



the NAVIGATOR

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CIMA Represented at Cayman Captive Forum



Head of Insurance, Mr. Ruwan Jayasekera interviews with A.M. BestTV at the Cayman Captive Forum.

CIMA staff recently participated in the Cayman Captive Forum hosted by the Insurance Managers Association of Cayman (IMAC). The forum took place on 29 November to 1 December at The Ritz-Carlton. The forum consisted of tutorials, inspirational speakers, networking opportunities as well as panel discussions on issues affecting the captive insurance industry.

Deputy Head of Insurance Supervision Division, Mr. Razaak Busari shared his expertise on a panel discussion. He pointed out that one of the strengths of the local insurance industry is that, compared to regulators in other jurisdictions, CIMA has a very open line of communication with the local insurance companies. Mr. Busari also explained the importance of the regulatory policy and the proposed changes companies can expect in 2017. In conjunction with the upcoming assessment, he also mentioned that the International Monetary Fund (IMF) and the

Caribbean Financial Action Task Force are both expected to visit next year. Also in the spotlight was Head of Insurance Supervision Division, Mr. Ruwan Jayasekera who participated in an interview with A.M. BestTV. He discussed the captive insurance business in Cayman. He shared that the outlook for the Cayman Islands is very positive, as "it has been a very good year in terms of captive formations." According to Mr. Jayasekera, Cayman is on track to have about 40 more captive formations by the end of 2016, which is more than 2015 and 2014.

When asked about any potential challenges that the jurisdiction may face, Mr. Jayasekera proudly stated that, "Cayman is about four or five decades ahead of the competition. As a country, we have the infrastructure, expertise and experience in terms of regulators and service providers."

General Counsel Speaks at Campbells Fund Forum



Deputy Managing Director - General Counsel, Mr. Langston Sibblies speaks at Fund Conference.

The 2016 Campbells Fund Focus conference was one of the first events to be hosted at the newly introduced Kimpton Seafire Resort on Friday, 2 December, and our very own Deputy Managing Director – General Counsel, Mr. Langston Sibblies represented CIMA as one of the keynote speakers. Mr. Sibblies was asked to present an update on relevant regulatory developments over the past year, and that he did.

In line with the chosen theme: Transparency, Mr. Sibblies

highlighted the latest statistics across the various sectors supervised by CIMA.

He also highlighted the latest regulatory developments within the financial industry, both domestic and international. One in particular was the European Union’s Alternative Investment Fund Managers Directive (AIFMD) passport regime assessment which continues to be a focus of interest for the jurisdiction, and for CIMA.

Another interesting discussion topic was the issue of de-risking. He said, “Despite all of the various discussions to date, both regionally and internationally, the solution(s) remain elusive. However, the mere fact that major international financial institutions such as the IMF and the World Bank, including the Financial Stability Board (FSB), have put it on the top of their list for further consideration and action, gives hope that a clearer set of strategies will emerge in 2017.”

In keeping with the theme, Langston also spoke about two related matters which CIMA is monitoring closely for next year. These include the issue of beneficial ownership of companies and EU’s strategy to establish a list of non-cooperative tax jurisdictions.

Mr. Sibblies reassured attendees that CIMA remains committed to enhancing the regulation and supervision of the financial industry in the Cayman Islands. “Despite the challenges we face as a jurisdiction, it is fair to say that the Cayman Islands is weathering the storm in fine form.”

Facts Box

Licences/Registrations in Effect	30 September 2016	31 December 2016
Banking and Trust		
Banks	175	159
Category A	11	11
Category B	164	148
Nominee Trusts	25	25
Money Services Providers	5	5

Lessons for UCCI Students



As a part of University College of the Cayman Islands Introduction to Banking Course, the Authority was asked to make a presentation to approximately 20 students within the broad topic of Monetary Analysis and, more specifically, the role and functions of CIMA and central banks.

Senior Statistician, Ms. Jackie Marsden Powell and Senior Policy and Development Officer, Mr. Paul McAllister were the chosen representatives from CIMA.

Held on 2 November 2016, the session covered the history of the Cayman Islands’ financial sector, the creation of CIMA, together with its principal functions. This also included supporting tools of supervision and enforcement powers.

