the Government of the Cayman Islands will take over the next four years to build on the steps already taken to ensure that the jurisdiction's AML/CFT framework adheres to international standards and is effective in preventing, detecting and deterring ML/TF and PF.

# Strategic Themes, Objectives and Actions

## Strategic Theme 1: Enhancing the Jurisdiction's AML/CFT Legal and Regulatory Framework

### Strategic Objective:

**To secure a modern risk-based legal and regulatory framework which is consistent with international standards established by the FATF and which is effective in preventing, detecting and responding to money laundering, terrorist financing and proliferation financing activities.**

International best-practice, as reflected in the *FATF International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation*, requires, and regards as most efficient, a risk-based approach to addressing ML/TF and PF. The Cayman Islands has committed to fully integrating this approach throughout its legal and regulatory framework in order to achieve the best results in deterring and sanctioning these activities through the most resource efficient means.

Further, the national risk assessment highlighted areas in which other amendments to the jurisdiction's laws and regulations would result in a more effective AML/CFT framework.

### Stakeholders Involved:

The AMLSG, the Ministry of Financial Services, Commerce and the Environment (MFSCE), the Inter-Agency Coordination Committee (IACC), the Anti-Money Laundering Unit (AMLU), the Cayman Islands Monetary Authority (CIMA), the Department of Commerce and Investment (DCI), the FRA, the Office of the Director of Public Prosecutions (ODPP), the Cayman Islands Customs Department (Customs), the FCU, and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

**Actions:**

- Review and amend the *Proceeds of Crime Law* to ensure it is in line with relevant international standards and adequately deters and punishes those engaged in criminal activities with a view to profit;
- Review and amend the *Terrorism Law* to ensure it fully incorporates relevant international standards for addressing terrorism and terrorist financing;
- Review and amend the *Proliferation Financing (Prohibition) Law* to ensure it fully incorporates relevant international standards for addressing proliferation and proliferation financing;
- Develop and publish procedures for targeted financial sanctions related to the prevention and suppression of terrorism and terrorist financing;
- Develop and publish procedures for targeted financial sanctions related to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing;
- Review and amend the *Money Services Law* to ensure that it fully incorporates relevant international standards and to ensure that it adequately makes provision for the transfer of ownership of money services business;
- Assign a public sector or self-regulatory body (or bodies) for the supervision of DNFBPs and provide such body or bodies with appropriate supervisory powers;
- Enact legal provisions for the governing and regulation of non-profit organisations in a manner consistent with relevant international standards for addressing the threat of TF;
- Review and amend the *AML/CFT Guidance Notes* and provide sector-specific guidance in line with relevant international standards for the

prevention, detection, reporting and punishment of ML/TF and PF;  
and,

- Periodically and, where necessary, revise laws, regulations, guidance and procedures to ensure consistency with relevant international standards and to secure a more robust AML/CFT framework.

## **Strategic Theme 2: Implementing a Comprehensive Risk-Based Supervisory Framework**

### **Strategic Objectives:**

- 1. To establish and maintain a risk-based supervisory framework for DNFBPs consistent with relevant international standards and effective for preventing and deterring ML/TF and PF activities.**
- 2. To develop an administrative fines regime to be used by supervisors of persons engaged in relevant financial business which provides for sanctions which are effective, proportionate and dissuasive**
- 3. To have and maintain up-to-date ML/TF and PF risk assessments at the national and sectoral levels to allow for an adequate appreciation of risks by relevant supervisory and competent authorities at all times for the efficient allocation of resources and appropriate design of ML/TF/PF risk mitigation measures.**
- 4. To establish and maintain a risk-based supervisory framework for non-profit organisations consistent with relevant international standards and effective for preventing and deterring TF activities.**

A risk-based approach to addressing the threat of ML/TF and PF requires objective evidence concerning these activities in the domestic and international spheres. The maintenance of an up-to-date ML/TF and PF risk assessment will better equip supervisory authorities and other competent authorities to design and implement appropriately tailored measures for countering such criminal activities, and will aid in short and medium-term strategic planning. A risk-based approach to supervision will also facilitate a more efficient allocation of resources by directing greater amounts of resources to higher risk areas while ensuring that lower risk scenarios are appropriately addressed.

