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# **REEFS Form Completion Guide AML/CFT Risk Control - Securities (Ref: ARC-158-75)**

Document version: 2.0

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**Revision History:**

Effective Date	Version Number	Revision Description
12 Jun 2019	1.0	Initial release of documentation
22 Jan 2020	2.0	Formatting change

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## 1 INTRODUCTION

**R**egulatory **E**nhanced **E**lectronic **F**orms **S**ubmission (REEFS), is an online portal for electronic submission of required financial services information to the Cayman Islands Monetary Authority (“the Authority”) as well as providing payments information where applicable.

## 2 FORM INFORMATION

- The AML/CFT Risk Control – Securities form 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/principle office, on or before **15 August 2019**.
- For purposes of this form, "client" and "customer" are used interchangeably and relate to anyone with or for whom securities investment business is transacted.
- The dropdown '+' sign to the left hand side of the page, allow the entity to insert multiple entries when more than one is applicable for each category, throughout this form.

## 3 ACCESSING AND SUBMITTING THE FORM

### 3.1 UNDERSTANDING REEFS ROLES AND WORKFLOWS

In REEFS, roles are required to be assigned to allow users to perform certain tasks (assigned in the Workflow). These roles give the users permission to prepare, edit, approve, review and submit etc. based on Workflows.

Click [here](#) for guidance on how to create User accounts, Assign Roles and details of Workflows

