

**CAYMAN ISLANDS**



**Money Services Law**

**(2010 Revision)**

# **MONEY SERVICES BUSINESSES REGULATIONS**

**(2020 Revision)**

Supplement No. 8 published with Legislation Gazette No. 5 dated 14th January, 2020.

## PUBLISHING DETAILS

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Revised under the authority of the *Law Revision Law (1999 Revision)*.

The Money Services Business Regulations, 2001 made 23rd January, 2001.

Consolidated with —

Money Services Business (Amendment) Regulations, 2009 made 1st December, 2009

Money Services Business (Amendment) Regulations, 2019 made 17th December, 2019.

Consolidated and revised this 31st day of December, 2019.







**CAYMAN ISLANDS**

**Money Services Law  
(2010 Revision)**

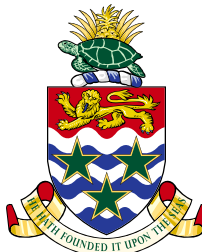
**MONEY SERVICES BUSINESSES  
REGULATIONS  
(2020 Revision)**

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**CAYMAN ISLANDS****Money Services Law  
(2010 Revision)****MONEY SERVICES BUSINESSES  
REGULATIONS  
(2020 Revision)****Citation**

1. These regulations may be cited as the *Money Services Businesses Regulations (2020 Revision)*.

**Definitions**

2. In these regulations —  
“**bank**” has the meaning assigned to it in the *Banks and Trust Companies Law (2020 Revision)*; and  
“**section**” means a section of the *Money Services Law (2020 Revision)*.

**Particulars to be contained in application**

3. The information and particulars to be contained in an application for a licence under section 5, and the details and things to accompany the application, are set out in the First Schedule.

**Form of licence**

4. A licence granted under section 5, shall be in the form set out in the Second Schedule.



**Fees**

5. The fees payable under the *Money Services Law (2020 Revision)* are prescribed in the Third Schedule.

**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).



## FIRST SCHEDULE

(regulation 3)

### INFORMATION TO BE CONTAINED IN, AND TO ACCOMPANY, AN APPLICATION FOR THE GRANT OF A LICENCE

1. The name and address of the money services business in respect of which the licence is sought (hereinafter referred to as “the money services business”).
2. The name and address of the person (hereinafter referred to as "the applicant") applying to carry on the money services business.
3. The address of the principal office of the applicant and of its registered office if different.
4. If the applicant is a company, evidence of its incorporation in the Islands, or outside them, as the case may be, and a copy of the memorandum and articles of association, Act, statute, charter, partnership agreement or other instrument constituting and defining the constitution of the applicant verified by a declaration made by one of its directors or partners or its secretary.
5. The name and address of each person who —
  - (a) owns or controls the money services business;
  - (b) is a director or officer of the money services business;
  - (c) is an agent of the applicant; or
  - (d) otherwise participates in the conduct of the affairs of the money services business.
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.
7. Where appropriate, a statement in writing in a form acceptable to the Authority from the body responsible for the administration of the laws relating to money services businesses and the supervision of such businesses, in the country in which the applicant or its parent company is incorporated that such body is aware of the application.
8. If the applicant is a company —
- (a) the full names, addresses and nationalities of each shareholder who holds more than ten per cent of its share capital;
  - (b) the annual accounts for the two years immediately preceding the year of application of each shareholder which is a body corporate to which paragraph (a) applies, together with similar accounts for the parent body, if any, of each such body corporate;
  - (c) two or more references verifying the good financial standing of each shareholder who is a natural person to whom paragraph (a) applies;
  - (d) a list certified by its secretary containing the full names, addresses and nationalities of its directors, managers and officers;
  - (e) two character references for each of the persons referred to in paragraph (d) and, for each such person, a police or other certificate satisfactory to the Authority that the person has not been convicted of a serious crime or any offence involving dishonesty;
  - (f) evidence acceptable to the Authority of the availability to the applicant at all times of adequate professional knowledge of, and experience in, the money services business and the names of at least two of its directors actively engaged in the money services business of the applicant, one of whom shall possess sound professional knowledge of, and experience in, money services business;
  - (g) the name and address of its proposed auditor;
  - (h) a statement giving the date for the drawing up of the annual accounts of the applicant;
  - (i) confirmation in writing under the hand of the presiding officer of the applicant and the presiding officer of its parent body, if any, that they concur in the making of the application;



- (j) a statement in writing in a form acceptable to the Authority accepting legal responsibility for the obligations and liabilities of the applicant executed by and binding on the parent company, if any, of the applicant;
- (k) three business references of which at least one shall be from a bank;
- (l) a detailed business plan, containing details of the current money services business activities, if any, of the applicant and its proposed activities and the name of any person that the applicant proposes to enter into a contract or other arrangement with as a sub-agent if the licence applied for is granted, including —
  - (i) the reasons for wishing to obtain the licence sought;
  - (ii) the business aims of the applicant in respect of the money services business and its potential client base;
  - (iii) a detailed statement setting out its proposed initial assets and its proposed assets and expected liabilities at the end of each of the two years next succeeding the date of such grant together with an estimate of expected income;
  - (iv) particulars of its management structure and personnel;
  - (v) the names and addresses of the registered offices of all subsidiary companies of the applicant together with a statement as to how much of the capital of each such company constitutes an asset of the applicant;
  - (vi) a chart showing the relationship to its subsidiaries and affiliates and any holding company; and
  - (vii) a brief description of each of its subsidiaries and affiliates; and
- (m) details of the applicant's proposals for establishing and maintaining, in respect of the money services business, systems of control and systems of inspection and report, if the licence applied for is granted; and
- (n) in the case of a company incorporated outside the Islands, the name and address of the supervisory authority or regulatory authority responsible for the supervision of each of the applicant's agents operating outside the Islands.

**SECOND SCHEDULE**

**FORM OF LICENCE**

*(regulation 4)*

**CAYMAN ISLANDS  
MONEY SERVICES LAW (2020 Revision)  
MONEY SERVICES BUSINESSES REGULATIONS (2020 Revision)**



**LICENCE**

No.

.....is hereby licensed under the *Money Services Law (2020 Revision)*, to carry on money services business within the Islands under the said Law, subject to the following conditions —

The Licensee shall forthwith notify the Cayman Islands Monetary Authority of any change in the information supplied in the application for this Licence.

.....

Granted this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at George Town on the Island of Grand Cayman.

**Cayman Islands Monetary Authority**



**THIRD SCHEDULE***(regulation 5)***FEES**

Application fee under section 5(4)	\$1,000.00
Annual fee under section 5(9)	\$10,000.00
Annual fee for a subsidiary, branch, agency or representative office under section 5(9)	\$1,000.00

**Publication in consolidated and revised form authorised by the Cabinet this 7th day of January, 2020.**

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







## ENDNOTES

### Table of Legislation History:

SL #	Law #	Legislation	Commencement	Gazette
51/2019		Money Services Businesses (Amendment) Regulations, 2019	18-Dec-2019	LG46/2019/s4
51/2009		Money Services Businesses (Amendment) Regulations, 2009	30-Dec-2009	GE92/2009/s1
6/2001		Money Services Businesses Regulations, 2001	12-Feb-2001	G4/2001/s7





(Price: \$4.00)

