

CAYMAN ISLANDS



**Money Services Law
(2010 Revision)**

MONEY SERVICES BUSINESSES (AMENDMENT) REGULATIONS, 2019

(SL 51 of 2019)

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PUBLISHING DETAILS



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(2010 Revision)****MONEY SERVICES BUSINESSES
(AMENDMENT) REGULATIONS, 2019
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In exercise of the powers conferred by section 29 of the Money Services Law (2010 Revision) the Cabinet makes the following Regulations —

Citation

1. These Regulations may be cited as the Money Services Businesses (Amendment) Regulations, 2019.

Insertion of regulations 6, 7 and 8 in the Money Services Businesses Regulations, 2001 - report on licensee's sub-agent, etc.

2. The *Money Services Businesses Regulations, 2001* are amended by inserting after regulation 5 the following regulations —

“Report on licensee’s sub-agent

6. A licensee shall provide to the Authority a report on the licensee’s sub-agent containing the following details —
 - (a) the name and address of the sub-agent;
 - (b) the licensee’s assessment of the sub-agent’s compliance with applicable laws;
 - (c) the name of all institutions with which a transaction account is maintained by the sub-agent;



- (d) the report of a risk assessment of the sub-agent's operations and arrangements; and
- (e) information as determined by the Authority that enables the Authority to assess the sub-agent's inherent risks and control risks.

Authority may require independent assessment

- 7.** (1) Notwithstanding regulation 6, the Authority may, at the expense of a licensee, require the licensee to have an independent assessment of a sub-agent carried out.
- (2) An independent assessment under paragraph (1) is subject to the terms of reference agreed to or determined by the Authority.

Information from a sub-agent

- 8.** (1) A licensee shall provide to the Authority, where the licensee proposes to enter into a contract or other arrangement with a sub-agent, the following information regarding the sub-agent —
- (a) the name and address;
 - (b) the type of account to be used by the sub-agent for money services business transactions;
 - (c) the settlement of remittances and reporting systems;
 - (d) the record-keeping systems;
 - (e) the cash security and other internal control systems;
 - (f) the training plan;
 - (g) the procedures in place to ensure compliance with applicable laws; and
 - (h) where the proposed sub-agent is a company —
 - (i) the ownership and control of the company; and
 - (ii) the information set out in paragraph 8 of the First Schedule.
- (2) Where a person (“an applicant”) who is desirous of carrying on money services business applies to the Authority for a licence and the applicant also proposes to enter into a contract or other arrangement with another person as a sub-agent, the applicant shall, in addition to providing the information set out in the First Schedule, provide to the Authority the information under paragraph (1).”.



Amendment of First Schedule – information to be contained in, and to accompany, an application for the grant of a licence

3. The *Money Services Businesses Regulations, 2001* are amended in the First Schedule as follows —

(a) by repealing paragraph 6 and substituting the following paragraph —

“6. In respect of —

- (a) the approved transaction account, the name and address of the depository institution at which the transaction account is maintained; and
- (b) the approved arrangement for the purposes of the money services business, the following —
 - (i) the name and address of the person with whom the licensee proposes to enter into an arrangement;
 - (ii) the details of the arrangement;
 - (iii) the name and address of any other persons involved with the arrangement;
 - (iv) the jurisdiction within which a person under subparagraph (iii) operates and the jurisdiction in which the person’s operation is licensed or registered;
 - (v) a statement in writing of whether any of the persons under subparagraphs (i) or (iii) are regulated in another jurisdiction;
 - (vi) a statement in writing of whether the arrangement entered into requires approval in another jurisdiction for it to be a valid arrangement; and
 - (vii) the licensee’s risk assessment report.”; and

(b) in paragraph 8 as follows —

- (i) in subparagraph (a), by deleting the word “five” and substituting the word “ten”; and

- (ii) in subparagraph (l), by inserting after the words “its proposed activities” the words “and the name of any person that the applicant proposes to enter into a contract or other arrangement with as a sub-agent”.

Made in Cabinet the 17th day of December, 2019.

Kim Bullings
Clerk of the Cabinet

