



# the NAVIGATOR

April 2016

## Preparing for New Two-Year Strategic Plan

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Executive Management and Heads of Division discuss progress of the 2014 - 2016 Strategic Plan, and formulating objectives for the new plan.

As the life of the Authority's 2014-2016 Strategic Plan draws to a close, CIMA's Executive Management team and all division heads held a meeting in March to review what had been achieved over the last two years.

It was also an opportunity to discuss any new objectives for the 2016-2018 plan, which will guide the Authority's work programme for another two-year period.

Managing Director, Mrs. Cindy Scotland, commended each division for the teamwork exhibited, and also recognized all HOD's for their dedication.

Various HODs provided updates on their respective areas of the existing plan, including what had been accomplished, and identified resources to achieve any outstanding goals as well as formulate new ones for inclusion in the 2016-2018 Strategic Plan.

Some of the major achievements over the past two years include: establishing the Director Registration and Licensing system, implementation of the REEFS online portal, recruitment of various senior management staff, and regular collaboration with the CI Government, local private sector agencies, as well as international bodies.

Some areas of the new plan will continue to focus on structural and functional reforms, Human Resources and regulatory enhancements, maintaining CIMA's profile both locally and abroad, implementing technological enhancements and preserving the Cayman Islands currency.

## The Authority Begins a Public Outreach Programme

Razaak Busari, Deputy Head of the Insurance Supervision Division, gave the first of a planned series of talks on the role and functions of the Cayman Islands Monetary Authority (CIMA).

On April 19, he gave a presentation to the Insurance Managers Association of Cayman (IMAC).

Mr. Busari's presentation also formed part of IMAC's quarterly educational seminar series.

Mr. Busari told the audience that the Cayman Islands gets bad press unjustifiably, even though the jurisdiction is compliant with international standards such as those required by organisations like the FATF and the OECD.

In relation to CIMA, he explained that it is a wholly-government-owned authority, which is operationally independent.



Mr. Busari told the insurance managers that what CIMA is not, is a service provider or business development agency.

He explained that the Authority's role is not to go out to attract companies to the Cayman Islands, but rather to ensure that once they establish operations here, that they are properly supervised.

However, he said that from his extensive experience working with regulators in the United Kingdom and Asia, CIMA can be described as a regulator which works closely with the entities it supervises to resolve any issues.

The IMAC seminar also included a presentation by Mr. Ian Kilpatrick, on the OECD's Base Erosion and Profit Shifting project. (please see page 8)



## Facts Box

Licences/Registrations in Effect

31 December 2015

31 March 2016

### Banking and Trust

Banks

184

179

Category A

12

11

Category B

172

168

Nominee Trusts

24

24

Money Services Providers

7

6

## CIMA Hosts FSAP Workshop

The Authority facilitated a workshop on the International Monetary Fund (IMF) Financial Sector Assessment Programme (FSAP) on 7 March.

The workshop included a seminar titled "Cayman Islands: Preparing for an IMF Financial Sector Assessment", which was delivered by Mr. R. Barry Johnston, Former Assistant Director, Monetary and Capital Markets Department at the IMF.

Participants included CIMA's senior level staff and representatives from the Ministry of Financial Services, Commerce and Environment. The training was part of the Authority's ongoing preparation for the upcoming IMF assessment of the Cayman Islands financial services sector in 2017, as part of the FSAP.

Topics discussed during the workshop included: How an FSAP differs from an Offshore Financial Centers (OFC) assessment, and how it has evolved; key elements covered by an FSAP; what areas should be reviewed or prepared for in advance of the FSAP, and key risks and vulnerabilities affecting Cayman.



Mr. R. Barry Johnston, Former Assistant Director, Monetary and Capital Markets Department at the IMF, leading discussions.

## Garth MacDonald Joins CIMA Board



Experienced insurance executive, Garth MacDonald, has been appointed to the Authority's Board of Directors.

