



Cayman Islands Fact Sheet

Anti-Money Laundering/Countering of Financing of Terrorism

The Cayman Islands anti-money laundering and combating the financing of terrorism (AML/CFT) standards apply to all persons conducting “relevant financial business”, as defined in Section 2(1) of the Proceeds of Crime (2016 Revision).

Key elements of AML/CFT in the Cayman Islands include the following.

- **Legislation:** Adhering to international standards, the Cayman Islands has criminalised money laundering in accordance with the UN Vienna (1988) and Palermo (2000) conventions. It enforces a strong anti-money laundering regime through the following key pieces of legislation.
 - Misuse of Drugs Law (2014 Revision)
 - Anti-Corruption Law (2016 Revision)
 - Proceeds of Crime Law (2016 Revision)
 - The Terrorism Law (2015 Revision)
 - Proliferation Financing (Prohibition) Law (2014 Revision)
 - Money Laundering Regulations (2015 Revision)
 - Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, March 2015

The UK Government has passed a number of Overseas Territories Orders for sanctions or restrictive measures against countries, regimes or individuals deemed to be in violation of international law. These Orders have the force of law in the Cayman Islands, once passed by the UK parliament, and are usually based on similar UN or EU sanctions. For more information, visit the Cayman Islands Monetary Authority’s website at the following link:

http://www.cimoney.com.ky/AML_CFT/aml_cft.aspx?id=150

- **Membership:** The Cayman Islands is a founding member of the Caribbean Financial Action Task Force (CFATF), established in 1990, and has undergone three peer review evaluations by that body (1995, 2002 and 2007). The jurisdiction is scheduled to undergo a 4th Round CFATF mutual evaluation in the last quarter of 2017, based on the revised Financial Action Task Force (FATF) 40 Recommendations of February 2012 and the Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems of February 2013.
- **Local AML partners:** The Cayman Islands’ anti-money laundering enforcement regime operates through a partnership of institutions and authorities, including the Cayman Islands Monetary Authority, the Financial Reporting Authority (a member of the Egmont Group), the Financial Crimes Unit of the Royal Cayman Islands Police, the Director of Public Prosecution, Customs, and the Attorney General’s Chambers.
- **Oversight bodies:**
 - The Anti-Money Laundering Steering Group, (AMLSG), chaired by the Attorney General, is a statutory body charged with oversight of the AML/CFT policy of the Government. The AMLSG is supported by the Anti-Money Laundering Unit (AMLU) in the Attorney



General's Chambers, in coordinating the money laundering/terrorist financing National Risk Assessment, and in fostering greater cooperation and coordination among the supervisors, enforcement authorities and other competent authorities.

- The [Anti-Corruption Commission](#) has broad-reaching powers to investigate reports of corruption, liaise with overseas anti-corruption authorities, and obtain court orders to freeze the assets of those suspected of committing corruption offences.
- **US cooperation:** The Mutual Legal Assistance Treaty with the US came into effect in 1986. Since then, the two governments have cooperated in more than 256 requests for assistance.
- **Global cooperation:** For countries other than the US, the Criminal Justice (International Cooperation) Law (2015 Revision) provides for comprehensive mutual legal assistance to be given across a broad range of criminal offences. Furthermore, the Proceeds of Crime Law (2016 Revision) enables the Director of Public Prosecution to make an application to the Grand Court on behalf of a foreign country for the civil recovery of property that is, or represents, property obtained through unlawful conduct.
- **Extradition:** The European Convention on Extradition has applied to the Cayman Islands since 1996. This is available for any offence that would carry punishment of more than one year either in the Cayman Islands, or in the requesting state.

Third-Party Endorsements

- **International Monetary Fund (2009)** – “The Cayman Islands have taken a number of measures over the last years to strengthen their AML/CFT regime. Legal framework is comprehensive, the money laundering offense is in compliance with...the requirements of the UN Conventions, and the terrorist financing offense is in line with the FATF standard. Law enforcement and prosecutorial authorities are adequately empowered and competent to investigate and prosecute money laundering and terrorist financing offenses. The system for the confiscation, freezing and seizure of the proceeds of crime is comprehensive.”¹
- **Caribbean Financial Action Task Force (2007)** – “In terms of the AML/CFT compliance culture in the Cayman Islands, it was evident to the assessors that the country in general and the financial service providers in particular all have a keen sense of awareness of AML/CFT issues. Additionally, the financial service providers displayed a healthy compliance culture, based on an appreciation of the reputation risk of AML/CFT for the jurisdiction. The strong compliance culture was also demonstrated by the financial service providers’ pro-active cooperation with the authorities in implementing AML/CFT measures.”²
- **International Monetary Fund (2003 assessment published in 2005)** – “Efforts to achieve compliance with international standards have been top priority in the Cayman Islands...and there is an intense awareness of anti-money laundering and combating of financing of terrorism in the business community. The Cayman Islands authorities have devoted substantial attention and resources to improving the country’s anti money-laundering, legal and institutional framework... An

¹ IMF Country Report on the Cayman Islands (2009) - www.imf.org/external/pubs/ft/scr/2009/cr09323.pdf

² CFATF Report on the Cayman Islands (2007) – http://www.cfatf.org/news/viewnews.asp?pk_news=127



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extensive program of legislative, rule and guideline development has introduced an increasingly effective system of regulation, both formalising earlier practices and introducing enhanced procedures".³

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³ IMF Report on the Cayman Islands (2005) – <http://www.imf.org/external/pubs/ft/scr/2005/cr0591.pdf>