

CAYMAN ISLANDS



**Monetary Authority Law
(2020 Revision)**

**MONETARY AUTHORITY
(ADMINISTRATIVE FINES) (AMENDMENT)
(NO. 2) REGULATIONS, 2020**

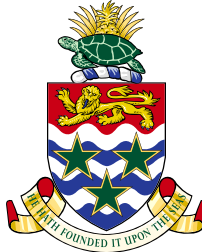
(SL 133 of 2020)

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**MONETARY AUTHORITY (ADMINISTRATIVE
FINES) (AMENDMENT) (NO. 2) REGULATIONS,
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(SL 133 of 2020)

In exercise of the powers conferred by sections 42A, 42H and 46 of the Monetary Authority Law (2020 Revision), the Cabinet makes the following Regulations —

Citation

1. These Regulations may be cited as the Monetary Authority (Administrative Fines) (Amendment) (No. 2) Regulations, 2020.

Amendment of Schedule 1 of the Monetary Authority (Administrative Fines) Regulations (2019 Revision) - prescribed provisions and breach categories

2. The *Monetary Authority (Administrative Fines) Regulations (2019 Revision)* are amended in Schedule 1 as follows —
 - (a) in the item numbered 5 as “COMPANIES MANAGEMENT LAW (2018 REVISION)”, by inserting after the reference to section 17(1) in Column 2, the following references and their corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Companies Management Law (2018 Revision)	18(1)(a)	Where a licensee is or appears likely to become unable to meet its obligations as they fall due.	Serious
Companies Management Law (2018 Revision)	18(1)(b)	A licensee carrying on business in a manner detrimental to the public interest or to the interest of the licensee’s clients or creditors.	Very serious
Companies Management Law (2018 Revision)	18(1)(c)	A licensee contravening the Law, Part XVIIIA of the <i>Companies Law (2020 Revision)</i> or Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> .	Very serious
Companies Management Law (2018 Revision)	18(1)(d)	Failure of a licensee to comply with a condition of its licence.	Serious
Companies Management Law (2018 Revision)	18(1)(e)	Failure of a licensee to ensure that the direction and management of the licensee’s business is being conducted in a fit and proper manner.	Very serious
Companies Management Law (2018 Revision)	18(1)(f)	A person who is not a fit and proper person holding a position as a director, manager or officer of a licensee’s business.	Very serious
Companies Management Law (2018 Revision)	18(1)(g)	A person who is not a fit and proper person holding or acquiring control or ownership of a licensee.	Very serious”;

- (b) in the item numbered 6 as “COOPERATIVE SOCIETIES LAW (2020 REVISION)” as follows —
- (i) by inserting after the reference to section 29(4) in Column 2, the following reference and its corresponding particulars —



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Cooperative Societies Law (2020 Revision)	29(6)	Failure of a credit union, for the purposes of section 29(4), to provide such information to the Authority, and within such time as the Authority may specify, for the purpose of assessing whether persons acquiring control or ownership of such shares representing ten per cent or more of the total voting rights of the credit union are fit and proper persons to have such control or ownership.	Serious”;

- (ii) by inserting after the reference to section 31 in Column 2, the following reference and its corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Cooperative Societies Law (2020 Revision)	32	Failure of a registered society to receive deposits and loans from persons who are not members, in accordance with the prescribed conditions.	Serious”;

- (iii) by inserting after the reference to section 34(1) in Column 2, the following reference and its corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Cooperative Societies Law (2020 Revision)	34(2)	A registered society declaring any dividend exceeding six per cent per annum.	Very serious”;

- (iv) by inserting after the reference to section 42(5) in Column 2, the following reference and its corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Cooperative Societies Law (2020 Revision)	61(2)	Failure of a registered society to send to the Registrar, a copy of every special resolution, signed by the chairperson of the meeting at which the resolution was confirmed and countersigned by the secretary of the society.	Serious”;

(c) in the item numbered 7 as “DEVELOPMENT BANK LAW (2018 REVISION)” as follows —

(i) by inserting after the reference to section 20 in Column 2, the following reference and its corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Development Bank Law (2018 Revision)	21(1)	1. Failure of the Bank to keep proper accounting records in accordance with generally accepted accounting principles. 2. Failure of the Bank to prepare a statement of accounts in respect of each financial year.	Serious”;

(ii) by inserting after the reference to section 21(3) in Column 2, the following reference and its corresponding particulars —

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
“Development Bank Law (2018 Revision)	21(4)	Failure of the Bank to give to the auditor on request — (a) access to all books, documents, and records (including any held by means of	Serious”;



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		computer), and copies of any such items; (b) all such information as the auditor may request and which is within the Bank's knowledge and capabilities; and (c) copies of the statement of accounts for any previous financial year.	

- (d) in the item numbered 9 as “INSURANCE LAW, 2010” in the reference to section 9(4) in Column 2, by inserting in Column 4, the word “Serious”;
- (e) in the item numbered 10 as “INSURANCE (CAPITAL AND SOLVENCY) (CLASS A INSURERS) REGULATIONS, 2012” in the reference to regulation 12 in Column 2 as follows —
 - (i) in Column 2, by deleting the word “12” and substituting the words “12(1)”; and
 - (ii) by inserting in Column 4 the words “Very serious”;
- (f) in the item numbered 24 as “RULE ON MARKET CONDUCT – INSURERS, AGENTS AND BROKERS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)” in the references to rule 5.2.3 and rule 5.8.3 in Column 2, by inserting in Column 4, the word “Serious” in each instance; and
- (g) in the item numbered 34 as “SECURITIES INVESTMENT BUSINESS (CONDUCT OF BUSINESS) REGULATIONS, 2003” in the reference to regulation 11(2) in Column 2, by inserting in Column 4, the words “Very serious”.

Made in Cabinet the 27th day of October, 2020.

Kim Bullings
Clerk of the Cabinet