



Cayman Islands Fact Sheet

International Cooperation

The Cayman Islands is a top financial services centre maintaining a robust regulatory and international cooperation environment. The jurisdiction has developed key relationships with global standard setting bodies such as the Organisation for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) and the International Organisation of Securities Commissions (IOSCO).

Tax Information Assistance

- The Cayman Islands' competent authority for tax cooperation arrangements is the [Tax Information Authority](#), established under the Tax Information Authority Law, 2005.

EU Savings Directive – Reporting of Savings Income Information

- The Tax Information Authority administers bilateral agreements with the 29 EU member states in relation to the automatic reporting of savings income information, in effect since 2005. The Cayman Islands does not operate a withholding tax. This regime will be discontinued in 2017 when it is replaced by the more comprehensive reporting under the Common Reporting Standard (CRS), described below.

Exchange of Information on Request (EOIR)

- The Cayman Islands has 35 bilateral arrangements and agreements with the following countries for the provision of tax information: Argentina*, Aruba*, Australia*, Brazil, Canada*, China, Curacao, Czech Republic, Denmark*, Faroe Islands, Finland*, France*, Germany*, Greenland, Guernsey*, Iceland*, India*, Ireland*, Isle of Man, Italy, Japan*, Malta, Mexico*, the Netherlands*, New Zealand*, Norway*, Poland, Portugal*, Qatar, Seychelles, Sint Maarten, South Africa*, Sweden*, the United States* and the United Kingdom*. Of these, 28 are in force. Another 15 bilateral arrangements and agreements are in negotiation. The OECD EOIR Peer Review Report published on 11 April 2013 rated the Cayman Islands 'largely compliant' and there will be a new report in 2017.

Automatic Exchange of Information (AEOI)

- The Cayman Islands Government and the United States signed a Model 1B intergovernmental agreement ("IGA") and a replacement tax information exchange agreement on 13 August 2013. The agreements paved the way for automatic exchange of information (AEOI) under the US Foreign Account Tax Compliance Act (FATCA) by 30 September every year, commencing 2015.
- The Cayman Islands signed an IGA with the United Kingdom on 29 November 2013 providing for AEOI by 30 September every year, commencing 2016. This will be superseded by AEOI under the CRS in 2017 because the UK is also a party to the Multilateral Competent Authority Agreement (MCAA) regarding CRS – which is described below.



- The UK extended the OECD Convention on Mutual Administrative Assistance in Tax Matters to the Cayman Islands and the Convention came into effect for the Cayman Islands and other UK Overseas Territories on 1 January 2014.
 - The Convention provides the legal basis for AEOI between Participating Jurisdictions in the OECD Common Reporting Standard (CRS).
 - The Cayman Islands signed a Multilateral Competent Authority Agreement (MCAA) on 29 October 2014 and the MCAA now binds 87 of the 101 Participating Jurisdictions in the CRS. The Cayman Islands will enter into bilateral agreements with appropriate Participating Jurisdictions that are not party to the MCAA.
 - Like the US and UK IGAs, the CRS requires Cayman Reporting Financial Institutions to obtain certain due diligence on account holders and controlling persons and, subject to certain exemptions, report on any such persons who are resident in a reportable jurisdiction and/or – in the case of the US only – US citizens. The Cayman Islands is an 'early adopter' of the CRS so there is AEOI by 30 September each year, commencing 2017.
- The jurisdiction is on the OECD 'white list' of jurisdictions that have substantially implemented international tax standards. The Cayman Islands has been an active participant in the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes.

Regulatory Cooperation

- The Cayman Islands Monetary Authority (CIMA) has a statutory obligation to cooperate with overseas regulatory authorities on a worldwide basis under the regime delineated in the Monetary Authority Law, and has extensive powers in that regard.
- CIMA negotiates memoranda of understanding, and undertakings, which provide the framework for exchange of information and cooperation between CIMA and overseas regulatory authorities (ORAs). Since 2000, CIMA has handled more than 1,911 requests for assistance from overseas regulatory authorities.
- More than 40 bilateral agreements are in effect with authorities in Europe, the UK, USA (5), Canada, Malta, Argentina, Jersey, Brazil (2), Isle of Man, Bermuda, Jamaica, Panama, Turks and Caicos Islands, Mexico and Dubai.
- 5 multilateral agreements exist:
 - MMOU with the International Association of Insurance Supervisors
 - Agreement with US Banking Regulators (signatories with CIMA: Federal Reserve System Board of Governors, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and Office of Thrift Supervision)
 - MMOU with International Organisation of Securities Commissions
 - MMOU with eight Caribbean regulators
 - MOU with Federal Deposit Insurance Corporation
 - MMOU with the European Securities and Markets Authority



