



CAYMAN ISLANDS
MONETARY AUTHORITY

**AML/CFT Risk Controls Form (ARC-
158-75) Completion Guide**

June 2019

Introduction

The AML/CFT Risk Controls - Securities form (ARC-158-75) is to be completed by every Securities Investment Business – Excluded Person (who is commonly referred to as "entity" for purposes of this form) in REEFS, via its registered office, on or before **31 July 2019**.

AML Corporate Governance

NB. For purposes of this form, "client" and "customer" are used interchangeably, and relate to anyone with or for whom securities investment business is transacted.

A01	Is AML/CFT a standard agenda item at Board/Principal and/or Senior Management meetings?	Select as appropriate. If there are no AML/CFT items to discuss at a board or senior management meeting, then it should be evident in the appropriate minutes.
A02	How many times in the last 12 months has AML/CFT been an agenda item at these meetings?	This is to be an aggregate of all Board/Principal and/or Senior Management meetings within the last 12 months.
A02a	Has the Board approved AML/CFT policies and procedures for the entity?	Select as appropriate.
A02ai	If so, when were the AML/CFT policies and procedures last updated?	Insert details of the specific date (Day Month Year) for when the AML/CFT policies and procedures were last approved by the Board.
A02aii	Attach copy of the AML/CFT policies and procedures	Upload a copy of the last Board approved AML/CFT policies and procedures.
A03	Has the entity conducted an ML/TF risk assessment?	Select as appropriate.
A03a	If yes, who conducted the ML/TF risk assessment?	If 'yes' is selected to A03, insert the name of the applicable person or company that conducted the ML/TF risk assessment.
A03b	If yes, upload results of the last ML/TF risk assessment.	Upload a copy of the last ML/TF risk assessment.
A03c	If yes, date of last ML/TF risk assessment.	Insert details of the specific date (Day Month Year) for when the last risk assessment was conducted.
A03d	If yes, date of board approval.	Insert details of the specific date (Day Month Year) for when the Board approved the last risk assessment. If it has not been approved by the Board, 'not approved' should be selected.
A03e	If yes, date of next scheduled review.	Insert details of the Board's next scheduled review (Month Year) of the ML/TF assessment, if applicable.
	If yes, did the ML/TF risk assessment cover the following:	
A03f	Customer risks	Select as appropriate.
A03g	Geographic risks	Select as appropriate.
A03h	Products and services	Select as appropriate.
A03i	Delivery channels	Select as appropriate.
A03j	Other (if applicable)	
A03jo	Details (if applicable)	Insert specific details in relation to what other factors were considered if they do not fall under one of the options within A03f - A03j.
A04	Has the entity conducted an AML audit?	Select as appropriate.
A04a	If yes, who conducted the AML audit?	Insert details of the specific date (Day Month Year) for when the AML/CFT audit was last conducted.
A04b	If yes, upload the last AML audit report.	Upload a copy of the last Board approved AML/CFT audit report.