Mr. MacDonald retired in December 2013 from Island Heritage Insurance. During his 18 years of service, he held a number of senior positions, including most recently as President and CEO.

He earned a Bachelor of Commerce degree in Finance and Accounting, with distinction, from the University of Saskatchewan, Canada.

Mr. MacDonald is also a graduate of the

Executive Program at the Tuck School of Business, in Dartmouth, New Hampshire.

He is a qualified Chartered Accountant and a member of the Institute of Directors. He earned the Institute's Certificate in Company Direction.

The new Director is a Past President of the Cayman Islands Insurance Association, and has served on numerous Boards and Committees in the insurance industry, both locally and regionally.

His appointment to the Authority's Board took effect on 30 March.

## CIMA Represented at RIMS Conference

Managing Director, Cindy Scotland, led a three-member CIMA delegation to the Risk Insurance Management Society (RIMS) Conference in San Diego, California. It was held from April 10-13.

Other CIMA representatives included Acting Head of Insurance Supervision Division, Ruwan Jayasekera and Senior Analyst, Jennifer Smith. There were also representatives from the Insurance Managers Association of Cayman (IMAC), government officials, and Cayman Finance.

The event is recognised as the definitive risk management and insurance event, attracting hundreds of risk managers and insurance professionals from all around the world.

Over the last several years, the Cayman Islands has always had a strong representation at the conference. With a delegation of over 30 representatives from Cayman, this year proved to be no different.

The conference was also an opportunity to provide an update on Cayman's captive insurance management industry.

While they were at RIMS, CIMA representatives met with potential licensees, including several regulators from other jurisdictions. They also took part in media interviews with AM Best Company and Risk & Insurance Magazine. CIMA members were also invited to participate in a special interactive, networking event hosted by IMAC.



Managing Director, Mrs. Cindy Scotland (second from left), with IMAC Chairman, Mr. Kieran O'Mahony, Acting Head of the Insurance Supervision Division, Mr. Ruwan Jayasekera (second from right) and Senior Analyst, Ms. Jennifer Smith.

## CIMA Staff Present at CIFAA Course



Analyst, Mr. Taj-Duet Berry, discusses the responsibilities of the Investments and Securities Division.

Staff from the Authority's Investments and Securities Division (ISD) were invited to present at the Cayman Islands Fund Administrators Association (CIFAA) seminar, which took place on 15 April at the Chamber of Commerce. Chosen were: Ms. Marcia Finnikin, Ms. Shanaz Whittaker, Mr. Taj-Djuet Berry and Ms. Shameela Tibbetts.

The purpose of the presentation was to provide an overview of the funds industry in the Cayman Islands, from a regulatory perspective. To begin, presenters provided background

information regarding CIMA's role, specifically as it relates to the functions of ISD.

Reference was also made to the types of mutual funds administrators, including their relevance to the work of the Authority's on-site and off-site supervisory inspection units.

In addition, the presentation gave an overview of registration requirements for licensees, as well as the application process. Participants also learned about the latest statistical information, along with information on the REEFS system.

## Staff Get Stress Test Training

Staff mainly from the Authority's Banking Supervision Division received training on the latest developments of industry stress testing.

Held from 11-14 April, the seminar was led by Cristina Pailhé, and organized through the Caribbean Regional Technical Assistance Centre (CARTAC).

Ms. Pailhé is a consultant with international financial organizations such as the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB). She specializes in areas such as financial regulation and supervision, financial risks, implementation of international standards, and financial inclusion.

Participants covered topics such as standards of the Basel committee, requirements and expectations for banks and supervisors, pre- and post-crisis practices, theoretical and practical stress testing for various risk scenarios, and how

they can be applied locally.

The group also reviewed case studies where they were able to apply stress testing techniques and methodologies.



Above: CARTAC representative, Ms. Cristina Pailhé, leads the seminar.

Left: Staff break out into group sessions during the seminar.

