

AML/CFT Inherent Risks – AIR-157-26: Frequently Asked Questions

(a) Which entities should be completing the AML/CFT Inherent Risks – AIR-157-26 form?

Response – ALL Mutual Fund Administrator (“MFA”) Licensed holders are required to complete the form.

(b) How do I complete the form and where can I find the guidance notes for completing the form?

Response – The form is available on the Regulatory Enhanced Electronic Forms Submission (“REEFS”) platform. The guidance notes for the completion of the forms can be found on the following link <https://www.cima.ky/reefs-forms-guidance-notes>.

(c) What is the time span and the period for completion of the forms? What is the deadline for reporting? Will there be any extensions granted?

Response – The data should be submitted for the year 1 July 2018 to 30 June 2019. Firms should complete as at 30 June 2019 for active clients as at 30 June 2019. The deadline for reporting is 13 December 2019 and there will be no extensions granted.

(d) Can an MFA provide a data file to the Cayman Islands Monetary Authority “(the Authority) for subsequent population by the Authority into the templates? What is the frequency of submitting the report?

Response – No, the MFA needs to populate the template and submit through the REEFs platform. Currently the AML/CFT forms are one-time submissions, however, this could change if the Authority required additional updated information, however, Licensees would be notified if this was the case.

(e) For HNWI that are Politically Exposed Persons (“PEPs”), is the net worth threshold still CI\$800K as mentioned in A15 for HNWI?

Response – The net worth threshold for High Net Worth Individuals is CI\$800K.

(i) When providing the details of the parent company (B01 – B04) do you consider the immediate controlling parent entity, or you drill down to the ultimate controlling parent entity?

Response – The Authority is looking for the immediate controlling parent and ultimate parent entity. Subsidiaries and affiliates should be considered from a legal perspective.

(j) If you are in the process of de-registering and have not received a response from the authority, should you complete the form?

Response – MFAs are required to comply with all the necessary regulatory filings until confirmation of termination is received from the Authority.

(k) Our entities have Banking, Fiduciary and Securities licenses; thus, we received the same AML forms from different divisions (trust, securities and banking). How should we proceed with filings?

Response – MFA Licensees who have already completed the forms through other licenses pursuant to other regulatory laws, are not expected to complete form AIR-158-26 at this time. All MFAs however are required to complete form AIR 157-26.

- (l) In respect of services provided by the MFA, what is meant by % of business noted at C01 – C06?

Response –MFAs should provide the percentage (%) of business based on % of gross revenue derived from the fund administration services provided to regulated and unregulated. This percentage should total 100%.