



# the NAVIGATOR

January 2016

## CIMA at Cayman Captive Forum 2015

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- [Deputy Division Head to Address Cayman Alternative Investment Summit](#)



Deputy Managing Director - Operations, Mr. Patrick Bodden, addressed the participants.

In December, staff of CIMA participated in the 23rd annual Cayman Captive Forum organized by the Insurance Managers Association of Cayman (IMAC).

Held at The Ritz-Carlton, the conference attracted over 1,400 participants, including insurance managers and service providers from all over the world. Also invited as presenters were Deputy Managing Director (DMD) – Operations, Mr. Patrick Bodden; Deputy Heads of the Insurance Supervision Division, Mr. Ruwan Jayasekera and Mr. Raz Busari; and Head of Policy and Development, Ms. Justine Plenkiewicz, along with other supporting staff.

Mr. Busari represented CIMA during a panel discussion on Cayman's regulatory update, specifically captive insurance. For more details on Mr. Busari's presentation, refer to page 4. Mr. Jayasekera joined Mr. Kieran O'Mahony, Chairman of IMAC, and Mr. Jude Scott, CEO of Cayman Finance, in a session on what makes the Cayman Islands a leading domicile of choice. Mr. Jayasekera also discussed the topic of: A Year in the Life of a Captive, while Ms. Pleinkiewicz explained the process of registering a portfolio insurance company (PIC).

On the final day of the conference, Mr. Bodden presented remarks on the state of the local insurance industry from CIMA's perspective. During his remarks, he acknowledged that Cayman was the jurisdiction with one of the highest insurance densities and insurance penetration ratios in the world. He also noted that of the 712 international insurers regulated by CIMA, 34% account for healthcare captives – the largest industry segment as of 30 November.

Although 2015 trends showed continued growth, Mr. Bodden noted that there have also been some less favourable external conditions, such as the Affordable Care Act in the U.S. – which has resulted in a decline on Cayman's healthcare industry.

Despite these circumstances, Mr. Bodden said that, "Although healthcare reforms in the US have posed some challenges to the healthcare captive industry, we have also seen an increase in the size, capitalization and usage of the other remaining captives."

He expressed confidence that the Authority would continue to actively strive to protect and enhance the reputation of the Cayman Islands, whilst remaining responsive, pragmatic and accessible.

## CIMA MD Addresses Campbells Fund Focus Conference

On 20 November 2015, CIMA's Managing Director Cindy Scotland, was the keynote speaker for the Campbells' Fund Forum held at the Westin Resort. It was the 13th annual staging of the conference. Addressing over 200 participants, and in line with the theme: Global Growth. Global Challenges, Mrs. Scotland acknowledged the milestones achieved within the global hedge fund industry during the second quarter of 2015.

With an increase in the total number of new funds processed by June 30 2015, 383 compared to 256 during the same period in 2014, she said that the Cayman Islands remains the leader in fund domiciliation in the offshore hedge fund industry, with the number of Cayman-authorized funds remaining consistently in excess of those in other jurisdictions.

Since the previous forum in 2014, there have also been improvements in relation to domestic regulatory changes. Describing these developments, Mrs. Scotland explained

that the revised Mutual Funds Law and the Securities Investments Business Law were passed and gazetted in September 2015. Both laws now facilitate full compliance with managers who wish to market and manage funds in the European Union (EU) and therefore have to comply with the Alternative Investment Fund Managers Directive (AIFMD).

She further explained that as part of the ongoing discussions with the European Securities and Markets Authority (ESMA), the Cayman Islands will also be considered for possible extension of the AIFMD passport, as announced by the ESMA Chair in October 2015.

Mrs. Scotland said, "Despite the challenges for new fund managers who wish to enter the market, overall the industry as a whole remains strong and is expected to continue to grow. In partnership with Government and Industry, CIMA is committed to playing its part to ensure that the Cayman Islands remains the domicile of choice for hedge funds."



Managing Director, Mrs. Cindy Scotland, presenting opening remarks at the Campbells' Forum.

## Facts Box

Licences/Registrations in Effect

30 June 2015

31 December 2015

### Banking and Trust

Banks

193

184

Category A

12

12

Category B

181

172

Nominee Trusts

24

24

Money Services Providers

6

7

## CIMA Hosts RCGA Workshop on Shadow Banking



Last year, the Authority was invited to co-Chair the Working Group on Shadow Banking (WGSB) of the Financial Stability Board's (FSB) Regional Consultative Group for the Americas (RCGA), along with the Bank of Canada and the Bank of Colombia. CIMA also had the opportunity to host a workshop on Shadow Banking, which took place on 23 and 24 November.