Other topics highlighted the functions of central banks, particularly the monetary policy, and the roles and governance structure of the United States’ Federal Reserve System.

Lunch and Learn at Island Heritage



explained to the Island Heritage staff that CIMA is not concerned with business development or promoting any specific company, but rather how business is conducted.

They highlighted the structure of the Insurance Supervision Division, the key regulatory and supervisory activities and supervisory objectives, which includes following the International Association of Insurance Supervisors core principles.

Other discussions included the domestic insurance market as well as priorities for 2017.

Overall, the presentation was well received by the Island Heritage staff. It also gave them an opportunity to ask questions specific to their class of insurance.

As a regulator, CIMA has a duty to educate the public on its functions, including the various regulated sectors which we oversee. That is exactly what the Insurance Supervision Division did on Monday, 31 October 2016.

Deputy Head Mr. Razaak "Raz" Busari and Chief Analyst Ms. Kara

Ebanks visited Island Heritage Insurance Company Ltd to deliver a presentation on CIMA's principal obligations.

The presentation was quite detailed and emphasized the role that CIMA plays as a regulator.

Mr. Busari and Ms. Ebanks

For example, one person was curious to know what was the most common complaint CIMA receives, which Ms. Ebanks pointed out was the delay in information being provided by the insurer to the insured or complainant, updates in statuses of claims and reasons for a claim denial.

Training for PR Unit

The Public Relations Unit staff spent the afternoon on Thursday, 3 November 2016 brushing up their skills at the Department of Tourism's Public Relations 101 training session.

Held at the George Town Yacht Club, the training was facilitated by representatives of Coyne PR - an integrated communications agency which is based in the United States.

Discussions covered topics such as how to write effective key messages, combating negative news and turning it into positive news, creating effective headlines, media outreach tools, benefits of social media and producing a Public Relations toolkit, to name a few.

Presenters also shared several success stories which they have experienced throughout their work.



Staff from CIMA's Public Relations Unit participate in local training.

CIMA Donates to Charities



Making Christmas bright takes more than hanging lights on a tree.

The season celebrates the act of giving. It often takes the determination of a few kind-hearted persons to ensure that the less fortunate in the community feel appreciated.

This is precisely why, for the last several years, staff at CIMA have generously donated to a charitable organization, family, or individual, in need.

Each Division selects a charity, and places an ornament representing the charity on CIMA's "Giving Tree". This is

followed by a donation of cash or selected items. For Christmas 2016, the project provided gifts to the following causes:

- Impact345
- Parsons Family
- HSA Chemo Unit
- Cayman Islands Cancer Society
- Cayman Heart Fund
- The Pines
- Elisabeth Bise Toy Drive
- Feed Our Future
- Bonaventure Boys Home
- Frances Bodden Girls Home
- Meals on Wheels
- Youth Act
- Cayman Islands Crisis Centre



Staff Attend Fund Administrators

All businesses have a duty to their employees to make sure that they are properly equipped with the necessary knowledge and tools for their particular area of work. This is one of our priorities here at CIMA.

Mr. Paul McAllister, Mr. Dwayne Dixon, Ms. Rebekah Anglin nee Khan and Ms. Christsanika Parker, all took part in an intensive two-day seminar hosted by the Cayman Islands Fund Administrators Association (CIFAA) in collaboration with RiskPass AML.

The event was held at the Chamber of Commerce from 24 – 25 October 2016.

Staff were also joined by other business professionals who were eager to learn more about the funds industry.

Throughout the seminar, speakers highlighted various aspects within the industry.

This included a presentation by two of CIMA's very own Investments and Securities Division (ISD) Analysts, Mr. Robert Ibeh and Ms. Constance Robertson, who provided a brief overview of CIMA's role within the local funds industry, including its regulatory responsibilities, specifically as they relate to the division.



Investments Analyst, Mr. Robert Ibeh gives a breakdown of CIMA's role within the fund industry.

Business Analyst Attend Microsoft

Business Analyst in the Policy and Development Division, Ms. Eva Byrne recently attended the 2016 PASS Summit Conference which was held in Seattle, Washington.

Held from 26 – 28 October, the summit is the world's largest training conference for Microsoft SQL server and Business Intelligence professionals. The objective is to provide in-depth knowledge to professionals who use Microsoft technologies, while allowing participants to connect, share and learn through this networking opportunity.

