



CIMA FACTS



OVERVIEW OF THE CAYMAN ISLANDS MONETARY AUTHORITY

**Monetary
Regulatory
Cooperative
Advisory**

Vision Statement

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.

DATE OF FORMATION

1 January 1997, by amalgamation of the Cayman Islands Currency Board and the Financial Services Supervision Department.

LEGAL STRUCTURE

Wholly-government-owned body corporate (Statutory Authority); operationally independent since 10 March 2003.

LEGAL BASIS

Monetary Authority Law (2013 Revision)

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.

PRINCIPAL FUNCTIONS

MONETARY - the issue and redemption of the Cayman currency and the management of currency reserves.

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

REGULATORY - the regulation (including licensing) and supervision of financial services, the monitoring of compliance with money laundering regulations.

ADVISORY - the provision of advice to the Government on monetary, regulatory and cooperative matters

PRINCIPAL OBLIGATIONS

- To act in the best economic interest of the Cayman Islands;
- To promote and maintain a sound financial system in the Cayman Islands;
- To use its resources in the most efficient and economic way;
- To have regard to generally accepted principles of good corporate governance;
- To endeavour to promote and enhance market confidence, consumer protection and the reputation of the Cayman Islands as a financial centre;
- To reduce the possibility for the use of financial services business for money laundering or other crime;
- To recognise the international character of financial services/markets and the need to be competitive for consumers and suppliers while complying with appropriate and relevant international standards;
- To recognise the principle that a burden or restriction that is imposed should be proportionate to its expected benefits;
- To recognise the desirability of facilitating innovation in financial services business; and
- To be transparent and fair.

BOARD OF DIRECTORS

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



The following members are currently appointed to the Board:
Standing (l-r) are: Mrs. Patricia Estwick; Mr. Adrian “Gus” Pope; Ms. Judith Watler; and Prof. William Gilmore. Seated (l-r) are: Mr. Harry Chisholm, MBE, JP, Deputy Chairman; Mrs. Cindy Scotland, Managing Director; and Mr. Grant Stein, Chairman.

OPERATIONAL STRUCTURE - MANAGEMENT



**MANAGING
DIRECTOR:**
Mrs. Cindy
Scotland



**DEPUTY MANAGING
DIRECTOR -
GENERAL COUNSEL:**
Mr. Langston
Sibbles, QC



**DEPUTY
MANAGING
DIRECTOR,
OPERATIONS:**
Mr. Patrick
Bodden



**DEPUTY
MANAGING
DIRECTOR,
SUPERVISION:**
Mrs. Anna
McLean

REGULATORY DIVISIONS



BANKING:
Head, Mr. Charles Ilako



FIDUCIARY:
Head, Mr. Rohan Bromfield



INSURANCE:
Acting Head, Ms. Morag Nicol



INVESTMENTS & SECURITIES:
Head, Ms. Heather Smith

OPERATIONAL SUPPORT DIVISIONS



HUMAN RESOURCES:
Head, Mrs. Deborah Musson-Blackwood



INFORMATION SYSTEMS:
Head, Mr. Charles 'Chuck' Thompson



FINANCE:
Chief Financial Officer,
Ms. Gilda Moxam-Murray

NON-REGULATORY DIVISIONS



CURRENCY:
Head, Miss Deborah Ebanks



LEGAL:
Head, Mr. Langston Sibblies, QC

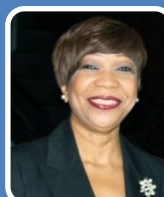


COMPLIANCE:
Head, Mr. R.J. Berry
(CIMA's Money Laundering Reporting Officer)



POLICY & DEVELOPMENT:
Head, Ms. Justine Plenkiewicz

MANAGING DIRECTOR'S OFFICE



Public Relations Executive:
Dr. Sharon Marshall



Special Assistant to the MD:
Mr. Mitchell Scott

FUNDAMENTALS OF CIMA REGULATION & SUPERVISION

Framework:

The Monetary Authority Law, the regulatory laws¹ 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 AMF/CTL 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 |

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.

