

Annex VI: Action Plan updates, consequential risk assessment actions, March 2020

In 2019 and 2020, the Cayman Islands has conducted the following risk assessments on a national level:

- Terrorism Financing
- Excluded Persons under the Securities Investment Business Law
- Legal Persons and Arrangements
- Special Economic Zone
- The Cayman Islands as an International Financial Center

In addition, sectorial supervisors have completed the following risk assessments:

- Real estate professionals and dealers in precious metals and stones
- Accountancy profession
- Legal Profession
- Mutual Fund Administrators
- Trust and Corporate Services Providers
- Banking Sector
- Securities Investment Businesses
- Insurance business
- TF Risks in Non-Profit Organizations

All supervisors and law enforcement agencies have disseminated all the risk assessments to relevant staff and have conducted or have committed to carry out outreach on the risk assessments for their industry. All supervisors and law enforcement agencies have also committed to reviewing manuals and procedures following the issuance of risk assessments to determine if amendments are needed.

| Action | Deliverables | Timeline |
|---|--|---------------------------|
| Circulation to supervisors and law enforcement agencies | CIMA, DCI, ROC, CIIPA, CILPA to circulate all sectorial risk assessments to all supervisors and law enforcement agencies. | March 15, 2020 |
| | Presentation of sectorial risk assessments and development plan for consequential actions at Supervisors Forum | April 15, 2020 |
| Outreach | CIMA, DCI, ROC, CIIPA, CILPA to conduct industry outreach on key findings of all risk assessments | Ongoing |
| | Conduct national level outreach on TF risk assessment, SEZ and SIBL EP risk assessment | February 20, 2020 |
| | ROC to conduct outreach on NPO risk assessment to high risk NPOs | Ongoing |
| Staff training | All supervisors and law enforcement agencies to ensure staff training policy reflects any training needs arising from risk assessments | December 2019 and ongoing |

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| Internal procedures | All supervisors to review onsite inspection procedures regarding processes to detect TF | May 15, 2020 |
| | ROC to amend internal procedures to increase focus on high-risk NPOs | March 15, 2020 |
| | CIMA to prioritize onsite inspections of higher risk TCSPs | February 2020 |
| | CIMA to prioritize onsite inspections of higher risk SIBL RPs | February 2020 |
| | ROC to finalize enforcement manual regarding breaches of beneficial ownership requirements | April 15, 2020 |
| | ROC to adopt procedures to conduct verifications of beneficial ownership register to assess compliance | April 15, 2020 |
| | ROC to adopt procedure to verify that all NPOs have registered | June 1, 2020 |
| | CIBFI to include the investigation of legal persons in operating policy | March 15, 2020 |
| | CIMA to adopt internal procedure for monitoring cross-border cash flows and assess TF risks | February 1, 2020 |
| Advisory | CIMA to issue guidance through a circular or industry advisory for TCSPs on ongoing monitoring and on identifying trends synonymous with misuse of legal persons | June 15, 2020 |
| Legislation | Amend the Monetary Authority (Administrative Fines) Regulations to enable CIMA to impose fines on TCSPs that fail to file beneficial ownership information | May 1, 2020 |
| | Cayman Islands Government to amend Special Economic Zones law to address vulnerabilities | June 1, 2020 |
| | Finalize legislation for virtual asset service providers | June 1, 2020 |
| | Implement Private Funds Law and amendments to Mutual Funds Law | August 8, 2020 |
| Forms | ROC to issue amended annual return form for high risk NPOs | April 15, 2020 |
| | ROC to adopt formal system for reviewing annual returns | May 15, 2020 |
| Economic substance | Finalize registration of companies for economic substance requirements | April 1, 2020 |
| Regulatory requirements | CIMA to provide guidance through a circular or industry advisory to TCSPs on record keeping and maintenance of data for risk analysis | June 15, 2020 |