

**CAYMAN ISLANDS**



**Proceeds of Crime Law  
(2019 Revision)**

# **ANTI-MONEY LAUNDERING (AMENDMENT) REGULATIONS, 2019**

**SL 25 of 2019**

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**Arrangement of Regulations**

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(2019 Revision)**ANTI-MONEY LAUNDERING (AMENDMENT)  
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In exercise of the powers conferred by section 145 of the Proceeds of Crime Law the Cabinet makes the following Regulations —

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**Citation**

1. These Regulations may be cited as the Anti-Money Laundering (Amendment) Regulations, 2019.

**Amendment of regulation 2 of the Anti-Money Laundering Regulations (2018 Revision) - definitions**

2. The *Anti-Money Laundering Regulations (2018 Revision)* in these Regulations referred to as the “principal Regulations”, are amended in regulation 2 by deleting the definition of “connected person” and substituting the following definition —

“**connected person**” means, in relation to a person carrying out relevant financial business where the person is a body corporate, partnership or unincorporated body —

- (a) a manager of the body corporate, partnership or unincorporated body;



- (b) a director, secretary or senior executive of the body corporate, partnership or unincorporated body, regardless of job title; or
- (c) the natural person who ultimately owns or controls the body corporate, partnership or unincorporated body and includes —
  - (i) in the case of a legal person, other than a company whose securities are listed on a recognised stock exchange, a natural person who ultimately owns or controls, whether through direct or indirect ownership or control, ten per cent or more of the shares or voting rights in the legal person;
  - (ii) in the case of a legal person, a natural person who otherwise exercises ultimate effective control over the management of the legal person; or
  - (iii) in the case of a legal arrangement, the trustee or other person who exercises ultimate effective control over the legal arrangement;”.

### **Insertion of Part XIA – Disclosure requirements for persons carrying out relevant financial business**

3. The principal Regulations are amended by inserting after Part XI the following Part —

#### **“Part XIA- Disclosure requirements for persons carrying out relevant financial business**

##### **Duty of a person carrying out relevant financial business to produce information**

- 53A.** (1) A Supervisory Authority may, by notice in writing, require a person carrying out relevant financial business to provide such documents, statements or any other information as the Supervisory Authority may reasonably require in connection with the exercise of its functions.
- (2) A person carrying out relevant financial business, who receives a notice under paragraph (1), shall comply with that notice within the period and in the manner specified in the notice.
- (3) A Supervisory Authority may, by notice in writing, require —
- (a) a person carrying out relevant financial business;
  - (b) a connected person; or
  - (c) a person reasonably believed to have information relevant to an inquiry by the Supervisory Authority,



to attend before the Supervisory Authority to answer such questions or provide such information as the Supervisory Authority may deem necessary in connection with its inquiry.

- (4) A person who is served a notice under paragraph (3) shall attend before the Supervisory Authority in accordance with the notice.
- (5) In relation to information recorded otherwise than in legible form, the notice may require a copy of the information in legible form or in a form from which it can readily be produced in visible and legible form.
- (6) Information required to be provided to the Supervisory Authority under this regulation shall be provided in the English language and any information required in a notice under this regulation which is not in the English language shall be translated into the English language before being provided to the Supervisory Authority.
- (7) A lien on a document does not affect the production of a document under this regulation.

#### **Failure to produce information**

- 53B.** (1) A person who fails to comply with a notice issued by a Supervisory Authority under regulation 53A contravenes these Regulations and is liable to the penalty prescribed under regulation 56 or the administrative penalties under paragraph (2).
- (2) Where a person fails to comply with a notice issued by a Supervisory Authority under regulation 53A —
    - (a) the Monetary Authority may impose an administrative fine in accordance with the *Monetary Authority Law (2019 Revision)* or regulations made thereunder; or
    - (b) a Supervisory Authority other than the Monetary Authority may impose an administrative fine in accordance with these regulations.

#### **Requirement to share information**

- 53C.** (1) A Supervisory Authority, competent authority or government body may of its own volition or upon request by any other Supervisory Authority, competent authority or government body, share or provide any information required for the purpose of —
- (a) assessing money laundering or terrorist financing risks; or
  - (b) discharging any function or exercising any power under the Law.

- (2) Where a request is made to a Supervisory Authority, competent authority or government body for information in accordance with paragraph (1), the information shall be provided within a reasonable time from the date of receipt of the request.
- (3) Where information is shared or provided in accordance with paragraph (1), the recipient of such information shall —
- (a) only use the information for the purpose for which it was shared or provided;
  - (b) only retain the information for as long as is necessary to carry out the purpose for which it was shared or provided; and
  - (c) not disclose the information for any purpose other than the purpose for which it was shared or provided, without the prior consent of the competent authority or government body which shared or provided the information.
- (4) In this regulation —
- “**government body**” means —
- (a) a government company;
  - (b) an entity within the public service; or
  - (c) a statutory authority,  
within the Islands;
- “**government company**” means —
- (a) a company in which the Government has a controlling interest; and
  - (b) in respect of each such company, includes all subsidiary entities of the company;
- “**public service**” includes Ministries, Portfolios, departments, agencies reporting directly to the Legislative Assembly, Governmental committees, statutory authorities and government companies; and
- “**statutory authority**” means an entity established by a Law to carry out functions which are capable under that Law, of being funded, partly or entirely, by money provided by Cabinet, and for which the Governor or the Cabinet has the power to appoint or dismiss the majority of the Board or other governing body.”.

#### **Repeal of regulation 55K- duty to provide information and documents requested by Supervisory Authority**

4. The principal Regulations are amended by repealing regulation 55K.





**Amendment of regulation 55L - limitation**

5. The principal Regulations are amended in regulation 55L —
- (a) in paragraph (1), by deleting the words “under regulation 55K” and substituting the words “under regulation 53A(1) or (3)”;
  - (b) in paragraph (2), by deleting the words “under regulation 55K” and substituting the words “under regulation 53A(1) or (3)”;
  - (c) in paragraph (3), by deleting the words “under regulation 55K(2)” and substituting the words “under regulation 53A(4)”.

**Amendment of regulation 55N - failure to comply with information requirements**

6. The principal Regulations are amended in regulation 55N(1) by deleting the words “under regulation 55K(1) or (2)” and substituting the words “under regulation 53A(2) or (4)”.

**Made in the Cabinet the 4th day of June, 2019.**

**Kim Bullings**  
*Clerk of the Cabinet.*