The workshop focused on Investment Funds. Participants also received the 2015 Results of the FSB Global Shadow Banking Monitoring Report produced by the FSB Secretariat. There were also county presentations

on the following topics, "Classification into the 5 Economic Functions" by Chile and Mexico; and "Investment Funds" by Brazil, the Cayman Islands, Colombia and the United States of America.

CIMA led discussions during two sessions titled, "Investment Fund Survey" and "Revisions to the IFC off-shore template".

The Authority has been represented in the RCGA (WGSB) for the past three years by Head of the Policy and Development Division, Justine Plenkiewicz.



# Campbells Fund Focus 2015



Ms. Heather Smith on the Campbells panel.

CIMA's Head of the Investments and Securities Division (ISD), Ms. Heather Smith also participated as a panellist at the forum.

During her presentation, Ms. Smith acknowledged

the trends of fund managers and Cayman service providers, outlined CIMA's role within the funds industry, and explained the application review process for related submissions to the Authority.

Ms. Smith also made note of the advantages of recent changes to the legislation, and how the Authority effectively supervises its clients while making the jurisdiction attractive for prospective clients.

Other panellists were moderator Mr. Robert Searle, Partner of Campbells; Mr. Mark Hedderman, CEO of TMF Custom House; and Mr. Colin MacKay, Group Director of Elian Fund Services.

As CIMA seeks to maintain a responsive and open approach for its clients, the Authority looks forward to participating in the Campbells' Fund Focus each year. Opportunities such as this, allow representatives to address relevant topics within the industry.



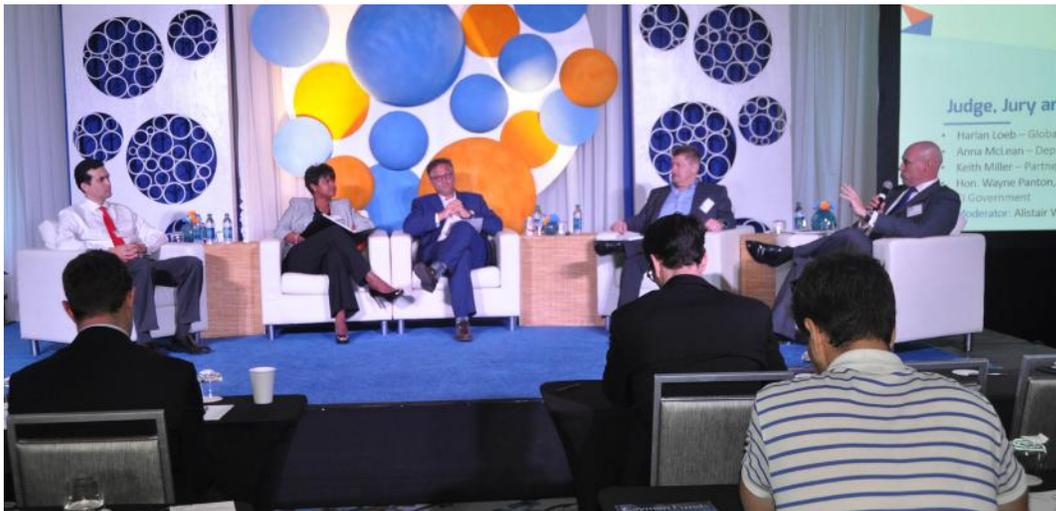
DMD - Supervision, Anna McLean, took part in a panel entitled, "Judge, Jury and Executioner". It discussed risk management in the financial sector.

Mrs. McLean told the audience that regulators are among the most cautious people to be found. She said, "We take great care to determine that a breach has taken place before we act."

Dr. Dax Basdeo, Chief Officer in the Ministry of Financial Services, substituted for the Minister, the Hon. Wayne Panton. Other panellists were: Mr. Harlan Loeb, Global Practice Chair, Crisis & Risk - Edelman; and Mr. Keith Miller, Partner - Perkins Coie LLP. The moderator was Mr. Alistair Walters, Partner - Campbells.

Mr. Loeb said that the Cayman Islands is a highly evolved financial services centre with good regulatory oversight, and that some of the things being called for in the United States already exist here in Cayman.

Dr. Basdeo emphasised the cooperative approach, involving government, the Authority and Cayman Finance, which is employed in dealing with matters arising in financial services.