Also, the national risk assessment recommended further measures for the regulation of non-profit organisations. Establishing and maintaining a risk-

based supervisory framework dedicated to governing these organisations, will better achieve the goal of deterring ML/TF and PF activities and significantly contribute to a more robust AML/CFT network of laws and regulations.

### **Stakeholders Involved:**

The AMLSG, the IACC, the AMLU, CIMA, DCI and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

### **Actions:**

#### *Relevant to Strategic Objective 1*

- Ensure adequate staffing and training for supervision of DNFBPs;
- Conduct licensing and/or registration of all DNFBPs;
- Develop an on-site and off-site inspection and compliance programme; and
- Develop a database for information relating to beneficial ownership collected through the supervision of Trust and Corporate Services Providers.

#### *Relevant to Strategic Objective 2*

- Implement a regime of administrative fines for breaches of the *Money Laundering Regulations* which includes the powers of supervisory authorities to impose such fines.

#### *Relevant to Strategic Objective 3*

- Conduct risk assessments at the national and sectoral levels periodically to ensure that the jurisdiction keeps abreast of its ML/TF and PF risks;
- CIMA, DCI and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of*

*Crime Law (2016 Revision)* to develop and keep up-to-date ML/TF and PF risk profiles of their licensees and/or registrants;

- CIMA, DCI and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)* to ensure licensees and/or registrants assess their own ML/TF and PF risks;
- CIMA, DCI and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)* to verify, through on-site and off-site inspections and on a risk sensitive basis, whether licensees and/or registrants are complying with the obligations and are continuously taking into account the results of a national risk assessment; and,
- FRA, CIMA, DCI and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)* to develop typologies reflective of national threats and vulnerabilities to keep competent authorities and those engaged in relevant financial business informed.

*Relevant to Strategic Objective 4*

- Designate an appropriate body for supervision of non-profit organisations and ensure that it is adequately staffed and trained;
- Designated supervisor to conduct outreach and awareness campaign on TF risks;
- Designated supervisor to commence and continuously engage in annual reporting to the AMLSG.

## Strategic Theme 3: Strengthening of Sanctions, Intelligence and Enforcement

### Strategic Objectives:

- 1. To develop an administrative fines regime to be used by supervisors of persons engaged in relevant financial business which provides for sanctions which are effective, proportionate and dissuasive.**
- 2. To ensure adequate levels of staffing and training at the FRA and automated SAR handling so that SARs and the administration of targeted financial sanctions can be managed with greater efficiency.**
- 3. To ensure adequate levels of staffing and training at the FCU and ODPP so that suspicions and reports of financial crime may be effectively investigated, pursued, and prosecuted.**
- 4. To implement an electronic ML/TF case management system at the FCU for the more efficient administration of financial crimes cases.**

One of the pillars upon which an effective AML/CFT regime rests is a strong framework for investigating, pursuing and sanctioning cases of ML/TF and PF. The Cayman Islands Government recognises that the key to guaranteeing such a framework is a strong and adequately resourced FRA and FCU. Additionally, the national risk assessment identified areas in which further enhancement by way of additional staffing at the FRA and FCU to analyse, investigate and manage suspicious activity reports or other instances of suspicion of financial crime, would lead to even greater effectiveness in deterring or punishing those engaged in such activities. The functionality and operational capability of these institutions should therefore receive the ongoing attention of the Government to ensure that at all times they are fit for purpose.

Additionally, the FATF calls for countries to apply sanctions which are “*effective, proportionate and dissuasive*”. Without these attributes, sanctions fail to achieve their deterrent purpose. Ensuring that there exist within the

Cayman Islands AML/CFT framework not only criminal, but also administrative sanctions, empowers supervisors to act swiftly in addressing non-compliance with regulatory measures, thereby increasing the likelihood that demands for corrective action be heeded and reducing the likelihood of breaches.

**Stakeholders Involved:**

The FRA, the FCU, the ODPP, CIMA, DCI, the IACC, the AMLU, and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

**Actions:**

*Relevant to Strategic Objective 1*

- Design an administrative fines regime for breaches of the *Money Laundering Regulations* which includes the powers of supervisory authorities to impose such fines.

*Relevant to Strategic Objective 2*

- Review and ensure the adequacy of staffing at the FRA to effectively manage and analyse SARs;
- Design a programme for continuous training to keep abreast of AML/CFT/CPF trends, operational and strategic SAR analysis and the implementation of targeted financial sanctions; and
- Conduct workflow analysis and determine whether an electronic SAR reporting system may be feasible.