This year's summit attracted over 6,000 participants who took part in more than 200 training sessions.

Describing her experience, Ms. Byrne said, "The conference was incredible. Most important, I'm already using the knowledge gained, and applying it to various projects within the Policy and Development Statistics Unit."



Banking Staff Gain Overseas Training

CIMA truly understands the importance of providing growth opportunities for its staff members.

Just recently, Analysts Ms. Donna-Kay Stoddart and Ms. Karen Rhoden-Mills, attended the Caribbean Group of Banking Supervisors and the Federal Reserve System 'Risk-Focused Supervision and Risk Assessment Seminar' from 5 – 9 December 2016 in Turks and Caicos Islands.

As the industry evolves, risk-focused supervision and risk assessment risk continue to be at the core of banking supervision. As a result, bank examiners are charged with keeping abreast and resolute in maximizing effective supervision

given constraints. The seminar was hosted by Turks' Financial Services Commission, and the objective was to further equip bank examiners with supervisory techniques for assessing key risk areas such as credit, operational, market, and liquidity risk, leading to an aggregate risk assessment for supervised institutions.

It also included a mix of lectures and group exercises.

Ms. Stoddart and Ms. Rhoden-Mills both reported that the seminar was intensive yet informative. It also provided an opportunity to network with other bank examiners from around the region, and exchange valuable information.



Analyst, Ms. Karen Rhoden-Mills meets Patrick McNellis of Federal Reserve Bank of Kansas City.



Senior Analyst, Mr. Kieron Cacho

Mr. Kieron Cacho, Senior Analyst in the Banking Supervision Division recently returned from a trip to New York where he attended the Central Banking Seminar.

Hosted at the Federal Bank of New York, the training was an opportunity to share best practices and support cooperation among central banks and regulatory authorities from around the globe. Much of the content focused on case studies and group work, not only on traditional banking topics such as credit risk, liquidity, capital analysis, recovery and resolution planning, but also the newer area of model risk management and interesting ideas on how the U.S. would like to reign in risky governance culture.

Mr. Cacho said he was proud to see that "our Cayman Islands flag represented one of over 50 countries: from Austria to Lesotho to Zambia.

Although there was lots to take away, Mr. Cacho said one thing which stood out the most was that "the training highlighted the importance of avoiding common missteps by tailoring your approach to your jurisdiction, and periodically evaluating it to ensure it remains the best available option."

Head of Banking Gains Training in Virginia

Head of the Banking Supervision Division, Mrs. Gloria Glidden attended a week-long training on deposit insurance from 17 - 21 October 2016 in Arlington, Virginia. The training was hosted by the Federal Deposit Insurance Corporation (FDIC).

Following a presentation about the role and functions of the FDIC, discussion topics led to: how to handle problem institutions, large bank supervision, resolution methods, deposit insurance coverage and fund management.

There were approximately 35 attendees from several jurisdictions worldwide.

Mrs. Glidden commented that, "The training provided a comprehensive overview of the FDIC's operations, including insight into the way the FDIC conducts its business in pursuit of its mandate, it was very informative."

Subsequent to her acting role, Mrs. Glidden was recently appointed the Head of Banking Supervision on 1 January 2017.



Senior Legal Counsel Attend FATF Plenary in



Senior Legal Counsel, Mrs. Angelina Partridge, recently returned from France where she attended the Financial Action Task Force (FATF) plenary meetings in Paris.

The meetings were from 18-22 October 2016 on the grounds of Chateau de la Muette which is a well-designed old castle located at the edge of Paris.

Chateau de la Muette serves as the headquarters for the Organization for Economic Co-operation and

Development (OECD).

According to Mrs. Partridge, the meetings were quite informative.

"It was quite educational to see how the decisions are made by the members of the FATF, and to understand how the Caribbean Financial Task Force (CF, of which Cayman is a member, fits in."

Investments Digest Now Available

The Authority recently published the 9th edition of its Investments Statistical Digest. The report is based on the submission of Fund Annual Returns (FARs) for investment funds with a year-end within the 2015 calendar year.