## Managing Director on Leadership Cayman Panel



Managing Director, Cindy Scotland, was a panellist in the Leadership Cayman seminar which was hosted at Deloitte on February 17.

She joined Minister of Financial Services, the Hon. Wayne Panton; CEO of Cayman Finance, Jude Scott; and Anthony Travers, Senior Partner at the law firm Travers Thorp Alberga on the panel.

Leadership Cayman is a programme of the Cayman Islands Chamber of Commerce. It is described as

“a dynamic, intensive, interactive, six-month experience designed to promote and enhance community leadership through an in-depth introduction to social, economic, business and political issues in the Cayman Islands.”

The seminar was an opportunity for participants to learn from, and ask questions of, leaders and decision makers in the relevant fields.

The experts also held workshop sessions with the participants.



Left to right: CEO of Cayman Finance, Mr. Jude Scott; MD, Mrs. Cindy Scotland, Minister of Financial Services, the Hon. Wayne Panton; and Mr. Anthony Travers, Senior Partner at Travers Thorp Alberga, posing with the seminar participants standing behind them.

## Senior Legal Counsel Appointed

Angelina Partridge has been promoted from Legal Counsel to Senior Legal Counsel, with effect from 1 May. Mrs. Partridge joined the Authority as Legal Counsel in November 2009.

She earned her LLB degree (now converted to a JD) at the University of Windsor, Ontario, Canada, in 2003. Following this, she completed her articles with a large national firm in Canada. She is also a graduate of Queen's University in Kingston, Ontario, where she

earned double Bachelor's degrees in English and History.

Since her call to the Bar of the Law Society of Upper Canada in Ontario in 2004, Mrs. Partridge has practiced primarily in the areas of investment funds and corporate commercial law in both the Cayman Islands and Canada. She also has experience in securities. In 2005, Mrs. Partridge was called to the Cayman Islands Bar.



Eric Wilson was recently promoted to Deputy Head of the Fiduciary Services Division effective 1 April 2016.

Prior to joining the Authority, Mr. Wilson held managerial positions both at CIBC Bank and Trust Company (Cayman) Limited and JP Fund Administration (Cayman) Ltd.

In October 2013, Mr. Wilson began his employment with the Authority as Chief Analyst in the Investments and Securities Division. Following a two-year

stint, he transferred to the Fiduciary Services Division also as Chief Analyst in October 2015.

Mr. Wilson earned a Bachelor of Business Administration degree, with a concentration in Finance, a Master of Science in Finance degree, and a Graduate Certificate in Investments – all from Florida International University. He is also a Certified Anti-Money Laundering Specialist (CAMS), and a member of the Association of Certified Anti-Money Laundering Specialists (ACAMS).

## Deputy Now Acting Head of Insurance

Ruwan Jayasekera has been appointed acting Head of the Insurance Supervision Division, with effect from 14 March.

Mr. Jayasekera, whose substantive position is Deputy Head of Division, has over fifteen years of experience in insurance, in both regulatory and industry roles.

He was promoted to the position of Deputy Head of Insurance on 1 September 2014, having re-joined the Authority in January 2013. He had first joined the Insurance Division at CIMA in April 2007, as a Senior Analyst and was later appointed as

a Chief Analyst.

He returned to Sri Lanka in 2011, taking up the position of Assistant General Manager – Business Operations at Allianz Insurance Lanka Ltd. He then returned to CIMA in January 2013.

He holds a Master's degree in Business Administration and a Bachelor's degree in Statistics, both from the University of Colombo, Sri Lanka. He is also a Chartered Insurer, and holds the Associate designation from the Chartered Insurance Institute, United Kingdom.



## New Chief Analyst, Banking Supervision Division



Vashti Bodden has been promoted from the position of Senior Analyst to Chief Analyst in the Authority's Banking Supervision Division. Her promotion took effect from 1 April 2016.

