



# CIMA FACTS

OVERVIEW OF THE CAYMAN ISLANDS MONETARY AUTHORITY

## HISTORY

Under the Monetary Authority Law, the Cayman Islands Monetary Authority began operations on 1 January 1997.

The Authority was created from the merger of the Financial Services Supervision Department of the Cayman Islands Government and the Cayman Islands Currency Board. The former responsibilities, duties and activities of these two bodies now fall to CIMA.

The Authority became operationally independent in March 2003.

## PRINCIPAL FUNCTIONS

**Monetary** - The issue and redemption of Cayman Islands currency and the management of currency reserves.

**Regulatory** - The regulation and supervision of financial services, the monitoring of compliance with money laundering regulations, the issuance of a regulatory handbook on policies and procedures and the issuance of rules and statements of principle and guidance.

**Cooperative** - The provision of assistance to overseas regulatory authorities, including the execution of memoranda of understanding to assist with consolidated supervision.

**Advisory** - The provision of advice to the Government on monetary, regulatory and cooperative matters.



## MISSION

To protect and enhance the reputation of the Cayman Islands as an International Financial Centre by fully utilising a team of highly skilled professionals and current technology, to carry out appropriate, effective and efficient supervision and regulation in accordance with relevant international standards and by maintaining a stable currency, including the prudent management of the currency reserve.

## VISION

Committed to continually enhancing the Cayman Islands Monetary Authority's position as a financial services regulator of EXCELLENCE, consistent with the jurisdiction's standing as a leading International Financial Centre.

# BOARD OF DIRECTORS

Cabinet-appointed, non-executive members serve fixed, but renewable, three-year terms.



**Managing Director**  
Mrs. Cindy Scotland



**Chairman**  
Mr. Grant Stein



**Director**  
Mrs. Patricia Estwick



**Director**  
Mr. Adrian (Gus) Pope



**Director**  
Ms. Judith Watler



**Director**  
Mr. Garth MacDonald



**Overseas Director**  
Professor William  
Gilmore

## OPERATIONAL STRUCTURE - MANAGEMENT



**Managing Director**  
Mrs. Cindy Scotland



**Deputy Managing Director/  
General Counsel**  
Mr. Langston Sibbles, QC



**Deputy Managing  
Director - Operations  
- Supervision**  
Mr. Patrick Bodden



**Deputy Managing -  
Supervision**  
Mrs. Anna McLean



## REGULATORY DIVISIONS



**Head, Banking**  
Mrs. Gloria Glidden



**Head, Fiduciary Services**  
Mr. Rohan Bromfield



**Head, Insurance**  
Mr. Ruwan Jayasekera



**Head, Investments and Securities**  
Ms. Heather Smith

## NON-REGULATORY DIVISIONS



**Head, Currency**  
Ms. Deborah Ebanks



**Deputy Managing Director /General Counsel**  
Mr. Langston Sibbles, QC



**Head, Compliance**  
Mrs. Audrey Roe



**Head, Policy and Development**  
Ms. Justine Pleniewicz

## OPERATIONAL SUPPORT DIVISIONS



**Head, Human Resources**  
Mrs. Deborah Musson



**Head, Information Systems**  
Mr. Charles Thompson



**Chief Financial Officer, Finance**  
Ms. Gilda Moxam-Murray

## MANAGING DIRECTOR'S OFFICE



**Special Assistant to the Managing Director**  
Mr. Mitchell Scott



**Public Relations Executive**  
Ms. Yvette Cacho

# FUNDAMENTALS OF CIMA REGULATION & SUPERVISION

## Framework:

The Monetary Authority Law, the regulatory laws and the rules and guidance notes issued by CIMA, provide the framework for CIMA's regulatory and supervisory activities. CIMA takes a combined rules-based and risk-based approach to regulation and supervision of financial services.

## Licensing:

CIMA processes licence/registration applications, does due diligence on all persons applying to act as directors, shareholders, managers, officers and controllers of licensed entities, and makes decisions on the issue or non-issue of licences and approvals.

## Supervision:

Is comprised of off and on-site monitoring of entities.

**Off-site:** includes analysis of documentation required to be submitted (e.g. audited financial statements), supplemented by prudential meetings with licensees/registrants.

**On-site:** involves local and overseas general and limited-scope inspection visits.

## Enforcement:

CIMA investigates breaches of the regulations and takes enforcement action where necessary. Enforcement actions available to CIMA:

- suspension or revocation of a licence/ cancellation of fund registration;
- requiring the substitution of an officer, shareholder or controller; appointment of a controller or an advisor;
- applying to the Grand Court for the winding up or dissolution of an entity; and
- recommending prosecution of the entity by the Attorney General of the Cayman Islands.

