



Cayman Islands Fact Sheet

Financial Services Regulation

With more than 50 years of excellence in the financial services industry, the Cayman Islands continues to provide a robust and sound regulatory platform on which to conduct business across the funds, banking, insurance and trusts sectors.

Regulating the financial services industry is the Cayman Islands Monetary Authority (CIMA). Established in 1997, it has direct responsibility for all licensing and enforcement activity.

Cayman's key regulatory measures include the following.

Observance of recognised and relevant international standards:

Basel, GIFCS, IAIS and IOSCO core principles; FATF 40+9; IOSCO member since June 2008.

Application of statutory 'fit and proper' criteria to market participants

– at entry and as an ongoing activity, CIMA performs due diligence on all directors, major shareholders, and senior officers of licensees.

International cooperation – Since 2000, CIMA has handled 2,146 requests for assistance from overseas regulatory authorities. It has [Memoranda of Understanding](#) and other information-exchange agreements with the following financial regulators, among others:

- Brazil (CVM)
- Jersey
- Middle East
- Canada
- U.S. (Securities and Exchange Commission and Commodity Futures Trading Commission)
- U.K. (the Financial Services Authority)
- Isle of Man
- Bermuda
- Jamaica
- Malta
- Panama
- IOSCO
- Brazil Central Bank
- Multilateral MOU with eight Caribbean regulators
- Agreements with four US banking regulators

CIMA Memberships in Regulatory & Standard-Setting Bodies

- International Organisation of Securities Commissions
- Offshore Group of Banking Supervisors (OGBS)
- Caribbean Group of Banking Supervisors (CGBS)
- Association of Supervisors of Banks of the Americas (ASBA)
- International Association of Insurance Supervisors (IAIS)
- Offshore Group of Insurance Supervisors (OGIS)

International Standards Observed

- Financial Action Task Force 40 Recommendations on Money Laundering and IX Special Recommendations on Terrorist Financing
- Basel Core Principles for Effective Banking Supervision
- Trust and Company Service Providers Working Group Statement of Best Practice (OGBS)
- Core Principles of Insurance Regulation (IAIS)
- Core Principles for Securities Regulation (IOSCO)

Third-Party Endorsements

A 2011 report issued by the [Financial Stability Board](#) gave the Cayman Islands the highest possible assessment.



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- The Cayman Islands' adherence to global regulatory and supervisory standards on international cooperation and information exchange was rated as "sufficiently strong".

An [International Monetary Fund](#) assessment of financial regulation in the Cayman Islands published in 2009 found as follows.

Overall – "...There is a strong compliance approach in the Cayman Islands. CIMA's supervisory regime is comprehensive and incorporates on-site and off-site functions utilising a risk-based supervisory approach and techniques."

Banking – "...the new BCP [Basel Core Principles] methodology places greater emphasis...to ensure full due diligence is conducted by banks. There have been useful recent changes to guidance notes that emphasise the importance of full due diligence is applied..."

Insurance – "...the presence of...professional intermediaries ...have contributed to the development of the Cayman Islands as a leading captive insurance centre. The efficiency of supervision has been enhanced through a formalized regulatory handbook..."

Investment Funds and Securities – "...regulatory framework for the investment funds and securities market exhibit high levels of implementation of the IOSCO Principles. The financial sector is serviced by a sophisticated and well-developed service provider structure."

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