

Amendments to the Guidance Notes – September 2008

The Guidance Notes on the Prevention and Detection of Money Laundering in the Cayman Islands (“the Guidance Notes”) have been amended. The principal amendments to the Guidance Notes in September 2008 are as follows:

- A) Guidance on Wire Transfers, inserted in Section 4 (paragraphs 4.10 - 4.33).
- B) Sector Specific Guidance to Money Services Businesses (MSBs) (inserted in Section 8).
- C) Changes to the Guidance Notes as recommended by the Anti-Money Laundering Steering Group (AMLSG) following the 23rd November 2007 Caribbean Financial Action Task Force (CFATF) Mutual Evaluation Assessment Report on the Cayman Islands:
 - 1. Ensuring that documents, data or information collected under the CDD process are kept up-to-date and relevant by undertaking routine reviews of existing records (paragraph 4.1).
 - 2. Obtaining senior management approval to continue a business relationship once a customer or beneficial owner is found to be, or subsequently becomes, a Politically Exposed Person (PEP) (paragraph 3.46)
 - 3. Having policies and procedures in place to address any specific risks associated with non-face to face business relationships or transactions (paragraph 3.7).
 - 4. Keeping findings regarding enquiries about complex, unusual large transactions or unusual patterns of transactions available for competent authorities and auditors for at least five years (paragraphs 5.13 & 7.1).
 - 5. Guidance as to the treatment of attempted suspicious transactions (paragraph 5.34).
 - 6. Screening procedures to ensure high standards when hiring employees (paragraph 6.2).
 - 7. Designation of a Money Laundering Reporting Officer (MLRO) at management level (paragraph 5.2).
 - 8. Amendments to the Guidance Notes to incorporate Terrorism Financing (sections 1 & 2, Appendix L).
 - 9. Extension of the Guidance Notes to dealers of precious metals and precious stones (Paragraph 2.16, Appendix C).