A04d	If yes, date of last AML audit.	Insert details of the specific date (Day Month Year) for when the last AML audit was conducted.
A04e	If yes, was the report submitted to the Board?	Insert details of the specific date (Day Month Year) for when the Board reviewed the last AML audit report. If it has not been reviewed by the Board, then 'no' should be selected.
A04f	If yes, date of next scheduled review.	Insert details of the Board's next scheduled review (Month Year) of the AML audit, if applicable.
A05	Has the entity, its directors, shareholders, beneficial owners or senior officers ever been denied an application by any regulator or regulatory body?	This relates to any form of denial or refusal which has taken place between a regulator or regulatory body and the entity, its directors, shareholders, beneficial owners or senior officers.
A05a	If so, which jurisdictions?	-
A05a(i)	Jurisdiction	Select jurisdiction if 'yes' was selected for A05.
A05a(ii)	Browse	Upload a formal documentation in relation to the reason(s) for the denial.
Was AML/CFT training received by the following:		
A06	Board of Directors	This relates to all natural persons of the Board of Directors where the entity is a corporation, the General Partner where the entity is a partnership, and the manager where the entity is a limited liability company.
A06a	Frequency	Select as appropriate.
A06b	Last Training	Select as appropriate.
A07	Senior Management	This relates to a director, managing director, president, chief executive officer, partner, managing partner, general partner, ultimate partner, manager or someone who has a similar control function of the entity.
A07a	Frequency	Select as appropriate.
A07b	Last Training	Select as appropriate.
A08	Compliance Staff	All persons involved/engaged in a compliance related function within the entity.
A08a	Frequency	Select as appropriate.
A08b	Last Training	Select as appropriate.
A09	Customer Facing Staff	This relates to all staff, excluding those persons referenced in A06, A07 and A08, that have any form of correspondence with the entity's clients/customers.
A09a	Frequency	Select as appropriate.
A09b	Last Training	Select as appropriate.
A10	Other Staff	This excludes all persons referenced in A06, A07, A08 and A09 above.
A10a	Frequency	Select as appropriate.
A10b	Last Training	Select as appropriate.

A11	Who provided the AML/CFT training?	Select the names of all applicable persons that provide the AML/CFT training. The dropdown + sign to the left hand side of the page, allow the entity to insert multiple names when more than one is applicable for this category.
A12	What is the format of AML/CFT training?	Select if it was received in person (by a presenter/facilitator), online or both in person and online.
A13	Does the AML/CFT training require testing?	Select as appropriate.
Are the following AML/CFT controls being applied?		
A14	Risk-based categorisation of clients/customers	Select the most appropriate answer - always, never, rarely or usually.
A15	Verification of source of funds	Select the most appropriate answer - always, never, rarely or usually.
A16	Due diligence of beneficial owners of corporate clients/customers	Select the most appropriate answer - always, never, rarely or usually.
A17	Enhanced due diligence for high risk clients/customers	Select the most appropriate answer - always, never, rarely or usually.
A18	Senior management approval required to onboard high risk clients/customers	Select the most appropriate answer - always, never, rarely or usually.
A19	Risk-based categorisation of transactions	Select the most appropriate answer - always, never, rarely or usually.
A20	Risk-based ongoing monitoring	Select the most appropriate answer - always, never, rarely or usually.
A21	For how long does the entity retain its client/customer due diligence and transaction records	Insert the specific amount of time frame (i.e. years) that such records are maintained.
A22	In which countries does the entity retain its records?	All jurisdictions where any client/customer records are maintained (electronically and physically) should be selected in this category. The dropdown + sign to the left hand side of the page, allow the entity to insert multiple names when more than one is applicable for this category.
Ongoing monitoring for High-Risk clients/customers		
	How frequently does the entity conduct ongoing monitoring for High-Risk clients/customers?	-
A23	Daily	Select all that are applicable within A23-A26.
A24	Annually or more frequently	Select all that are applicable within A23-A26.
A25	Less frequent than annually	Select all that are applicable within A23-A26.
A26	At a trigger event	Select all that are applicable within A23-A26.
A27	Never	If this option is selected, then A23-A26 should not be applicable.
Transaction Monitoring		
A28	Is the entity's transaction monitoring done electronically or manually?	Select as appropriate.