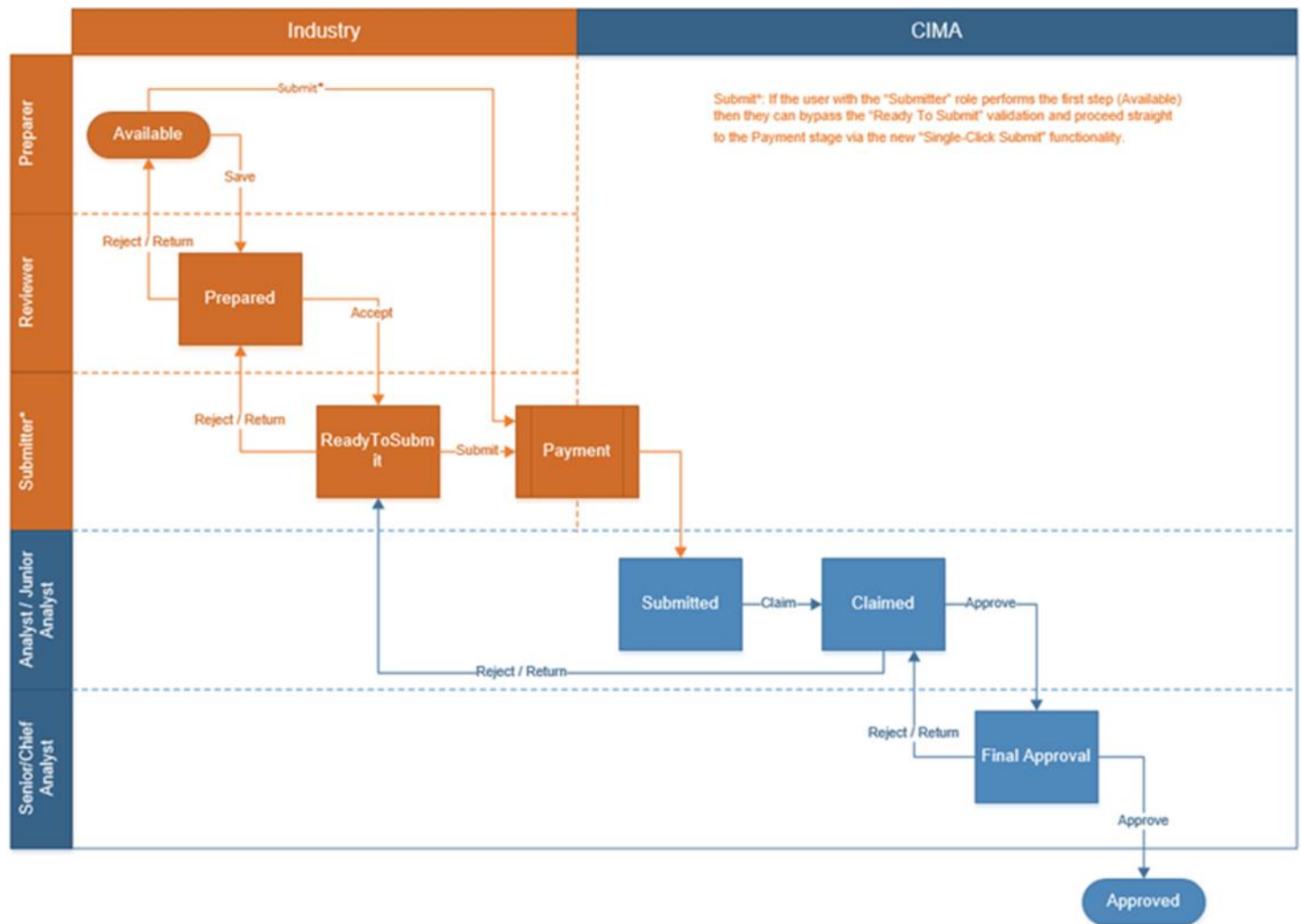
### 3.2 ROLES REQUIRED FOR ARC-158-75

The following Roles are required to have access to this form:

- Preparer role
- Reviewer role
- Submitter role

### 3.3 WORKFLOW USED FOR ARC-158-75

The following Workflow is associated with ARC-158-75. It outlines the steps that must be followed on both the Industry-side and the Authority-side for preparation, review, submission etc of the form. All steps in the workflow must be complete (validated multiple times) even if one user has inherited roles and can perform all steps in the workflow.



#### Steps taken on Industry-side:

1. Once a new form is opened the status of the form is listed as **Available**. The 'Preparer' then begins to populate the form with the required data
  - a. Once the data has been entered, the 'Preparer' validates the data, and the form can then be saved.
    - i. Once the form has been validated by the 'Preparer', the status changes to **Prepared**, and the form is sent up the chain to the 'Reviewer' accordingly.
      1. Once the 'Reviewer' has reviewed and validated the form, the 'Reviewer' either accepts or rejects the form.

- a. If the **Reject** option is selected, the form is returned to the 'Preparer' for further review
- b. If the **Accept** option is selected, the status of the form changes to '**Ready to Submit**', and the form is then elevated to the 'Submitter'.
  - i. Once the 'Submitter' has reviewed the validated the form the 'Reviewer' either submits or rejects the form.
    1. If the **Reject** option is selected, the form is returned to the 'Reviewer'.
    2. If the **Submit** option is selected, it then goes to the **Payment** processor (if it is applicable).
      - a. Once the payment (if applicable) has been processed, the status of the form then changes to **Submitted**, and should now be seen on the Authority's end under the "view filing" tab.

#### Steps taken on Authority-side:

1. Once the form has been **Submitted** to the Authority, a Junior Analyst/Analyst can then claim the form to begin the review process.
  - a. Once the form has been claimed, the status of the form changes to **Claimed**.
    - i. The form is then reviewed and validated. The form can then be either rejected or approved.
      1. If the **Reject** option is selected, the form is returned to the 'Submitter' (Industry) to be resubmitted.
      2. If the **Approve** option is selected, the form is escalated up to a Senior Analyst/Chief Analyst for final review, and the status of the form changes to **Waiting Final Approval**.
        - a. Once the form is reviewed by the Senior/Chief the form is validated and is either rejected or approved.
          - i. If the **Reject** option is selected, the form is returned to the Junior Analyst/Analyst for further review. At this time the Junior Analyst/Analyst can further "reject" it to send back to Industry accordingly.
          - ii. If the **Approve** option is selected the status of the form changes to **Approved**.