## Prudential Standards:

CIMA develops and issues rules, statements of guidance, and statements of principle to provide directives and guidance to regulated entities regarding their conduct of business. Various prudential measures are in effect for each of the CIMA-regulated sectors and a number of others apply across all sectors. These are in line with relevant international standards. (See pg. 4: "International Standards Observed")

## Monitoring AML/CFT compliance:

This is carried out in accordance with the Money Laundering Regulations issued under the Proceeds of Crime Law, and the Terrorism Law.

CIMA, jointly with members of government and the private sector, drafted the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (the GN). This gives general and sector-specific guidance to financial services providers and aims to provide transparency and consistency in the interpretation and application of the Money Laundering Regulations. CIMA chairs the GN Committee.

## Formal Enforcement Actions (by financial year)

July 08 - June 09:	9
July 09 - June 10:	11
July 10 - June 11:	5
July 11 - June 12:	16
July 12 - June 13:	44
July 13 - June 14:	12
July 14 - June 15:	18
July 15 - June 16:	11
July 16 - Dec 17:	15

## Relationship with Private Sector

The Monetary Authority Law requires CIMA to undertake formal consultation with the private sector before issuing or amending rules or guidance on the conduct of licensees and on money laundering regulation.

In addition, the Authority often consults with industry on recommendations it forwards to the Cabinet, or is developing, pursuant to its function of advising the Government on monetary, regulatory and cooperative matters.

Channels for consultation include joint CIMA-industry-government working groups formed periodically to review and make recommendations on the laws governing financial services, by sector. Changes to the mutual funds, insurance and banking and trust legislation, rules and guidance in recent years have come about through these working groups.

# INTERNATIONAL COOPERATION

## Agreements:

CIMA negotiates memoranda of understanding, and undertakings, which provide the framework for exchange of information and cooperation between CIMA and overseas regulatory authorities (ORAs).

- 54 bilateral agreements are in effect with authorities in the Caribbean, Asia, Europe, Middle East, the UK, USA and Canada
- 6 multilateral agreements exist with the following:
  - Group of International Financial Centre Supervisors (GIFCS)
  - International Association of Insurance Supervisors (IAIS)
  - US Banking regulators (Federal Reserve System Board of Governors, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and Office of Thrift Supervision)
  - International Organization of Securities Commissions (IOSCO)
  - Caribbean regulators (Central Bank of Barbados, Central Bank of Bahamas, Central Bank of Belize, Central Bank of Trinidad and Tobago, BVI FSC)
  - European Securities and Markets Authority (ESMA)

## Provision of Assistance:

- CIMA receives and processes routine and non-routine requests for assistance from ORAs.
- Requests processed from January 2000 through December 2015 = 2,146

## Membership of/Representation on Regulatory & Standard-Setting Bodies:

- Group of International Financial Centre Supervisors (GIFCS)(formerly the Offshore Group of Banking Supervisors (OGBS)) – Deputy Chairman
- Caribbean Group of Banking Supervisors (CGBS)
- Association of Supervisors of Banks of the Americas (ASBA) – completed 2-year board appointment in November 2011
- International Association of Insurance Supervisors (IAIS) – Executive Committee Member
- Group of International Insurance Centre Supervisors (GIICS) – Represents GIICS on IAIS
- International Organization of Securities Commissions (IOSCO)
- CIMA officials also represent the Cayman Islands as part of the Global Forum on Tax Transparency and Exchange of Information's (Global Forum) Steering Committee and Peer Review Committee
- CIMA officials are members of the CI Government's Tax Information Exchange Agreement (TIEA) Negotiating Team
- CIMA's Managing Director represents the Cayman Islands on the Financial Stability Board's Regional Consultative Group for the Americas

## International Standards Observed:

- Financial Action Task Force (FATF) 40 Recommendations on Money Laundering, Terrorist Financing & Proliferation
- Basel Core Principles for Effective Banking Supervision
- Trust and Company Service Providers Working Group Statement of Best Practice (GIFCS)
- Core Principles of Insurance Regulation (IAIS)
- Objectives and Principles of Securities Regulation (IOSCO)

# NUMBER OF ENTITIES LICENSED/REGISTERED BY CIMA & CURRENCY IN CIRCULATION

BANKING & TRUST	31 DECEMBER 2017
Banks	150
Category A	11
Category B	139
Nominee Trust	23
Controlled Subsidiaries	6
Money Service Providers	5
Building Societies, Cooperative Societies, Development Banks	4

