

CAYMAN ISLANDS



2023 ANNUAL ACTION PLAN

Cayman Islands

2023 Annual AML/CFT/CFP Action Plan

| IOs | Actions | Deliverables/ Timelines |
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| RISK, POLICY & COORDINATION | | |
| IO1 | Enhance domestic mechanism for identifying, assessing, and mitigating gaps in the AML/CFT/CFP framework | Evaluate current the jurisdictions current level of compliance with technical requirements of the FATF Standards. Lead: AMLU Date: December 2024 |
| | Enhance the AML/CFT/CFP legal and regulatory framework | Amend anti-money laundering regulations and Proceeds of Crime Act to reflect revisions to the AML/CFT/CFP standards and address other refinements to the AML/CFT/CFP compliance regime. Lead: AMLU Date: December 2023-December 2024 |
| | Strengthen the domestic framework to agilely respond to international AML/CFT assessment initiatives | Develop national coordination and implementation strategy for satisfying Fifth Round Mutual Evaluation requirements. Lead: AMLU Date: December 2023-June 2024 |

| INTERNATIONAL COOPERATION | |
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| 102 | <p>Deepen improvements to the domestic system for international cooperation</p> <p>Engage specialists dedicated to handling matters related to international cooperation.</p> <p style="text-align: right;">Lead: ODPP Date: October 2023</p> |
| SUPERVISION | |
| 103 | <p>Continue improvements to AML/CFT/CFP supervisory regime to satisfy changing and developing AML/CFT/CFP requirements</p> <p>CIMA to engage additional staffing for its VASP Division.</p> <p style="text-align: right;">Lead: CIMA Date: August 2023</p> <p>CIMA to continue targeted AML/CFT onsite inspections of securities investment businesses, registered persons.</p> <p style="text-align: right;">Lead: CIMA Date: December 2023</p> <p>CARA to engage additional resources commensurate with its supervisory authority and responsibilities.</p> <p style="text-align: right;">Lead: CARA Date: December 2023</p> |

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| | | <p>Cara to update risk assessment of the legal sector.</p> <p style="text-align: right;">CARA Date: August 2023</p> |
| | | <p>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: October 2023</p> |
| | | <p>Develop specific PF guidance and update AML/CFT guidance for real estate agents and DPMS sectors.</p> <p style="text-align: right;">Lead: DCI Date: November 2023</p> |
| | | <p>Conduct preliminary review of the gold storage sector to assess ML risk exposure.</p> <p style="text-align: right;">Lead: DCI/CBC Date: November 2023</p> |

LEGAL PERSONS & ARRANGEMENTS

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| 105 | Strengthen the beneficial ownership and transparency framework | <p>Revise the legislative framework for addressing legal persons and legal arrangement, including beneficial ownership, into a single, unified, comprehensive law that addresses gaps in the area and is consistent with the new FATF changes on legal persons.</p> <p align="right">Lead: MFSC/CIMA/ROC Date: December 2023</p> |
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FINANCIAL INTELLIGENCE ML/TF

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| 106 | Enhance human and technological resources to strengthen the FRA’s analysis and financial intelligence capabilities | <p>FRA to engage additional managerial resources.</p> <p align="right">Lead: FRA Date: August-October 2023</p> |
| <p>The FRA and investigative agencies 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 align="right">Lead: FRA/CIBFI/RCIPS Date: December 2023</p> | | |

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| | | The FRA to obtain blockchain analytics to help analyse virtual assets cases. Lead: FRA Date: December 2023 |
| | Perform analytical assessments of predicate crimes posing ML/TF/PF threats for the Cayman Islands | Update its strategic analysis on the money laundering threat of foreign and domestic proceeds of corruption. Lead: FRA Date: July 2023 |
| | | Complete strategic analysis on the foreign money laundering threat of tax evasion. Lead: FRA Date: December 2023 |
| | Expand accessibility of information to support strategic analysis and financial intelligence | Prepare proposal to establish Public Private Partnership (PPP) to facilitate greater collaboration between the FRA and private sector stakeholders on access to information across the regime. Lead: FRA/AMLU Date: August 2023 |
| ML INVESTIGATION & PROSECUTION | | |
| 107 | Enhance and build the human and technological capacity to effectively pursue, investigate, and prosecute money laundering | CIBFI to acquire open-source research tool to improve investigative capabilities. Lead: CIBFI Date: November 2023 |

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| | | Acquire financial intelligence and data mining tool. Lead: CIBFI Date: December 2023 |
| | | Establish a case management system to systematically record financial crime matters. Lead: ODPP Date: December 2023-June 2024 |
| CONFISCATION | | |
| I08 | Strengthened the Cayman Island’s capacity to pursue asset restraint and confiscation consistent with its ML/TF/PF risk profile | Establish and Implement interagency IT solution system to record and analyse all information/data associated with asset forfeiture matters. Lead: ODPP/CIBFI/FRA Date: December 2023-June 2024 |
| TF/PF PREVENTIVE MEASURES & FINANCIAL SANCTIONS | | |
| I010/11 | Enhance the framework for implementing targeted financial sanctions relating to terrorist financing and proliferating financing | Establish Sanctions Implementation Unit with staffing levels commensurate with the Unit’s responsibilities. Lead: FRA Date: December 2023 |

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| | | <p>Conduct a Thematic Review of Sanctions Compliance across all firms registered with CIIPA under the AMLRs.</p> <p style="text-align: right;">Lead: CIIPA Date: September 2023</p> |
| | <p>Increase industry awareness and understanding of PF risks and compliance with PF obligations</p> | <p>Conduct industry survey to identify gaps in awareness and compliance with AML/CFT requirements relating to proliferation financing and terrorist financing.</p> <p style="text-align: right;">Lead: SWG Date: October 2023</p> <hr/> <p>Update PF guidance for real estate agents and DPMS.</p> <p style="text-align: right;">Lead: DCI Date: December 2023-January 2024</p> <hr/> <p>CARA to undertake an assessment of financial sanctions compliance under the AMLRs by supervised law firms by issuing a mandatory sanctions questionnaire to a representative sample of firms and conducting limited scope inspections.</p> <p style="text-align: right;">Lead: CARA Date: September 2023</p> |

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| | | <p>Develop guidance on cybercrime and strengthened awareness in the financial industry of cyber threats relating to PF.</p> <p style="text-align: right;">Lead: SC/SWG Date: December 2023-January 2024</p> |
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