### 3.4 SUBMITTING / RESUBMITTING

*Pending*

### 3.5 APPLICABLE FEES

There are no fees associated with ARC-158-75

## 4 COMPLETION INSTRUCTIONS

ID	Label	Instructions	Validation Rule
<b>Schedule A</b>			
<b>AML Corporate Governance</b>			
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.	Mandatory field
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.	Mandatory field
A02a	Has the Board approved AML/CFT policies and procedures for the entity?	Select as appropriate. If the Board of the entity relies on the AML/CFT policies and procedures of a person who performs the compliance functions for the entity, 'yes' may be selected; however, if 'yes' is selected, then service level agreement(s) or board of director resolutions which have been executed by a director/directors of the entity which clearly reflect that the person's AML/CFT policies and procedures have been reviewed by the Board of the entity and are considered by the Board of the entity as consistent with the entity's nature of business and adequate to comply with the applicable AML/CFT regulatory requirements, is to be attached in A02aii, along with the AML/CFT policies and procedures being relied upon. See section 2.C paragraph 10 and section 2.C. paragraph 12 of the Guidance Notes (Amendments) on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, December 2018.	Mandatory field
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	Mandatory field if A02a is 'Yes'
A02aii	Attach copy of the AML/CFT policies and procedures	Upload a copy of the last Board approved AML/CFT policies and procedures; along with a copy of the service level agreement(s) or board of director resolution(s) if the AML/CFT policies and procedures of a person on whom performs the compliance function(s) is relied upon.	Mandatory field if A02a is 'Yes'
A03	Has the entity conducted an ML/TF risk assessment?	Select as appropriate.	Mandatory field
A03a	If yes, who conducted the ML/TF risk assessment?	If 'yes' is selected to A03, select the position of the applicable person or company that conducted the ML/TF risk assessment.	Mandatory field if A03 is 'Yes'
A03b	If yes, upload results of the last ML/TF risk assessment.	Upload a copy of the last ML/TF risk assessment.	Mandatory field if A03 is 'Yes'
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.	Mandatory field if A03 is 'Yes'
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.	Mandatory field if A03 is 'Yes'
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.	Mandatory field if A03 is 'Yes'
<b>If yes, did the ML/TF risk assessment cover the following:</b>			
A03f	Customer risks	Select as appropriate	Mandatory field if A03 is 'Yes'
A03g	Geographic risks	Select as appropriate	Mandatory field if A03 is 'Yes'
A03h	Products and services	Select as appropriate	Mandatory field if A03 is 'Yes'

A03i	Delivery channels	Select as appropriate	Mandatory field if A03 is 'Yes'
A03j	Other (if applicable)	Select as appropriate	Mandatory field if A03 is 'Yes'
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.	Mandatory field if A03j is 'Yes'
A04	Has the entity conducted an AML audit?	Select as appropriate	Mandatory field
A04a	If yes, who conducted the AML audit	If 'yes' is selected to A04, select the position of the applicable person or company that conducted the AML audit.	Mandatory field if A04 is 'Yes'
A04b	If yes, upload the last AML audit report	Upload a copy of the last Board approved AML/CFT audit report.	Mandatory field if A04 is 'Yes'
A04c	If yes, date of last AML audit	Insert details of the specific date (Day Month Year) for when the last AML audit was conducted.	Mandatory field if A04 is 'Yes'
A04d	If yes, was the report submitted to the Board?	Select as appropriate	Mandatory field if A04 is 'Yes'
A04e	If yes, date of next scheduled review	Insert details of the Board's next scheduled review (Month Year) of the AML audit, if applicable.	Mandatory field if A04 is 'Yes'
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.	Optional field
A05ai-ii	If so, which jurisdictions?	Select jurisdiction if 'yes' was selected for A05. Upload a formal documentation in relation to the reason(s) for the denial	Optional field
<b>Was AML/CF training received by the following:</b>			
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.	Mandatory field
A06a	Last Training	Select as appropriate	Mandatory field
A06b	Frequency	Select as appropriate	Mandatory field
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.	Mandatory field
A07a	Last Training	Select as appropriate	Mandatory field
A07b	Frequency	Select as appropriate	Mandatory field
A08	Compliance staff	This relates to all staff persons directly contracted by the entity or that have an outsourcing/service level agreement with the entity to provide compliance related services only.	Mandatory field
<b>A08a</b>	Last Training	Select as appropriate	Mandatory field
A09	Customer Facing Staff	This relates to all staff directly contracted by the entity or that have an outsourcing/service level agreement with the entity, that have any form of correspondence with the entity's clients/customers, excluding those persons referenced in A06, A07 and A08.	Mandatory field
A09a	Last Training	Select as appropriate	Mandatory field
A09b	Frequency	Select as appropriate	Mandatory field
A10	Other Staff	This relates to any other staff that is directly contracted by the entity or that have an outsourcing/service level agreement with the entity, excluding those persons referenced in A06, A07, A08 and A09 above	Mandatory field
A10a	Last Training	Select as appropriate	Mandatory field
A10b	Frequency	Select as appropriate	Mandatory field