*Relevant to Strategic Objective 3*

- Increase staffing at FCU for the investigation and handling of disseminations from the FRA and other suspicions of financial crimes;

- Design a programme at the FCU for continuous training in intelligence gathering and investigations to keep abreast with the advancing sophistication of modes of financial crime;
- Establish an FCU Task Force with focus on complex international money laundering cases; and
- Increase focus at the FCU and ODPP on the identification and confiscation of the proceeds of crime.

*Relevant to Strategic Objective 4*

- Implement an electronic system for ML/TF case management at the FCU; and
- Ensure adequate training for the use of the electronic case management system.

## **Strategic Theme 4: Enhancing Domestic Co-operation and Co-ordination**

### **Strategic Objectives:**

- 1. To secure and maintain mechanisms for domestic cooperation and coordination on ML/TF and PF issues at the operational and policy levels consistent with relevant international standards and to facilitate the effective operation of the jurisdiction's AML/CFT framework.**
- 2. To strengthen the ability of the IACC to coordinate domestically on AML/CFT operational and national risk assessment implementation issues.**

The Cayman Islands Government recognises that a coordinated multi-agency approach to dealing with ML/TF and PF issues is critical to the effective design and implementation of measures to prevent, detect and deter ML/TF and PF. Furthermore, the FATF requires countries to “ensure that policy-makers, the financial intelligence unit, law enforcement authorities, supervisors, and other relevant competent authorities, at the policy-making and operational levels, have effective mechanisms in place which enable them to cooperate, and, where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat” ML/TF and PF.

The national risk assessment also identified areas in which greater cooperation and coordination at the domestic level would result in an enhanced AML/CFT framework.

### **Stakeholders Involved:**

The AMLSG, the MFSCE, the IACC, the AMLU, CIMA, DCI, the FRA, the ODPP, Customs, the Cayman Islands Department of Immigration, the FCU, and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

**Actions:**

*Relevant to Strategic Objective 1*

- IACC to meet once per quarter in order to ensure greater coordination and communication amongst its members;
- IACC to consider the need for MOU between competent authorities on the sharing of information; and
- IACC to review, at least once in every six months, changes in the AML/CFT system and its performance, using regular written reports to be submitted by AMLSG members describing action they have undertaken to implement the action items outlined in this AML/CFT Strategy.

*Relevant to Strategic Obligation 2*

- Increase staff of the AMLU by hiring a policy officer;
- Establish an AMLU website which will contribute to dissemination of information to all competent authorities; and
- IACC to develop and maintain statistics on matters relevant to the effectiveness and efficiency of the jurisdiction's AML/CFT systems in accordance with FATF Recommendations.

## **Strategic Theme 5: Ensuring an Efficient and Effective System for International Co-operation**

### **Strategic Objective:**

**To ensure that the Cayman Islands has an effective legal framework which allows for the provision of the widest range of international cooperation in a timely and efficient manner.**

The Cayman Islands recognises that ML/TF and PF are not only domestic threats but are global problems which require cooperation at the international level to be effectively addressed. Moreover, much of the jurisdiction's financial services business is international in nature; therefore, providing assistance to foreign territories investigating or prosecuting ML/TF or PF where a connection is established with the Cayman Islands is of highest priority.

Further, the FATF requires countries to have an adequate legal basis for providing assistance and, where appropriate, to have in place arrangements or other mechanisms to enhance cooperation. The Cayman Islands legal framework must continuously be enhanced to incorporate these standards and international best-practice to ensure that in addition to fully complying with international obligations, it goes beyond them and raises the bar for cooperating with foreign states thereby significantly reducing the likelihood of its financial system being used for financial crimes.

### **Stakeholders Involved:**

The AMLSG, the MFSCE, the Attorney General's Chambers (AGC), the ODPP, the FRA, CIMA, DCI, the FCU, the AMLU and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

### **Actions:**

- Review laws and make amendments to enhance international cooperation with respect to foreign tax crimes;

- Continuously review and enhance operational procedures with a view to ensuring requests are addressed in a timely manner;
- Expand the international team at the ODPP by hiring an additional Crown Counsel;
- Explore avenues for further cooperation with overseas regulatory authorities such as through the initiation and signing of memoranda of understanding;
- Continue to seek the extension of the UN Convention on Suppression of Financing of Terrorism to the Cayman Islands by the United Kingdom; and
- Continue to seek the extension of the UN Convention Against Corruption to the Cayman Islands by the United Kingdom.