Ms. Bodden joined the Authority as an Analyst in 2005, and she was later promoted to Senior Analyst in 2013.

She began her tertiary education at the Community College of the Cayman Islands, where she earned an

Associate degree in 2001. Ms. Bodden also earned a Bachelor of Arts degree in Finance and Marketing from the Lubin School of Business at Pace University in New York, in 2004.

She was subsequently awarded a Master of Business Administration degree by the International College of the Cayman Islands in 2012.

As Chief Analyst, Ms. Bodden has responsibility for overseeing the work of a team of Analysts and Senior Analysts.

## Senior Analyst, Investments and Securities Division

Peter Whittaker joined the Authority as an Analyst in the Investments and Securities Division in June 2008.

Effective 1 April 2016, he was promoted to Senior Analyst in the division.

Mr. Whittaker is currently completing the requirements for a Bachelor's degree in Business Administration at the International College of the Cayman Islands.

The Senior Analyst rotates quarterly throughout each functional unit, and is responsible for conducting a full range of supervisory and monitoring functions over the work of the division.

In addition, as Senior Analyst, Mr. Whittaker will provide guidance and oversee the work of a team of Analysts to achieve the legislative requirements and the goals and objectives of the division and the Authority.



## The Authority Shares Job Interview Techniques

When the Clifton Hunter High School held mock job interviews for Year 11 students on 27 January, the Authority was among the businesses represented.

The purpose of the event was to help the students understand all the steps in applying for a job and how to prepare and undertake an interview.

Students applied for positions in the companies, submitting a cover letter and a resume to the school. Based on this, they were then selected for interviews.

CIMA was represented by Public Relations Executive, Sharon Marshall, and her interview candidate was Jevon Forbes. He was interviewed for the position of Executive Administrative Assistant in ISD.

At the end of the interview, she was required to complete an evaluation form, which rated the student on areas such as the cover letter and resume, non-verbal communication, verbal communication and interview outfit.



(Above) Public Relations Executive, Dr. Sharon Marshall, meets with Year 11 student Jevon Forbes.

## CIMA Participates in High School Career Day

CIMA was among the over 30 companies and government agencies that participated in the John Gray High School Career Day on 18 February.

Staff from the Authority's Human Resources Division and Public Relations Unit managed the CIMA booth, providing students with information about internships and career options, and general facts about CIMA's functions.

The event was organised to give students an opportunity to make connections with potential employers and to receive information about the academic qualifications necessary to enter different careers, as well as information about the scholarship opportunities that are available.

Staff also shared information about CIMA's Thomas Jefferson Memorial Scholarship with the students.



Chief Human Resources Officer, Mr. Eric Webster, speaking with students keen on learning about careers at CIMA.

## Scholarship Opportunity

The Authority is currently accepting applications for its Thomas Jefferson Memorial Scholarship.

This scholarship is named in honour of former Financial Secretary and Leader of Government Business, the late Thomas Jefferson.

It offers an award of CI\$25,000 per year for students pursuing a Bachelor's or Master's degree in the areas of Finance, Accounting, Economics or

Business Administration.

Recipients are required to work at CIMA during their vacation periods, and on completion of their studies for a period of up to four years.

More information about the scholarship and the application process is available on the Authority's website <http://www.cimoney.com.ky/Careers/>

Licences/Registrations in Effect	31 December 2015	31 March 2016
<b>Fiduciary Services</b>		
Trust Companies	149	150
Unrestricted Trusts	57	57
Restricted Trusts	61	62
Nominee Trusts	31	31
Registered Private Trust Companies	121	116
Registered Controlled Subsidiaries of Trust Companies	36	34
Companies Management	102	105
Corporate Services	21	22

### Staff Participate in DG's 5K Challenge



The Cayman community showed up in strong numbers at the 2016 Deputy Governor's 5K to help raise a goal of \$50,000.

Among them were several staff members from CIMA. Some of them participated in both Cayman Brac and Grand Cayman events, which took place on April 17 and April 24, respectively.

