

CAYMAN ISLANDS



2022 ANNUAL ACTION PLAN

April 2022

2022 Annual Action Plan

IOs	Actions	Deliverables/ Timelines
RISK, POLICY & COORDINATION		
IO1	Communicate findings of national assessment of ML/TF/PF risks to all relevant public and private sector stakeholders	Publish the NRA and deliver outreach on key findings to supervised entities, competent authorities, the private sector and the wider public. Lead: AMLU Date: March 2022
	Communicate the Cayman Islands’ long-term AML/CFT/CFP strategic objectives and annual action plan to guide national and sectoral efforts to mitigate risks and further enhance the AML/CFT/CFP regime	Prepare and publish the 2022-2025 AML/CFT/CFP Strategy and the 2022 Annual Action Plan Lead: AMLU Date: March 2022
	Increase resources at the policy level to assist in meeting the demands for coordination and policy-driven initiatives relating to AML/CFT/CFP	Recruit additional policy analyst to AMLU Lead: AMLU Date: March 2022
	Enhance the framework for implementing targeted financial sanctions relating to terrorist financing and proliferating financing	Expand the remit of the IACC’s sub-working, PIAG, to include responsibility for the targeted financial sanctions relating to terrorist financing. Lead: AMLU Date: July 2022
	Enhance the AML/CFT/CFP legal and regulatory framework	Amend AMLRs to define PF risks and address other refinements to the AML/CFT/CFP compliance framework Lead: AMLU

		Date: December 2022
INTERNATIONAL COOPERATION		
102	Deepen improvements to the domestic system for international cooperation	Recruit specialist counsel dedicated to handling matters related to international cooperation. Lead: ODPP Date: September 2022
		Revise and document framework to enhance the channels of international cooperation. Lead: ODPP Date: July 2022
		Amend Monetary Authority Act to empower CIMA to spontaneously share information with overseas counterparts Lead: MFSC/CIMA Date: November 2022
SUPERVISION		
103	Further enhance AML/CFT/CFP supervisory resources to address the risks identified in the 2021 NRA and satisfy changing and developing AML/CFT/CFP requirements	Cayman Islands Monetary Authority (CIMA)
		CIMA to hire additional resource into its AML Division to conduct AML/CFT/CFP and prudential supervision of VASPs, with at least three Chief Analysts and two analysts. Lead: CIMA Date: February-September 2022

	<p>CIMA to identify IT solutions/resources (including blockchain analytics) it will engage to monitor VASPs</p> <p style="text-align: right;">Lead: CIMA Date: May 2022</p>
	<p>CIMA to establish an internal VASP training programme to help staff identify and manage risks associated with new activities/technologies/products/services/customers</p> <p style="text-align: right;">Lead: CIMA Date: May 2022</p>
	<p>CIMA to apply AML/CFT supervisory resource on a risk sensitive basis by dedicating at least 65% of AML/CFT onsite inspections to SIB Registered Persons</p> <p style="text-align: right;">Lead: CIMA Date: January -December 2022</p>
	<p>CIMA to undertake a data collection exercise from all regulated entities for the period 1 January to 31 December 2021 to populate its risk assessment tool STRIX to further inform its risk-based approach to supervision</p> <p style="text-align: right;">Lead: CIMA Date: August 2022</p>
	<p>CIMA to conduct cross-border cash flow analysis on a quarterly basis to gain a more comprehensive picture of the origin and end destination of funds flowing into, out of or through the Cayman Islands financial sector</p>

		<p style="text-align: right;">Lead: CIMA Date: January - December 2022</p>
		<p style="text-align: center;">Cayman Attorneys Regulation Authority (CARA)</p> <p>CARA will engage additional resources commensurate with increased supervisory responsibilities</p> <p style="text-align: right;">Lead: CARA Date: July 2022</p>
	Increase and update industry awareness and understanding of existing and emerging ML/TF/PF risks affecting respective sectors	<p>AML/CFT/CFP supervisors to communicate sector-specific risk findings in the NRA to regulated entities within the respective sectors</p> <p style="text-align: right;">Lead: CARA/DCI/CILPA/CIMA Date: March-April 2022</p> <p style="text-align: center;">CARA</p> <p>Issue updated and revised mandatory annual AML questionnaire to the legal sector requesting data on firms' AML compliance framework for the period 1 January to 31 December 2021</p> <p style="text-align: right;">Lead: CARA Date: March 2022</p>