A11	Who provided the AML/CFT training?	Select the names of all applicable persons that provide the AML/CFT training.	Optional field
A12	What is the format of AML/CGT training?	Select if it was received in person (by a presenter/facilitator), online or both in person and online.	Mandatory field
A13	Does the AML/CFT training require testing?	Select as appropriate	Mandatory field
<b>Are the following AML/CFT controls being applied?</b>			
A14	Risk-based categorisation of clients/customers	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A15	Verification of source of funds	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A16	Due diligence of beneficial owners of corporate clients/customers	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A17	Enhanced due diligence for high risk clients/customers	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A18	Senior management approval required to onboard high risk clients/customers	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A19	Risk-based categorisation of transactions	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
A20	Risk-based ongoing monitoring	Select the most appropriate answer - always, never, rarely or usually.	Mandatory field
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.	Mandatory field
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.	Optional field
<b>Ongoing monitoring for High Risk clients/customers</b>			
<b>How frequently does the entity conduct ongoing monitoring for High-Risk clients/customers?</b>			
A23	Daily	Select all that are applicable within A23-A26.	Mandatory field
A24	Annually or more frequently	Select all that are applicable within A23-A26.	Mandatory field
A25	Less frequent than annually	Select all that are applicable within A23-A26.	Mandatory field
A26	At a trigger event	Select all that are applicable within A23-A26.	Mandatory field
A27	Never	If this option is selected, then A23-A26 should not be applicable	Mandatory field
<b>Transaction Monitoring</b>			
A28	Is the entity's transaction monitoring done electronically or manually?	Select as appropriate	Mandatory field
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.	Mandatory field
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.	Mandatory field
A31	Does the entity have internal procedures for reporting SARS/STRS?	Select as appropriate	Mandatory field
<b>Indicate the number of staff you have inside and outside of the Cayman Islands</b>			
A32	Compliance Staff	Compliance staff includes all staff that are directly contracted by the entity or that have an outsourcing/service level agreement with the entity to provide compliance related services only.	Mandatory field

A32a	How many compliance staff are located in Cayman?	Select as appropriate	Mandatory field
A32b	How many compliance staff are located outside of Cayman?	Select as appropriate	Mandatory field
A33	Other Staff	Other staff includes all staff that are directly contracted by the entity or that have an outsourcing/service level agreement with the entity to provide any securities investment business related services, excluding compliance staff captured in A32 above.	Mandatory field
A33a	How many other staff are located in Cayman?	Select as appropriate	Mandatory field
A33b	How many other staff are located outside of Cayman?	Select as appropriate	Mandatory field
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.	Optional field
A35	Does the entity conduct verification or background checks when onboarding staff?	Select as appropriate. This section is to consider all directly contracted staff of the entity, along with all staff of any company that the entity outsources its services investment business to. If the entity outsources such services, and it has confirmed that the outsourced entity has conducted verification or background checks of all of its staff that conducts any securities investment business related work for the entity, this constitutes as a 'yes'.	Mandatory field
<b>Indicate how introducers participate in the client/customer identification and verification process</b>			
A36	Does the entity accept clients/customers through eligible introducers?	Select as appropriate	Mandatory field
A36a	Does the entity conduct testing of eligible introducers?	Select as appropriate	Mandatory field if A36 is 'Yes'
A36ai	For identification and verification of clients/customers introduced?	Select as appropriate	Mandatory field if A36a is 'Yes'
A36aai	For the provision of CDD information to the entity on request immediately?	Select as appropriate	Mandatory field if A36a is 'Yes'
<b>AML Officers</b>			
A37	Has the entity appointed an Anti-Money Laundering Compliance Officer?	Select as appropriate	Mandatory field
A37a	Who does the Anti-Money Laundering Compliance Officer report to?	Select as appropriate	Mandatory field if A37 is 'Yes'
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.	Mandatory field if A37a is 'Other'
A38	Has the entity appointed a Money Laundering Reporting Officer?	Select as appropriate	Mandatory field
A38a	Who does the Money Laundering Reporting Officer report to?	Select as appropriate	Mandatory field if A38 is 'Yes'
A38ao	Other (if applicable)	Insert specific details if the person that the Money Laundering Reporting Officer reports to is not an option in A38a.	Mandatory field if A38a is 'Other'
A39	Has the entity appointed a Deputy Anti-Money Laundering Compliance Officer?	Select as appropriate	Mandatory field
A40	Has the entity appointed a Deputy Money Laundering Reporting Officer?	Select as appropriate	Mandatory field
<b>Directors</b>			
A41	How many directors does the entity have?	Insert specific number of directors or the equivalent/someone who has a similar control function of the entity (i.e. partners or managers), depending on the structure of the entity. See 11 of the Securities Investment Business (Amendment) Law, 2019.	Mandatory field
<b>Politically Exposed Person ("PEPs")</b>			
A42	Are any of the entity's AML Officers, Shareholders, Beneficial Owners, Directors, Senior Management PEPs?	Select as appropriate. See part II - section 7 of the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist	Mandatory field