In Cayman Brac, the route was from the Museum to the Catboat Plaza and back. In Grand Cayman, the event started and finished at the Government Administration Building.

This makes it the second consecutive year where CIMA staff have participated in significant numbers in this event.

Each year, the Deputy Governor selects a different beneficiary. This year, all proceeds made from the event will go towards the Cayman Heart Fund's initiative to buy a new ambulance.

(L-R) Finance Manager, Ms. Dominique Michelle Lloyd; Deputy Governor, the Hon. Franz Manderson; and Deputy Managing Director - Supervision, Mrs. Anna McLean.

### CIMA Joins Chamber Roadside Clean-up

Spearheaded by the CIMA Green Team, some members of the Authority's staff participated in the 20th Annual Chamber of Commerce Roadside Clean-up on Saturday, 16 April.

The group collected several bags of debris, plastic and glass bottles, aluminum cans and other trash on Boilers Road, located off Walkers Road.

Following the clean-up, participants were treated to a brunch, compliments of Flow and Foster's Food Fair.

One of the objectives of our Green Team is to encourage fellow staff members to participate in activities which promote environmental sustainability. Therefore, the Authority is proud to contribute towards this event for two consecutive years thus far.

In total, there were over 1,500 persons from local businesses and government departments who participated in this year's event.

Each year, the roadside clean-up is held in conjunction with Earth Week (April 17-24), and has proven to be the largest volunteer-driven community project on island.



Licences/Registrations in Effect	31 December 2015	31 March 2016
<b>Insurance</b>		
Insurance Companies	739	742
Class A	31	29
Class B	679	687
Class C	28	25
Class D	1	1
Insurance Managers	32	32
Insurance Brokers	42	41
Insurance Agents	49	50
<b>Investments and Securities</b>		
Mutual Funds	10,940	10,965
Registered	7,654	7,646
Master	2,805	2,841
Administered	380	377
Licensed	101	101
Mutual Fund Administrators	108	107
Full	82	82
Restricted	24	23
Exempted	2	2
Securities and Investment		
Business Law (SIBL) Licensees	38	38
Excluded Persons Under SIBL	2,485	2,338
<b>Currency in Circulation</b>		
Total Currency	CI\$ 107.8m	CI\$104.7m
Notes	CI\$ 96.9m	CI\$93.7 .m
Coins	CI\$10.9m	CI\$ 10.9m
Note: CI\$1.00 = US\$1.20		

## LOOK AHEAD

## 2016

## Focus on the OECD's BEPS Project



Mr. Ian Kilpatrick (right) with CIMA Deputy Head of Insurance, Mr. Razaak Busari, prior to their presentations at the IMAC educational seminar.

Just as they are coming to terms with FATCA and AIFMD, there is another acronym that should be getting the attention of insurance managers – BEPS.

BEPS refers to the Organisation for Economic Cooperation and Development's Base Erosion and Profit Shifting project.

According to the OECD, BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to

low or no-tax locations.

That was the focus of an address by Mr. Ian Kilpatrick, Chair of the Cayman Islands Compliance Association's Task Force responding to the OECD. He spoke at the first quarterly educational seminar of the Insurance Managers Association on 19 April.

Mr. Kilpatrick gave a brief history of the BEPS project, and expressed confidence that insurance managers in Cayman would be well prepared to meet the reporting requirements, since they are already engaged in best practice in these areas.

The OECD announced recently that it has agreed a new framework that will allow all interested countries and jurisdictions to work jointly for the implementation of the BEPS package of measures. This framework will bring together all interested countries and jurisdictions as Associates on an equal footing with OECD and G20 countries in the OECD's Committee on Fiscal Affairs to develop international standards related to BEPS and to review and monitor the implementation of the whole BEPS package.

The first meeting will be held from 30 June-1 July in Kyoto, Japan, with the anticipated participation of a broad group of developing countries.