



CAYMAN ISLANDS

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Cayman Islands Achieves High Compliance Ratings on Global Standards for Combating Money Laundering and Terrorist Financing *Rigorous evaluation affirms Cayman's 'strong compliance culture'*

George Town, Grand Cayman – 11 December 2007 – A third-round evaluation of the Cayman Islands' anti-money laundering (AML) and combating the financing of terrorism (CFT) regimes by the Caribbean Financial Action Task Force (CFATF) concluded on 23 November with the official approval of the report by the CFATF at its 26th plenary and 14th ministerial meeting in San José, Costa Rica.

The evaluation was based on the assessment team's June 2007 visit and it reported a "strong compliance culture" in the Cayman Islands' financial services sector. The evaluation rated the Cayman Islands 'compliant' or 'largely compliant' with 38 out of the 40 Financial Action Task Force (FATF) AML recommendations and the nine CFT special recommendations (known as the FATF 40+9). This compares favourably with third-round evaluations to date of FATF countries.

The Cayman Islands' third-round evaluation, together with those conducted by the FATF and other AML/CFT bodies, used the latest version (February 2007) of the FATF 40+9.

The full evaluation report is due to be published on the CFATF Web site on 11 December.

The Cayman Islands' evaluation was the first to include experts from FATF countries as part of the assessment team, in this case the U.S. and Canada, together with CFATF experts from The Bahamas, Jamaica and the CFATF secretariat in Trinidad.

"The CFATF report validates the Cayman Islands' sustained and serious approach to compliance with international standards," said Cayman Islands' Financial Secretary, the Hon. Kenneth Jefferson. "We look forward to reporting to the CFATF plenary in May 2008 on progress on the handful of matters remaining to be addressed."

The Cayman Islands was represented at the CFATF plenary by Cheryll Richards, solicitor general (head of delegation); Deborah Drummond, deputy financial secretary (financial services); Langston Sibbles, general counsel, Cayman Islands Monetary Authority (CIMA); Mitchell Scott, head of policy & development, CIMA; William Gilmore, expert advisor; Jacqui Jefferson-Ziemniak, assistant financial secretary; Gail Johnson-Goring, senior crown counsel; Lindsay Cacho, director, Financial Reporting Authority (FRA); Fred Heard, senior accountant, FRA; and Michelle Bahadur, senior assistant secretary, Portfolio of Finance & Economics.

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“This 26th plenary and 14th ministerial in Costa Rica was very satisfying from the perspective of the level and quality of the debate on the evaluation reports up for CFATF approval. The Cayman Islands’ delegation and its evaluation team, as well as those of the two other countries, Bermuda and The Bahamas, are to be commended for this,” said CFATF Executive Director Calvin Wilson.

The focus will now switch to implementation, under the auspices of the Cayman Islands’ Anti-Money Laundering Steering Group, of the matters in the evaluation report that indicate less than full compliance with the FATF 40+9.

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NOTES TO EDITORS:

About the CFATF

The CFATF was established in 1992 and is an FATF-style regional organisation of 30 states in the Caribbean basin which aims to achieve effective implementation amongst its membership of measures to combat money laundering and terrorist financing. The Cayman Islands has been a member from inception. The CFATF evaluation programme uses a common methodology with the FATF in the assessment of the AML/CFT regimes of member countries and evaluations are conducted via a peer review process (including experts from the FATF and other FATF-style regional bodies), or via reciprocal recognition of evaluations by other organisations such as the IMF/World Bank.

About the CFATF Report and Evaluation Methodology

The full report on the Cayman Islands will be available from 11 December from www.cfatf.org. The evaluation methodology, which subdivides the FATF 40+9 into about 250 essential criteria and additional elements, is available from www.fatf-gafi.org.

Additional fact sheets with more details on the CFATF evaluation, the Cayman Islands AML/CFT and international cooperation regimes are available from www.caymanfinance.gov.ky.