Mr. Harlan Loeb

## Cayman Regulatory Update at Cayman Captive Forum



The Authority's first session in the 2015 Cayman Captive Forum provided attendees with a regulatory update with regard to Insurance in Cayman, specifically captive insurance. The session consisted of a panel discussion of ongoing and upcoming regulatory initiatives.

Sitting on the panel were Raz Busari, Deputy Head of CIMA's Insurance Supervision Division; James Trundle, Senior Account Manager Kane (Cayman) Limited; Damian Pentney, Insurance Leader Pricewaterhouse Coopers; and Kay Carter, Senior Associate Solomon Harris.

Mr. Busari led the discussion and provided insight from the CIMA perspective. In response to a question about CIMA's new outsourcing guidelines for insurance companies, he said, "You can outsource a function but you can't outsource the responsibility." He was referring to CIMA's expectation that a captive's board of directors will retain responsibility for the thorough oversight of the captive registered in Cayman. He added, "At a bare minimum we expect an agreement to be in place between a captive and the company involved in an outsourced function of the captive. A captive board needs to be fully aware of the risks involved in outsourcing functions and have appropriate policies and controls in place to counter the risks."

Discussing the proposed Statement of Guidance (SOG) for corporate governance, Mr. Busari mentioned that it includes important guidelines

such as regular board meetings for captives. The regularity of these meetings, he said, "depends on what is appropriate for your business." He added, "CIMA looks at a captive's stated policy to determine if the captive is carrying out the amount of meetings per year as stated therein. Whether it is one meeting per year or quarterly, CIMA expects proper documentation of the board meetings, which it can inspect as necessary to ensure that the board has proper oversight over the captive."



The panel agreed that the SOG should come as no surprise to anyone in the industry, because CIMA has been in consultation with industry stakeholders, and the consultation is ongoing. Furthermore, the SOG encapsulates robust policies that have become common practice in the Cayman insurance industry.

Mr. Busari also highlighted CIMA's online portal, which is called Regulatory Enhanced Electronic Forms Submission (REEFS). He explained how REEFS is helping to make the application and annual reporting process more efficient for the Authority and the companies it regulates. The portal has been trialled by the larger captive managers and its implementation continues.

Concluding his contribution to the discussion, Mr. Busari shared that Cayman recently underwent a national risk assessment and key areas of risk were identified. Mr. Busari said, "CIMA will keep stakeholders updated with regard to the scheduled country assessment in 2017. However, the Insurance Supervision Division does not foresee any major issues that would affect captives."

## Patricia Estwick Takes Up Board Appointment

Mrs. Patricia Estwick has taken up her appointment to the CIMA Board.

On 25 November, she attended her first meeting since her nomination by Financial Services Minister, the Hon. Wayne Panton last July.

For the past seventeen years, Mrs. Estwick served as Chief Financial Officer of a financial services group in the Cayman Islands.

She previously worked as the Director of Internal Audit for the Cayman Islands Government for five years. Before that, she served as an audit professional with

the accounting firm of Ernst & Young in the United States and in the Cayman Islands.

Mrs. Estwick graduated in 1988 from Pace University in New York with *magna cum laude* honours in Accounting.

She also attained a Master of Business Administration in 1996 from the University of Miami.

In 1990, she earned the Certified Public Accounting designation.

Mrs. Estwick has served as a director of The Pines Retirement Home Board, as well as Cayman Airways, the national airline.



## Recent CIMA Staff Appointments



**Chief Analyst in the Investments and Securities Division** - Ruan van Vuuren joined the Authority on 3 November.

Mr. van Vuuren worked with medium-sized auditing firms in his hometown, Cape Town South Africa, for nearly four years. During his employment, he was responsible for auditing various businesses, including asset management vehicles and large-sized commodity funds, and preparing financial statements.

Before joining CIMA, he was a Senior Manager at PwC Cayman for seven years within the asset management department. There, he managed a portfolio of clients comprising investment companies and alternative

investment funds. In this role, he also supervised teams performing fund audit engagements locally and within various offices off island.

Mr. van Vuuren is also a qualified Chartered Accountant with the South African Institute of Chartered Accountants and is a member of the Cayman Islands Society of Public Accountants. Ruan holds both a Bachelor of Commerce and a Bachelor of Commerce Honours degree in Accounting from the University of Stellenbosch and the University of South Africa, respectively.

He is currently studying to be a Certified Fraud Examiner.

