

Cayman Islands Monetary Authority

SUMMARY OF PRIVATE SECTOR CONSULTATION AND FEEDBACK STATEMENT



AMENDMENT TO GUIDANCE NOTES ON THE PREVENTION AND DETECTION OF MONEY LAUNDERING IN THE CAYMAN ISLANDS

Paragraph of proposed Measure	Industry Comment	Authority's response	Consequent amendments to the draft Requirements
General	The first paragraph regarding <i>Applicability</i> refers to "DNFBPs servicing shipping and freight forwarding business, import/export business activity, and clients in jurisdictions near sanctioned countries" as being subject to the guidance. Whilst there is future discussion required where CIMA supervision overlaps with CIIPA and the other AML Supervisors, the CIMA guidance cannot be applicable to CIIPA registered firms.	This issue is outside the scope of this consultation. The Guidance Notes already apply to all FSPs, not only those regulated by the Authority. See Part 1, section 1.B.1.	None
General	The guidance notes purport to extend beyond those entities engaged in <i>relevant financial business</i> . Whilst we appreciate that CIMA has entities licensed and registered with it under the various regulatory laws and thereby can impose internal controls requirements, the statement should perhaps be qualified as it reads as though the Guidance itself issued pursuant to the AML Regulations could extend beyond the AML Regulations	In certain cases the Authority has previously extended the Guidance Notes to entities engaged in certain business that is not relevant financial business. In this particular case, the focus is on entities that are general insurers and the Guidance Notes have been clarified to that effect. See also Part V of the Guidance Notes.	The Guidance Notes have been amended to clarify that this section of the Guidance Notes extends to insurance companies that do not carry out long-term or investment linked business.
16	Add the word "or" between the words "in" and "near".	Agree.	Guidance Notes have been amended to correct error

Paragraph of proposed Measure	Industry Comment	Authority's response	Consequent amendments to the draft Requirements
Table 1	Is there any distinction between "formal financial system" and "financial system". If not, then we suggest the guidance adopts just one term	The Authority seeks to distinguish formal financial system from informal financial system	Guidance Notes have been amended to clarify
20	We propose inclusion of a link/URL to the Wassenaar list.	The Authority does not favour including links in order to prevent links from becoming obsolete. The Wassenaar list is available on the internet.	None
24 and 28	We recommend discontinuance of the term KYC in the Guidance Notes and reference to CDD only since it has a technical meaning per the AML Regulations. We noted that KYC is only referred to once in the Guidance Notes and as a defined term "Know your Customer"	Agree	Guidance Notes have been amended to correct error
28, 30 and 31	We proposed some additional guidance here to explain how noting the countries with known ties with sanctioned countries might affect the country risk, the list of equivalent countries and sources for determining how to identify those with ties since the list of countries provided are only cited as examples.	As the political landscape changes, it is the FSP's duty to keep itself informed about other countries that might develop ties with sanctioned countries. There is no list of equivalent countries for cases of proliferation financing.	None
35	We proposed deletion of the words "and proliferation financing at the end of line 1 and start of line 2 as it appears to be redundant.	There are two separate terms used: "anti-proliferation" and "proliferation financing", which are not related but not synonymous.	None