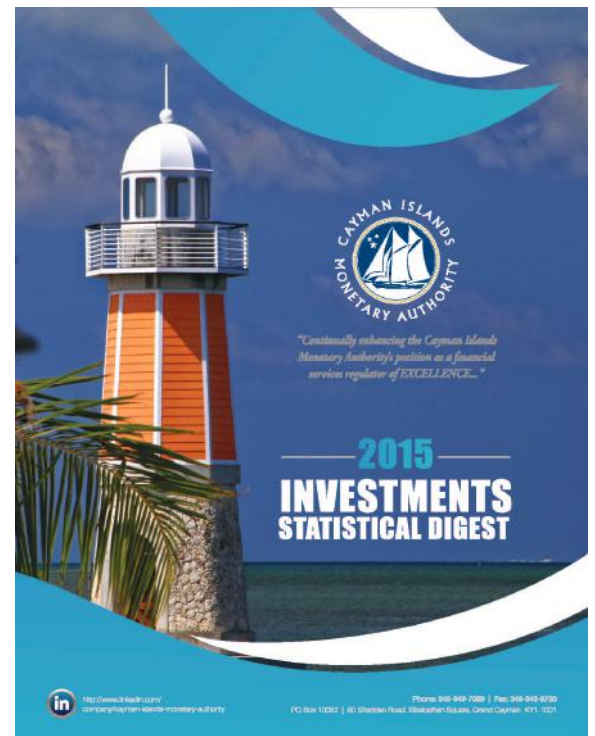
8,935 submissions were received, which represents 82% of all regulated funds. At the end of 2015, there were 10,940 investment funds compared to 11,010 in 2014.

Various industry trends throughout the document show that while the total number of funds decreased slightly between 2014 and 2015, net assets under management

increased due to net inflows of capital. Surpassing the United States in 2015, the Cayman Islands became the primary location for Net Asset Value (NAV) calculation and remained the most popular destination for Registrar and Transfer Agent (RTA) services.

The report also recorded information collected from investment funds for the first time, including a breakdown of investments by jurisdiction of issuer. This new information will help improve CIMA's supervisory and statistical framework.

For a copy of the 2015 Digest, visit our website at www.cima.ky



Licences/Registrations in Effect	30 September 2016	31 December 2016
Fiduciary Services		
Trust Companies	152	145
Unrestricted Trusts	60	57
Restricted Trusts	62	60
Nominee Trusts	30	28
Registered Private Trust Companies	123	123
Registered Controlled Subsidiaries of Trust Companies	38	37
Companies Management	112	113
Corporate Services	22	23

Executive Administrative Assistant



Mrs. Maria Argueta-Jackson joined CIMA on 2 November 2016 as the Executive Administrative Assistant of the Investments and Securities Division. Previously she worked for the Cayman Distributors Group as an Accounts Assistant and also served as the Manager of Home Care Services from 2013 to 2016.

Mrs. Argueta-Jackson attended the University of the West Indies where

she completed her Associate's in Paralegal Studies. Following this, she attended the University College of the Cayman Islands and earned foundation certificates in financial related fields.

In addition to this, she also obtained diplomas for a host of other professional qualifications, mainly in the trust and company administration areas.

New Project Assistants

Ms. Tyana Walton started working with CIMA on 15 November 2016 as a temporary Project Assistant in the Investments and Securities Division.

As a certified business professional in Project Management, Ms. Walton previously worked as the Project Administrator for the Butterfield Bank (Cayman) Limited from June 2014 through October 2016 where she was

involved with coordinating projects and acting as the liaison between the project management team, sponsors, and vendors, amongst other related duties.

Ms. Walton is currently attending the International College of the Cayman Islands where she is pursuing a Bachelor's degree in Business Administration with a concentration in Finance.



Ms. Nurlene Taylor joined the Authority on 15 November 2016 as a Project Assistant in the Investments and Securities Division.

Ms. Taylor is an experienced Caymanian finance industry professional with a broad range of skillsets.

Having worked in a variety of major financial institutions, her background

includes banking, lending, trust and captives.

In 1992, after receiving her business degree from Ft. Lauderdale College/ Everest University, Ms. Taylor returned to Cayman where she commenced her career in the finance industry.

Know Your Money Seminar

The annual Fraud Prevention Seminar took place from 15-16 November. The seminar was a collaborative effort between CIMA, the RCIPS Financial Crimes Unit and the Cayman Islands Chamber of Commerce.