INVESTMENTS & SECURITIES	31 DECEMBER 2017
Mutual Funds	10,559
Registered	7,331
Administered	331
Licensed	81
Master Funds	2,816
Mutual Fund Administrators	97
Full	78
Restricted	18
Exempted	1
Securities Investment Business Law (SIBL) Licensees	34
Excluded Persons Under SIBL	2,760

FIDUCIARY SERVICES	31 DECEMBER 2017
Trust Companies	147
Unrestricted Trusts	57
Restricted Trusts	61
Nominee Trusts	29
Registered Private Trust Companies	129
Registered Controlled Subsidiaries of Trust Companies	39
Companies Management	115
Corporate Services Providers	25

INSURANCE	31 DECEMBER 2017
Insurance Companies	724
Class A	28
Class B	669
Class C	24
Class D	3
Insurance Managers	26
Insurance Brokers	29
Insurance Agents	47

CURRENCY IN CIRCULATION	31 DECEMBER 2017
Total Currency	CI\$119.5m
Notes	CI\$107.8m
Coins	CI\$11.7m
CI\$1.00 = US\$1.20; m = million	

## KEY FACTS

### FSB RATING

Cayman earned a “sufficiently strong adherence” rating by the FSB.

### GLOBAL FORUM RATING

Compliant ratings for tax transparency and cooperation by Global Forum.

### IMF REPORT

IMF Notes Substantial Progress in supervision and regulation.

### AML/CFT RATING

High External Rating of AML/CFT Regime.

The Cayman Islands’ adherence to global regulatory and supervisory standards on international cooperation and information exchange has been evaluated and found “sufficiently strong” – the highest assessment possible – by the Financial Stability Board, in 2011.

In 2011, the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) rated Cayman as compliant with all nine essential elements of international tax transparency and exchange of information standards set by the Global Forum for its Phase 1 assessments. The essential elements deal with: availability of, access to and exchange of information.

The International Monetary Fund (IMF), in its report of its 2009 update assessment of supervision and regulation of the Cayman Islands’ financial industry, noted the jurisdiction’s “substantial progress” in implementing the recommendations of the 2003 assessment. Enhancements noted included:

- changes to legislation, rules and guidance to meet international standards;
- increases in CIMA’s independence, resources and efficiency, and
- increased transparency of the funds sector arising from the implementation of CIMA’s electronic reporting system.

See: **External Assessments**

According to an assessment report issued in November 2007 regarding compliance with the Financial Action Task Force’s 40+9 AML/CFT Recommendations, the Caribbean Financial Action Task Force (CFATF) rated the Cayman Islands’ as ‘compliant’ with 14 of the recommendations, ‘largely compliant’ with 24, and ‘partially compliant’ with 10.

The report followed the third CFATF assessment of Cayman’s regulatory and legal regimes for combating money laundering and the financing of terrorism, carried out in June 2007. The CFATF reported this jurisdiction as having a “strong compliance culture”. This result compares favourably with the assessments of the 16 third-round evaluations conducted of FATF member countries, where there was an average of 26 compliant and largely compliant ratings.

See: **External Assessments**

The Cayman Islands was the chairman of the Caribbean Financial Action Task Force during the period November 2010 to November 2011.

## KEY FACTS

The Cayman Islands remains the second largest offshore captive domicile in the world, (based on licence numbers) and the largest for number of health care captives.

A new Insurance Law was passed in September 2010, creating, for the first time, a category of licence for reinsurers, setting the stage for the Cayman Islands to advance as a reinsurance domicile.

The majority of all funds worldwide having the characteristics of a hedge fund are CIMA-authorized.

Cayman Islands-regulated funds reported total net assets at US\$3.6 trillion for the financial year 2016. CIMA's Investments Statistical Digest 2016 provides additional data.

On 22 December 2011, the Government passed the Mutual Funds (Amendment) Law, 2011 for the registration of master funds that are incorporated or established in the Cayman Islands and have feeder funds regulated by CIMA. The legislation extends CIMA's regulatory oversight of the funds industry.

Further details are available on CIMA's website: [www.cima.ky](http://www.cima.ky)

### INSURANCE INDUSTRY STATUS

Second largest captive domicile; largest domicile for health care captives

### INVESTMENTS AND SECURITIES

Domicile for majority of hedge funds.

Total net assets US\$3.6 trillion as at the 2016 financial year.

Master Funds now subject to regulation.