[Monetary Authority Law \(2013 Revision\)](#) ; [Banks and Trust Companies Law \(2013 Revision\)](#) ; [Building Societies Law \(2010 Revision\)](#) ; [Companies Law \(2013 Revision\)](#) ; [Companies Management Law \(2003 Revision\)](#) ; [Cooperative Societies Law \(2001 Revision\)](#) ; [Development Bank Law \(2004 Revision\)](#) ; [Insurance Law, 2010](#) ; [Insurance \(Amendment\) Law, 2012](#) ; [Money Services Law \(2010 Revision\)](#) ; [Mutual Funds Law \(2013 Revision\)](#) ; [Private Trust Companies Regulations \(2013 Revision\)](#) ; [Proceeds of Crime Law, 2008](#) ; [Securities Investment Business Law \(2011 Revision\)](#) ; [Securities Investment Business \(Amendment\) Law, 2012](#) ; [Terrorism Law \(2011 Revision\)](#) .

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).

- 45 bilateral agreements are in effect with authorities in Asia, Europe, the UK, USA (5), Canada, Malta, Argentina, Jersey, Brazil (2), Isle of Man, Bermuda, Jamaica, Panama, Turks and Caicos Islands, Mexico and Dubai.
- 5 multilateral agreements exist:
 - ✓ MMOU with the International Association of Insurance Supervisors
 - ✓ Agreement with US Banking Regulators (signatories with CIMA: Federal Reserve System Board of Governors, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and Office of Thrift Supervision)
 - ✓ MMOU with International Organisation of Securities Commissions
 - ✓ MMOU with eight Caribbean regulators
 - ✓ MOU with Federal Deposit Insurance Corporation
 - ✓ MMOU with the European Securities and Markets Authority

Provision of Assistance:

CIMA receives and processes routine and non-routine requests for assistance from ORAs.

- Requests processed from January 2000 through July 2014 = 1,792

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 | 30 September 2015 |
|--|--------------------------|
| Banks | 193 |
| Category A | 12 |
| Category B | 181 |
| Nominee Trusts | 24 |
| Controlled Subsidiaries | 8 |
| Money Services Providers | 6 |
| Building Societies, Cooperative Societies, Development Banks | 4 |

| FIDUCIARY SERVICES | 30 September 2015 |
|---|--------------------------|
| Trust Companies | 151 |
| Unrestricted Trusts | 58 |
| Restricted Trusts | 62 |
| Nominee Trusts | 31 |
| Registered Private Trust Companies | 113 |
| Registered Controlled Subsidiaries of Trust Companies | 35 |
| Companies Management | 98 |
| Corporate Services Providers | 20 |

| INVESTMENTS & SECURITIES | 30 September 2015 |
|---|--------------------------|
| Mutual Funds | 11,215 |
| Registered | 7,889 |
| Administered | 395 |
| Licensed | 101 |
| Master Funds | 2,830 |
| Mutual Fund Administrators | 109 |
| Full | 80 |
| Restricted | 27 |
| Exempted | 2 |
| Securities Investment Business Law (SIBL) Licensees | 38 |
| Excluded Persons Under SIBL | 2,408 |

| INSURANCE | 30 September 2015 |
|---------------------|--------------------------|
| Insurance Companies | 740 |
| Class A | 29 |
| Class B and C and D | 711 |
| Insurance Managers | 31 |
| Insurance Brokers | 42 |
| Insurance Agents | 49 |

| CURRENCY IN CIRCULATION | 30 September 2015 |
|----------------------------------|--------------------------|
| Total Currency | CI\$99.8m |
| Notes | CI\$89.1m |
| Coins | CI\$10.7m |
| CI\$1.00 = US\$1.20; m = million | |



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

KEY FACTS

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](#)

Assessing 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, issued November 2007, 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.

INSURANCE INDUSTRY STATUS

Second largest captive domicile; largest for health care captives

INVESTMENTS AND SECURITIES

Domicile for majority of hedge funds

US\$2.127 trillion aggregate net asset value for 2013

Master Funds now subject to regulation

KEY FACTS

With 740 captive insurance companies under licence (30 September 2015), Cayman 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-authorised.

Cayman Islands-regulated funds reported an aggregate net asset value of US\$2.127 trillion for the financial year 2013. CIMA's **Investments Statistical Digest 2013** 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.cimoney.com.ky



CIMA FACTS

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