Deputy Managing Director - Operations, Mr. Patrick Bodden, presented opening remarks on behalf of the Authority. Following this, Mr. Barnaby Dick, a representative from De La Rue, began his presentation by testing the audience's knowledge of the Cayman Islands currency.

As a part of the training, attendees got

the opportunity to use ultraviolet light and magnifiers to view the security features for themselves.

Similarly, the United States Secret Service representatives revealed the security features to look out for on the different US currency notes. They shared stories about persons who had been caught credit and debit card skimming.

Overall, the seminar left the attendees with some valuable information on fraud prevention which can be useful in their day to day business transactions.



Deputy Managing Director - Operations, Mr. Patrick Bodden, present opening remarks.

Legal Counsel Joins CIMA



Mr. Menelik Miller joined the Cayman Islands Monetary Authority on 14 November 2016 as a Legal Counsel. Given his background in both onshore and offshore litigation, Mr. Miller will be heavily involved in all court matters relating to the Authority including other relevant duties.

Born and raised in North London, Mr. Miller earned an undergraduate degree in Law & Economic Anthropology (Joint Honours) from the London School of Economics & Political Science and subsequently gained an LLM with merit (Administrative Law & Policy) from the University of London. He also attended the Inns of Court School of Law.

With over 15 years as a Barrister in London and an advocate for anti-fraud and financial crime, Mr. Miller served as an in-house litigation counsel on a number of complex, multi-jurisdictional cases. He first moved to the Cayman Islands in 2006, where he worked at Samson and McGrath as a criminal defence advocate. He was also involved in various company, commercial, regulatory and insolvency matters throughout his overall work experience.

In November 2001, Mr. Miller was called to the Bar of England & Wales, and in the British Virgin Islands. He is also a member of the Society of Trust and Estate Practitioners.

CIMA Discusses Bank De-Risking



Managing Director, Mrs. Cindy Scotland

Representatives from the Ministry of Financial Services and Cayman Islands Monetary Authority attended two separate meetings in December 2016 to discuss the ongoing issue of de-risking.

The first meeting took place on 7 December in Washington DC, where they met with key US Congressional staff, regulators and stakeholders to discuss the issue from the Caribbean perspective.

In a recent press release, Minister of Financial Services Hon Wayne Panton said, "It's important to continue these talks because de-risking is still creating unintended, detrimental effects globally. We had a taste of it when it disrupted our money services business in 2015, and the people of Cayman certainly remember their relief when it was resolved."

He noted that Cayman's banking sector fully supports the Ministry's efforts to influence broader developments in de-risking by engaging with stakeholders internationally.

Other delegates from Cayman included the Department of Financial Services Senior Legislative, Policy Advisor André Ebanks, and CIMA's Deputy Managing Director, Mrs. Anna McLean and Head of the Policy and Development Division, Mrs. Justine Plenkiewicz.

On 12 December 2016, CIMA's Managing Director, Mrs. Cindy Scotland and Mr. Ebanks attended the Financial Stability Board's (FSB) Regional Consultative Group for the Americas meeting in Nassau, Bahamas to discuss an action plan on how to address de-risking, including the potential impact of reductions in correspondent banking relationships.

Mailroom Administrator

On 20 December, 2016, we welcomed Ms. Andrea Jacobs as the new Mailroom Administrator.

Ms. Jacobs has a Masters in Business Administration and a minor in Public Management from Florida Metropolitan University.

Her work experience includes a wide range of areas. She spent several years working as an Accounting Assistant at Guinness Mahon (Cayman) Trust Ltd, and at the then Bank of Nova Scotia (Cayman) as a wire transfers lead,

working at the front desk at the old Holiday Inn.

Previously, she also served as an Accounting Assistant for the Nor'Wester newspaper.

More recently, Ms. Jacobs was hired as a Superintendent at ExxonMobil Aviation where she dealt with audit discrepancies, setting up local safety and training processes. She also gained experience in the legal, real estate and tourism fields.



New Analyst in Fiduciary



On 19 December, 2016 Ms. Sayuri Fonseca joined CIMA as a Senior Analyst in the Fiduciary Services Division.

Given her background in auditing and accounting, Ms. Fonseca brings invaluable experience that will assist her in her new role. She will be heavily involved with the Authority's on-site and off-site inspections.