	<p>Conduct a Thematic Review of Supervised law Firms business risk assessments to (1) fully assess and identify the sector’s level of compliance with requirements to conduct risk assessment, and (2) promote sectoral awareness on best practices and areas of common weaknesses identified in conducting risk assessments</p> <p style="text-align: right;">Lead: CARA Date: April 2022</p>
	<p>Publish findings of the Thematic Review of Supervised Firms’ risk assessments and conduct associated outreach to provide further guidance and direction on conducting risk assessments to the sector.</p> <p style="text-align: right;">Lead: CARA Date: May 2022</p>
	<p>Update the Legal Sector Risk Assessment to reflect findings from the 2021 NRA, the Thematic Review of Supervised Firms business risk assessments, and the AML questionnaires.</p> <p style="text-align: right;">Lead: CARA Date: October 2022</p>
	<p>Department of Commerce (DCI)</p>
	<p>Building on the findings of the NRA, revise and update the real estate sectoral risk assessment to assess the risks and beneficial ownership risks associated with high-end, high-value real estate.</p> <p style="text-align: right;">Lead: DCI Date: July 2022</p>

	Update AML/CFT Guidance to the real estate sector and DPMS in keeping with legislative changes and the findings of the NRA	Lead: DCI Date: August 2022
	Conduct preliminary review of the gold storage sector to further deepen understanding of the sector's compliance with AML/CFT/CFP requirements as DPMS and to ascertain the level of compliance with beneficial ownership requirements	Lead: DCI/CBC Date: September 2022
	Cayman Islands Institute of Professional Accountants (CIIPA)	
	Update guidance to accounting sector in view of the findings on the 2021 NRA.	Lead: CIIPA Date: April 2022
CIMA		
CIMA to produce a thematic review of SIB Registered Persons to assess levels of compliance with the AMLRs, and to help raise standards across the sector by identifying common areas of weaknesses	Lead: CIMA	

		Date: May 2022
PREVENTIVE MEASURES		
104	Implement the Travel Rule for VASPS	Prepare and submit for approval the requisite cabinet papers to bring the Travel Rule into effect. Lead: AMLU Date: May 2022
		CIMA to assess compliance by regulated VASPs with the Travel Rule and take appropriate action where standards are not being met. Lead: CIMA Date: August 2022
LEGAL PERSONS & ARRANGEMENTS		
105	Strengthened the beneficial ownership and transparency framework	Building on the findings of the NRA and thematic review, conduct a targeted risk assessment of high-risk legal persons registered or operating in the Cayman Islands. Lead: CIMA/ROC Date: November 2022
		Commence conduct of a targeted risk assessment of legal arrangements in the Cayman Islands. Lead: CIMA Date: December 2022

		<p>Establish an enforcement unit in the ROC staffed with employees having the requisite legal and enforcement backgrounds</p> <p style="text-align: right;">Lead: MFSC/ROC Date: December 2022</p>
FINANCIAL INTELLIGENCE		
106	<p>Enhance human and technological resources to strengthen the FRA’s analysis and financial intelligence capabilities</p>	<p>FRA will increase staff level to include 3 financial analysts, 1 policy analyst, and a head of analyst</p> <p style="text-align: right;">Lead: FRA Date: May-August 2022</p>
		<p>The FRA to upgrade/acquire information technology for financial crime intelligence pool and blockchain analytics that can facilitate the sharing of information among relevant agencies in the AML/CFT/CFP network.</p> <p style="text-align: right;">Lead: FRA Date: April 2022</p>
	<p>Perform analytical assessments of predicate crimes posing ML/TF/PF threats for the Cayman Islands</p>	<p>Update its strategic analysis on the money laundering threat of foreign and domestic proceeds of corruption.</p> <p style="text-align: right;">Lead: FRA Date: April 2022</p>