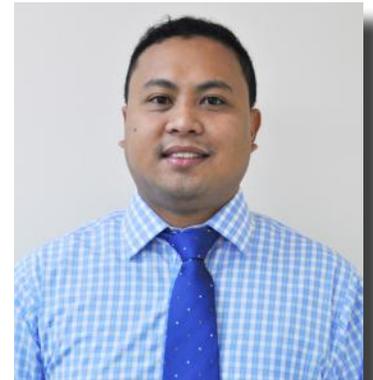
**Chief Analyst in the Investments and Securities Division** - Matthew Bombase joined the Authority on 2 November.

Born in Bicol, the Philippines, Mr. Bombase is a graduate of Ateneo de Naga University, with a Bachelor of Science degree in Accountancy.

Immediately after passing the CPA board exam in October 2006, he worked with Ernst & Young (EY) Philippines as an Audit Associate. After almost 5

years with EY Philippines, he then moved to the Cayman Islands' office in September 2011 as an Audit Senior. Two years later, he was promoted to Audit Manager.

Within his audit career, he has handled different clients in diverse industries such as manufacturing, telecommunication, service, holding firms, business process outsourcing and the financial industry, to name a few.



**Policy and Development Officer, Policy and Development Division** - On 19 October, Tevon Levien joined the staff of the Authority.

He earned a Bachelor's Degree in Sociology/Anthropology and a Master's Degree in Law, (LLM). He also holds a Postgraduate Diploma and a Postgraduate Certificate in International Business Law.

He has completed his dissertation in the area

of Offshore Financial Centres, but he also has an interest in High Frequency Trading.

His career objective is to enhance the regulatory framework of the Cayman Islands.

He believes that this can only be achieved by ensuring that the jurisdiction is consistently embracing recommendations from international standard setters.

**Senior Analyst, Banking Supervision Division** Lester Joseph began his career with the Authority on January 5, 2016. Mr. Joseph is a national of Trinidad and Tobago.

He is a former New York State Bank Examiner, and also served in this capacity for the Federal Reserve Bank of Richmond.

Mr. Joseph earned a Bachelor of Science degree in Mechanical Engineering from Florida Institute of Technology (now known as Florida Tech.) in

Melbourne, Florida; a BS in in Business Administration (Accounting) from the University of South Florida (USF), Tampa, Florida; and a Master of Science degree in Education from Brooklyn College, Brooklyn, New York.

He also holds an MBA awarded by the University of Tampa, in Tampa, Florida.

In addition, Mr. Joseph is an ACAMS certified anti-money laundering specialist.



## CIMA Staff Support Charitable Causes at Christmas

During the Christmas season, staff at the Authority were not only concerned with celebrating with their colleagues, friends and families. They also spared a thought for those less fortunate than themselves, and collected funds to bring cheer to them.

This was done through the annual "CIMA Giving Tree" programme, in which staff of each division agree to donate to a charity of their choice. Representative from the divisions place an ornament reflecting their charity on the CIMA Christmas tree, and later make the presentations to representatives of the beneficiaries.

Beneficiaries included the Department of Child and Family Services to provide for a needy family, Cayman HospiceCare, Meals on Wheels, Youth ACT, Junior Achievement and the Positive Intervention Now programme. For the first time since the Giving Tree's inception, a charity for one of our sister islands benefitted when the Currency Division chose to support the Harmony Learning Centre for disabled adults on Cayman Brac.

However, it wasn't just money that was donated; Elizabeth Bise's Toy Drive received a big supply of toys, and the Cayman Islands Blood Bank benefitted from donations of blood from the staff of the Banking Supervision Division.



(Above) Currency Division staff present a cheque to Harmony Learning Centre. (Below) Banking Supervision staff after donating blood to the Cayman Islands Blood Bank.



## CIMA Celebrates National Museum Anniversary with Commemorative Coin

CIMA celebrated the Cayman Islands National Museum's 25th anniversary in November last year, with the minting of a commemorative silver coin. Produced by The Royal Mint in the United Kingdom, the mintage was limited to 250 coins.

The first of these coins was unveiled during a preview of the museum's anniversary exhibit titled, "Twenty-Five Years: Piece by Piece". Head of the Currency Division, Miss Deborah Ebanks presented one of the commemorative coins to Mr. Alfonso Wright, Chairman of the National Museum's Board of Directors during the exhibit preview.

Miss Ebanks said, "CIMA is pleased to recognise the National Museum's milestone.