With approximately 10 years of public accounting experience, Ms. Fonseca is a Chartered Accountant by profession. During that period, she spent three years working in Cayman's financial services industry.

At the moment, she is also preparing for the Chartered Financial Analyst level 1 exam, and is an associate member of the Institute of Chartered Accountants of Sri Lanka.

Ms. Fonseca commenced her professional career at PricewaterhouseCoopers (PwC) in February 2007 in Colombo, Sri Lanka as a Trainee Associate and rose up the ranks to become an Assistant Manager.

She then relocated to the Cayman Islands in October 2013 to take up employment at KPMG as an Audit Supervisor/Assistant Manager.

Senior Statistician Trains in DC

Mr. Yoshneck Mutomba, Senior Statistician in the Policy and Development Division, attended a Monetary and Financial Statistics (MFS) course in Washington, DC from 29 October to 11 November 2016.

The course covered the entire spectrum of MFS, including a compilation of statistics for the Central Bank, amongst other depository and financial corporations."

The seminar attracted participants from 40 different countries where they were able to exchange information and experiences. Some of the highlights included surveys of the Central Bank

along with information of other depository corporations, financial statistics, case studies and presentations by participants.

Grateful for the opportunity, Mr. Mutomba says, "Providing us with training materials on Monetary and Financial Statistics consolidated my understanding of the financial instruments and the related valuation methods."



Facts Box

Licence/Registration & Currency Circulation Numbers

Licences/Registrations in Effect 30 September 2016 31 December 2016

Insurance

Insurance Companies	740	741
Class A	29	29
Class B	685	684
Class C	24	25
Class D	2	3
Insurance Managers	32	32
Insurance Brokers	41	42
Insurance Agents	51	46

Investments and Securities

Mutual Funds	10,830	10,586
Registered	7,465	7,293
Master	2,899	2,840
Administered	370	363
Licensed	96	90
Mutual Fund Administrators	106	106
Full	84	84
Restricted	21	21
Exempted	1	1
Securities and Investment Business Law (SIBL) Licensees	35	36
Excluded Persons Under SIBL	2,516	2,555

Currency in Circulation

Total Currency	CI\$109.1m	CI\$115.7m
Notes	CI\$97.8m	CI\$104.4m
Coins	CI\$11.2m	CI\$11.4m

Note: CI\$1.00 = US\$1.20 m = million

LOOK AHEAD

2017

AIFMD Update

In early 2012, the Authority began working on a model Memorandum of Understanding developed by the European Securities Markets Authority (Esma) with a view to enter into memoranda of understanding with the Authority's EU counterparts in 2013. As part of that exercise, the Cayman Islands Government approved amendments to the Monetary Authority Law which further protected the interest of investors, and clarified the Authority's powers to exchange information with overseas regulators.

The amendment to the Monetary Authority Law also forms part of the Cayman Islands' response to the European Union's Alternative Investment Fund Managers Directive (AIFMD) passport regime, which requires certain conditions to be met before non-EU countries can market alternative investment funds such as hedge funds in the EU. The EU Parliament has tasked Esma with conducting an assessment of the regulatory regime of all non-EU countries, including the Cayman Islands. This exercise is currently underway.

To date, the Authority has engaged in several discussions with the Ministry of Financial Services, Commerce and Environment, and stakeholders within the private sector,

to provide Esma with any relevant information. This then resulted in an advice issued from Esma on 18 July 2016.

Esma noted that they could not give definitive advice in relation to extending the passport to the Cayman Islands, as our jurisdiction is still in the process of finalising the government-wide elements of our macro-prudential policy and administrative fines regime. While it could not provide definitive advice, Esma acknowledged that our jurisdiction currently has frameworks in place to address systemic risks.

Notwithstanding the advice in July, Esma's chairman confirmed to the EU Parliament on 11 October 2016 that the Cayman Islands is still under active consideration as a jurisdiction to be recommended for the grant of an EU Passport .

In addition to the legislative and policy work being undertaken, CIMA intends to meet with Esma this year to get a better understanding of what further steps are required in order for Cayman to receive a positive recommendation for a EU passport. This will be the Authority's third meeting with Esma since the AIFMD came into effect.