		<p>Complete strategic analysis on the foreign money laundering threat of tax evasion.</p> <p style="text-align: right;">Lead: FRA Date: December 2022</p>
	Expand accessibility of information to support strategic analysis and financial intelligence	<p>Complete proposal for establishing formal Public Private Partnership (PPP) to facilitate greater collaboration between the FRA and private sector stakeholders on access to information across the regime.</p> <p>The FRA to complete proposal and engage competent authorities in relation to direct access to information maintained by competent authorities.</p> <p style="text-align: right;">Lead: FRA Date: December 2022</p>
ML INVESTIGATION & PROSECUTION		
107	Enhance and build the human and technological capacity to effectively pursue, investigate, and prosecute money laundering	<p>Recruit two investigators and a specialist financial analyst.</p> <p style="text-align: right;">Lead: CIBFI Date: May 2022</p>

	<p>Acquire open-source research tool to identify and obtain publicly available material in other jurisdictions and to facilitate proactive investigative leads</p> <p style="text-align: right;">Lead: CIBFI Date: May 2022</p>
	<p>Acquire crypto analytics system to identify, trace and analyse cryptocurrencies to an evidentiary standard.</p> <p style="text-align: right;">Lead: CIBFI Date: April 2022</p>
	<p>Acquire financial intelligence and data mining tool.</p> <p style="text-align: right;">Lead: CIBFI Date: December 2022-June 2023</p>
	<p>Recruit specialist counsel for handling financial crimes matters.</p> <p style="text-align: right;">Lead: ODPP Date: September 2022</p>
	<p>Implement a case management system to accurately record ML statistics derived from all investigative case files submitted by LEAs for prosecution.</p> <p style="text-align: right;">Lead: ODPP/CIBFI Date: December 2022</p>
CONFISCATION	

108	Strengthened the Cayman Island's capacity to pursue asset restraint and confiscation consistent with its ML/TF/PF risk profile	Establish MOU between the ODPP, CIBFI, FCIU, and official receiver to streamline the process of asset recovery Lead: ODPP/CIBFI/FCIU Date: June 2022
		Increase and enhance training in civil recovery to facilitate deeper understanding on approaches to deprive criminals of the benefits of their crimes. Lead: ODPP/CIBFI/FCIU Date: September 2022
		Implement an interagency IT solution system to record and analyse all information/data associated with asset forfeiture matters. Lead: ODPP/CIBFI Date: December 2022
TF/PF PREVENTIVE MEASURES & FINANCIAL SANCTIONS		
1010/11	Enhance the framework for implementing targeted financial sanctions relating to terrorist financing and proliferating financing	Present proposal for the establishment of a stand-alone Sanctions Implementation Unit with staffing levels commensurate with the Unit's function Lead: FRA Date: June 2022

		<p>CIMA to send Notice for VASPs reminding them of their targeted financial sanctions obligations</p> <p style="text-align: right;">Lead: CIMA Date: March 2022</p>
	Increase industry awareness and understanding of PF risks and compliance with PF obligations	<p>Conduct industry survey to identify gaps in awareness and compliance with PF</p> <p style="text-align: right;">Lead: PIAG Date: May 2022</p>
		<p>Coordinate and deliver expert training on PF and conducting PF risk assessments</p> <p style="text-align: right;">Lead: PIAG Date: September 2022</p>
		<p>Update PF guidance for real estate agents and DPMS</p> <p style="text-align: right;">Lead: PIAG/DCI Date: September 2022</p>
		<ul style="list-style-type: none"> – Develop guidance on cybercrime and strengthened awareness in the financial industry of cyber threats relating to PF – Conduct training for competent authorities on the identification of illicit virtual assets activity <p style="text-align: right;">Lead: SC/FRA/PIAG Date: September 2022</p>