## **Strategic Theme 6: Raising AML/CFT Awareness amongst all Stakeholders and the General Public**

### **Strategic Objective:**

**To ensure that all stakeholders in the Government, the private sector and the general public are aware of the jurisdiction's AML/CFT international obligations and their role in fulfilling those obligations.**

The effective implementation of pertinent policies and strategies for addressing ML/TF and PF risks will depend on partnerships among Government, the private sector and civil society. It is expected that the collaboration among stakeholders and their continued involvement in the process of enhancing the jurisdiction's AML/CFT framework will raise awareness of AML/CFT issues and highlight the vested interest of each stakeholder in ensuring that the jurisdiction remains inhospitable to those who seek to engage in ML/TF and PF. Additional measures for AML/CFT awareness enhancement will further deepen stakeholders' understanding of risks and mitigation tools and allow opportunity for feedback to the competent authorities which will improve policy making and implementation.

### **Stakeholders Involved:**

The MFSCE, CIMA, DCI, the FRA, the ODPP, Customs, the AMLU, and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering regulations under sec 4(9) of the *Proceeds of Crime Law (2016 Revision)*.

### **Actions:**

- Design and deliver presentations and programmes for raising awareness of AML/CFT matters with Department Heads, Chief Officers, and Ministers of the Government;
- Provide training for public sector employees handling transactions which may be vulnerable to the threat of ML;

- Raise awareness through outreach to persons engaged in relevant financial business; and
- Design an awareness programme for other civil society stakeholders and the general public which may be communicated through various means including the media.

# Policy Implementation, Monitoring and Evaluation

## Implementation

Under the *Proceeds of Crime Law*, the AMLSG is charged with responsibility for the general oversight of the AML policy of the Government. It is therefore envisioned that the implementation of the jurisdiction's AML/CFT Strategy will commence after the strategy's approval by the AMLSG and the Cabinet. Thereafter, the IACC appointed by the AMLSG under section 5(3A) of the *Proceeds of Crime Law* will be responsible for its implementation. In doing so, it will facilitate coordination and cooperation between each statutory authority, department of Government or agency tasked with regulation for ML/TF and PF and will continue to assess the risks to the Cayman Islands related to ML/TF and PF.

## Monitoring and Evaluation

Monitoring is a routine function that collects data routinely and systematically, and reports on how the planned actions are progressing. Each competent authority is expected to undertake monitoring on the progress of action items relevant to its activities and will report on such progress in the AMLSG or IACC.

As it relates to evaluation of the AML/CFT Strategy, it is anticipated that the Caribbean Financial Action Task Force Mutual Evaluation scheduled to be conducted in 2017, will provide critical information relating to the strategy's effectiveness on the ground. This will assist the AMLSG and the IACC in its strategy review process and will provide guidance in relation to remedying deficiencies where they may exist and for making recommendations for better strategy implementation.

## Annex: List of Abbreviations

AGC	Attorney General's Chambers
AML	Anti-Money Laundering
AMLSG	Anti-Money Laundering Steering Group
AMLU	Anti-Money Laundering Unit
CFT	Counter Financing of Terrorism
CIMA	Cayman Islands Monetary Authority
CPF	Counter Proliferation Financing
DCI	Department of Commerce and Investment
DNFBP	FATF Designated Non-Financial Businesses and Professions (under the Cayman Islands' legal framework these are persons engaged in relevant financial business but are not, with the exception of Trust and Corporate Service Providers, supervised by CIMA)
FATF	Financial Action Task Force
FCU	Financial Crimes Unit of the Royal Cayman Islands Police Service
FRA	Financial Reporting Authority
IACC	Inter-Agency Coordination Committee
MFSCE	Ministry of Financial Services, Commerce & Environment
ML	Money Laundering
MOU	Memorandum of Understanding
ODPP	Office of the Director of Public Prosecutions
PF	Proliferation Financing
SAR	Suspicious Activity Report
TF	Terrorist Financing