A29	How many SARS/STRS have been filed since the entity has been incorporated?	Insert specific number of suspicious activity reports ("SARS"/suspicious transaction report ("STRS") filed since the entity has been incorporated. See Appendix D of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017 for examples of what constitutes as a suspicious or unusual activity.
A30	How many SARS/STRS have been filed in the past 12 months?	Insert specific number of SAR/STRS filed by the entity within the past 12 months. See Appendix D of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017 for examples of what constitutes as a suspicious or unusual activity.
A31	Does the entity have internal procedures for reporting SARS/STRS?	Select as appropriate.
Indicate the number of staff you have inside and outside of the Cayman Islands.		
A32	Compliance Staff	Compliance staff only.
A32a	How many compliance staff are located in Cayman?	Select as appropriate.
A32b	How many compliance staff are located outside of Cayman?	Select as appropriate.
A33	Other Staff	All staff excluding compliance.
A33a	How many other staff are located in Cayman?	Select as appropriate.
A33b	How many other staff are located outside of Cayman?	Select as appropriate.
A34	Where are all staff members located/residing?	All jurisdictions where all staff (directly contracted with the entity and via an outsourcing/service level agreement) reside are to be selected in this category. The dropdown + sign to the left hand side of the page, allow the entity to insert multiple names when more than one is applicable for this category.
A35	Does the entity conduct verification or background checks when on-boarding staff?	Select as appropriate.
Indicate how introducers participate in the client/customer identification and verification process		
A36	Does the entity accept clients/customers through eligible introducers?	Select as appropriate.
A36a	Does the entity conduct testing of eligible introducers?	Select as appropriate.
A36ai	For identification and verification of clients/customers introduced?	Select as appropriate.
A36aia	For the provision of CDD information to the entity on request immediately?	Select as appropriate.
AML Officers		
A37	Has the entity appointed an Anti-Money Laundering Compliance Officer?	Select as appropriate.
A37a	Who does the Anti-Money Laundering Compliance Officer report to?	Select as appropriate.
A37ao	Other (if applicable)	Insert specific details if the person that the Anti-Money Laundering Compliance Officer reports to is not an option in A37a.
A38	Has the entity appointed a Money Laundering Reporting Officer?	Select as appropriate.
A38a	Who does the Money Laundering Reporting Officer report to?	Select as appropriate.
A38ao	Other (if applicable)	Insert specific details if the person that the Money Laundering Reporting Officer reports to is not an option in A38a.
A39	Has the entity appointed a Deputy Anti-Money Laundering Compliance Officer?	Select as appropriate.

A40	Has the entity appointed a Deputy Money Laundering Reporting Officer?	Select as appropriate.
Directors		
A41	How many directors does the entity have?	Insert specific number of directors the entity currently has.
Politically Exposed Persons ("PEPs")		
A42	Are any of the entity's AML Officers, Shareholders, Beneficial Owners, Directors, Senior Management are PEPs?	Select as appropriate. See part II - section 7 of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017 ("AML Guidance Notes") to see who constitutes as a Politically Exposed Person.
Sanctions screening and monitoring for all clients/customers		
A43	Does the entity conduct Sanctions screening at the time of client/customer onboarding?	Select as appropriate.
	How often does the entity conduct Sanctions screening?	See options in relation to this question within A44-A49.
A44	When sanctions lists are updated	Select as appropriate.
A45	Daily	Select as appropriate.
A46	Annually or more frequently	Select as appropriate.
A47	Less frequent than annually	Select as appropriate.
A48	At a trigger event	Select as appropriate.
A49	Never	If never is applicable, then the responses to A44-A48 should be 'no'.
Which of the following sanctions lists/requirements does the entity adhere to?		
A50	Cayman Islands	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017.
A51	HMT (Her Majesty's Treasury)	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017.
A52	EU (European Union)	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017.
A53	United Nations	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017.
A54	US OFAC (Office of Foreign Assets Control)	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017. See www.treas.gov/ofac for sanctions list.
A55	OSFI (Office of the Superintendent of Financial Institutions) (Canada)	Select if applicable. See part II, section 13 (Sanctions Compliance) of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2017. See www.osfi-bsif.gc.ca/Eng/Pages/default.aspx

A56	Others	-
A56o	Others details (if applicable)	Examples of other agencies and organizations are Transparency International - www.transparency.org ; FATF - www.fatf-gafi.org ; FinCen - www.ustreas.gov/fincen/ . This list is not exhaustive as all relevant sanctions used by the entity are to be listed here.