		Financing in the Cayman Islands, December 2017 ("AML Guidance Notes") to see who constitutes as a Politically Exposed Person.	
<b>Sanctions screening and monitoring for all clients/customers</b>			
A43	Does the entity conduct Sanctions screening at the time of client/customer onboarding?	Select as appropriate	Mandatory field
<b>How often does the entity conduct Sanctions screening?</b>			
A44	When sanctions lists are update	Select as appropriate	Mandatory field
A45	Daily	Select as appropriate	Mandatory field
A46	Annually or more frequently	Select as appropriate	Mandatory field
A47	Less frequent than annually	Select as appropriate	Mandatory field
A48	At a trigger event	Select as appropriate	Mandatory field
A49	Never	If never is applicable, then the responses to A44-A48 should be 'No'	Mandatory field
<b>Which of the following sanctions lists/requirements does the entity adhere to?</b>			
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.	Mandatory field
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.	Mandatory field
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.	Mandatory field
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.	Mandatory field
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.	Mandatory field
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.	Mandatory field
A56	Others	Select as appropriate	Mandatory field
A56o	Others details (if applicable)	Examples of other agencies and organizations are Transparency International - <a href="http://www.transparency.org">www.transparency.org</a> ; FATF - <a href="http://www.fatf-gafi.org">www.fatf-gafi.org</a> ; FinCen - <a href="http://www.ustreas.gov/fincen/">www.ustreas.gov/fincen/</a> . This list is not exhaustive as all relevant sanctions used by the entity are to be listed here.	Mandatory field if A56 is 'Yes'

## 5 REUSING PREVIOUS SUBMISSIONS

### What is "XBRL"?

XBRL (eXtensible Business Reporting Language), is a standards-based way to communicate and exchange business information between business systems.

Data can be used from a previous reporting period or submission instead of starting from fresh. You must have entered data into at least one form using the online portal and have gone through a successfully validated submission.

- Example: Rapidly re-using the Anti-Money Laundering officers application for (MLO-154-99)
- Process:
  1. Select "**Submitted Requests**" to view previously submitted forms and select the one that contains the data.
  2. Click on "**Download: XBRL Instance**" in the top right corner and save the file to your PC or network drive.
  3. Close the form.
  4. Select "**New Request**" and select the required new/empty form (e.g. MLO-154-99).
  5. Click on "**Upload: XBRL Instance**" in the top right corner.
  6. Click on "**Browse...**" and navigate to the file that was saved in step 2 above (usually in the "Downloads" folder).
  7. Click "**Upload**".
  8. The system will then copy each data point from the XBRL file into the fields of the current form.
  9. The system displays the message "**Import Successful**" to indicate that the data was all copied OK.
  10. The user can then review and make changes to the data.
  11. Proceed as usual through the rest of the validation process.

These instructions can be used for **New Application forms**, **Change Request forms** and **Financial Returns**.

## 6 TROUBLESHOOTING

### 6.1 COMMON VALIDATION RULES

*Pending*

### 6.2 UNDERSTANDING OTHER ERRORS

*Pending*