The commemorative coin has a face value of C.I. \$5 and a fineness of .925 sterling silver. The coin features the Museum's 25th Anniversary logo in full colour which depicts the Cayman Islands National Museum building on the reverse side and the Cayman Islands Coat of Arms and the words "Cayman Islands Five Dollars" on the obverse.

The Museum logo was designed by Mr. Brian Watler, a young Caymanian artist. Mr. Watler was an intern with the museum in 2015. Deputy Head of Currency, Ms. Shan Whittaker, presented him with a commemorative coin on behalf of CIMA during the official museum exhibit opening on 28 November.



Licences/Registrations in Effect	30 September 2015	31 December 2015
<b>Fiduciary Services</b>		
Trust Companies	154	149
Unrestricted Trusts	58	57
Restricted Trusts	62	61
Nominee Trusts	31	31
Registered Private Trust Companies	113	121
Registered Controlled Subsidiaries of Trust Companies	35	36
Companies Management	98	102
Corporate Services	20	21

## CIMA Staff Benefit From Bloomberg Training



The Authority provided a Bloomberg Professional Service training session for staff on 7 December.

Bloomberg's Caribbean Business Development and Relationship Manager, Timothy Crawford facilitated the training, which was held in the CIMA Learning Centre.

Bloomberg provides customers with real time-data on every market, news and research, powerful analytics, and communications tools.

The Bloomberg Professional Service has become a tool for industry professionals and regulators seeking to maintain a competitive edge with regard to keeping abreast of market shifts and carrying out due diligence on companies.

## MD Unveils Plaque at Airport Park

CIMA's Managing Director, Mrs. Cindy Scotland, joined members of the Authority's staff environmental group - the Green Team - to unveil a plaque at the Airport Park on 28 November 2015.

This plaque marks the spot where the Green Team planted a frangipani tree. It also serves as a testament to the Authority's commitment to the local environment. In this regard, Mrs. Scotland also expressed her appreciation of the Green Team's efforts, since the group's reactivation in April 2014.



Sadly, the tree fell victim to vandalism. The placque has since been removed.

The team has undertaken a number of recycling and clean-up initiatives, and looks forward to more green projects in the future.

(Left) Managing Director, Mrs. Cindy Scotland, unveils the plaque.



Licences/Registrations in Effect	30 September 2015	31 December 2015
<b>Insurance</b>		
Insurance Companies	740	739
Class A	29	31
Class B	679	679
Class C	31	28
Class D	1	1
Insurance Managers	31	32
Insurance Brokers	42	42
Insurance Agents	49	49
<b>Investments and Securities</b>		
Mutual Funds	11,215	10,940
Registered	7,889	7,654
Master	2,830	2,805
Administered	395	380
Licensed	101	101
Mutual Fund Administrators	109	108
Full	80	82
Restricted	27	24
Exempted	2	2
Securities and Investment		
Business Law (SIBL) Licensees	38	38
Excluded Persons Under SIBL	2,408	2,485
<b>Currency in Circulation</b>		
Total Currency	CI\$ 99.8m	CI\$ 107.8m
Notes	CI\$ 89.1m	CI\$ 96.9m
Coins	CI\$10.7m	CI\$ 10.9m
Note: CI\$1.00 = US\$1.20		

## LOOK AHEAD

## 2016

## CIMA Deputy Division Head to Address Cayman Alternative Investment Summit



Deputy Head of the Investments and Securities Division, Garth Ebanks, will speak at this year's Cayman Alternative Investment Summit. He will be part of a line-up of distinguished international speakers at the conference.

Mr. Ebanks was promoted to deputy head effective 1 July 2015, after having joined the Authority in October 2013 as Chief Analyst in the Division.

Prior to joining the staff of CIMA, he served in various capacities with accounting firm KPMG, where he was an Audit Manager in the firm's alternative investments practice. He also gained international experience with KPMG Canada, in the financial institutions and real estate audit department of the firm's Toronto office.

Mr. Ebanks earned a Bachelor of Accounting degree and a Bachelor of Business Administration degree (double major in Management and International Business) from Florida International University.

He was accorded the Certified Public Accountant (CPA) designation and is a member of the Cayman Islands Society of Professional Accountants (CISPA) and the American Institute of Certified Public Accountants (AICPA).

The alternative investment conference was inaugurated in 2012, and has attracted asset owners as well as asset managers. According to the organisers, "It brings together leading thinkers and practitioners from different segments of the global alternatives industry to explore the challenges and opportunities their industry faces and design responses that will take it to its next level of success."

In 2016, the conference will be held on February 4 and 5 at The Ritz-Carlton, Grand Cayman.