Law Enforcement Cooperation

- **Mutual Legal Assistance Treaty with the U.S. (MLAT)** – Since the Mutual Legal Assistance Treaty with the U.S. was signed in 1986; the two governments have cooperated in some 250 requests for assistance under the Treaty, resulting in successful law enforcement actions. Assets seized under such actions have been both shared by the U.S. and the Cayman Islands under an asset-sharing agreement as well as returned to the U.S. for restitution to victims of fraud and other crimes.
- **Misuse of Drugs Law (2014 Revision) (MDL) - Misuse of Drugs (Drug Trafficking Offences) (Designated Countries) Order, 1991 (as amended)** – The MDL and the PCL both provide for the enforcement of external confiscation orders. Under the PCL, foreign countries may be assisted; under the MDL, all the Vienna Convention countries. The PCL also allows the Financial Reporting Authority to onward-disclose suspicious activity reports (SARs) to foreign counterparts in order to report the possible commission of an offence, initiate a criminal investigation respecting the matter disclosed, or assist with any investigation or criminal proceedings.¹
- **Criminal Justice (International Cooperation) Law (2015 Revision) (CJICL)** – The CJICL gives domestic effect to the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention) and additionally provides for mutual legal assistance to be given in the context of a broad range of criminal offences. The purposes for which mutual legal assistance is available are also broad, and include:
 - executing searches and seizures;
 - providing information and items of evidence;
 - identifying or tracing proceeds, property, instruments or such other things for the purposes of evidence;
 - immobilising criminally obtained assets; and
 - assisting in proceedings related to forfeiture and restitution.

Assistance is available, including at the investigative stage, to all 146 Vienna Convention countries. The MDL also contains “ship riding” powers. Over the period 2003-2007, more than 150 requests for assistance were handled on behalf of the Cayman Islands’ Central Authority under the CJICL.

Third-party Endorsements

- **OECD Global Forum Phase 2 Peer Review Report:** The 2013 report stated: ‘The exchange process is very well organised, with many internal processes in place for handling EOI (exchange of information) requests... (government is) well-resourced in personnel, IT and technical expertise. Feedback from peers was positive, and some EOI partners of the Cayman Islands praised its clear and coherent communication during the course of a request, as well as the quality of its co-operation and speed in response times’. The full report can be accessed from www.oecd.org.
- **OECD Global Forum Phase 1 Peer Review Report and Supplementary Report** – A 2011 report published by the Global Forum found the Cayman Islands’ legal and regulatory regime to be in compliance with all nine essential elements of international tax transparency and exchange of information standards, as set by the Phase 1 assessments. The supplementary report also notes Cayman’s continued development of its information-exchange network, through the signing of tax

¹ The FRA has been an Egmont Group member since 2001. The FRA’s annual report provides statistical information on SAR activity.



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information-exchange agreements (TIEAs). The full report can be accessed from <http://www.oecd.org/countries/caymanislands>.

- **International Monetary Fund** – A 2009 IMF assessment found the Cayman Islands to have a sound framework in place for the provision of mutual assistance through domestic law, and international treaties and arrangements. Regarding international cooperation elements of the international standards for banking (Basel), securities (International Organisation of Securities Commissions) and insurance (International Association of Insurance Supervisors), the assessment reports a high level of compliance. The full IMF assessment can be accessed from www.imf.org.
- **International Organisation of Securities Commissions** – In June 2009, the regulatory body, the Cayman Islands Monetary Authority was admitted as an ordinary (i.e., full) member of IOSCO, becoming party to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information. Admission to IOSCO is a strong validation of CIMA's ability and willingness to engage other regulators in facilitating cross-border information exchange and assistance. More information can be found on www.iosco.org.
- **Caribbean Financial Action Task Force** – A November 2007 third-round Anti Money-Laundering/Countering of the Financing of Terrorists evaluation of the Cayman Islands found that the legislative provisions and measures for mutual [legal] assistance are comprehensive and effective (paragraph. 676). The full CFATF evaluation and follow up and biannual reports can be accessed from www.cfatf-gafic.org. The CFATF is scheduled to conduct its fourth-round AML/CFT evaluation of the Cayman Islands in 2017.

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