



NOTICE

16 December 2019

Obligations of the Money-Laundering Reporting Officer ("MLRO")

The Cayman Islands Monetary Authority (the "Authority") is reminding all licensees and registrants that are licensed or registered pursuant to the Securities Investment Business Law (2019 Revision) ("SIBL") that they are required to ensure that the MLRO appointed to their businesses are aware of obligations that have been conferred on them pursuant to the Proceeds of Crime Law (2019 Revision) ("POCL") and the Anti-Money Laundering Regulations (2018 Revision) ("AMLRs") issued under the POCL. These obligations apply to all relevant financial business (including transactions), that the licensees or registrants conduct under their licence and/or registration.

The Authority is the designated supervisory authority for the licensees and registrants for the purposes of monitoring compliance with the AMLRs. By way of this notice, the Authority wishes to remind the MLROs of licensees and registrants of the following obligations they are charged with under the AMLRs. All MLROs are required to:

- (1) maintain internal reporting procedures relating to the AMLRs and POCL for the licensee or registrant;
- (2) have access to information at the licensee or registrant which may be of assistance to them to maintain internal reporting procedures;
- (3) receive any reports of any information or matter which comes to the licensee's or registrant's attention where the licensee or registrant (or a person) knows or suspects or has reasonable grounds for knowing or suspecting that another person has engaged in criminal conduct (also known as an internal suspicious activity report or "internal SAR");
- (4) determine whether the information in any internal SAR gives rise to such knowledge or suspicion; and
- (5) if they determine that the internal SAR gives rise to such knowledge or suspicion, that they file a SAR to the Financial Reporting Authority ("FRA") in the Cayman Islands without delay.

All suspicious activities and transactions should be reported to the FRA. A suspicious Activity Reporting Form ("SAR Form") could be found at the FRA's website. On completion, the SAR Form can be sent to the FRA at the address below or faxed to 345 945-6268. Further information on SAR filings or sanctions filings can be found on the website of the FRA at www.fra.gov.ky/.

Address of the FRA:

133 Elgin Avenue
4th Floor, New Government Administration Building
Grand Cayman
CAYMAN ISLANDS

The licensees and registrants also have separate obligations for compliance with Targeted financial sanctions and under the Terrorism Law (2018 Revision) and Proliferation Financing

(Prohibition) Law (2017 Revision) to make a separate filing with the FRA should they discover assets relating to persons or entities subject to sanction under those laws.

Failing to comply with any of the above provisions, or any other provisions set out in the POCL or AMLRs, may constitute a criminal offence. In addition to any consequences for the licensee or registrant, the MLRO may be found personally liable for failing to comply and may also be liable to a fine or a prison term.

Securities Supervision Division

THE END