



THE NAVIGATOR



Regulatory Update: VASP Act & Admin Fines Regime

For the past two years, the entire financial services workforce has worked tirelessly to address the ever-evolving risk of financial crime, while meeting global standards through various legislative updates, and improved regulatory and law enforcement measures. Significant to these changes were the implementation of Phase 1 of the Virtual Asset Service Providers (VASP) Act regime and amendments to the Monetary Authority Administrative Fines Regulations, both of which can be found [here](#).

Phase 1 – the registration/notification process – of the VASP Act commenced in October 2020. Since then, CIMA has issued two key regulatory measures for VASPs, namely, the [Statement of Principles](#), and amendments to the [Guidance Notes on the Prevention and Detection of Money Laundering, Terrorist Financing and Proliferation Financing](#).

The Statement of Principles will be used as a measure against which the Authority will assess compliance. Similarly, the Guidance Notes was amended to ensure that VASPs have been given the tools to comply with sections 9(3)(d) and (e) of the VASP Act.

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Regulatory Update: VASP Act & Admin Fines Regime cont'd

Key amendments included in or added to the VASP Guidance Notes were:

- Terms such as “virtual asset service provider”, “virtual asset custodian”, “virtual asset custody service”, “virtual asset trading platform”, “virtual asset issuance” and “virtual asset token”.
- Identifying certain factors that give rise to money laundering, terrorist financing, and proliferation financing risks, such as privacy-enhancing features or products and services that potentially obfuscate transactions or activities.
- Identifying risk management tools.
- Defining the customer as applicable to custodians, trading platforms or issuers.
- Examples of red flag indicators to be considered by VASPs in scrutinizing operations and transactions and reporting suspicious activities, consistent with the recent report issued by the Financial Action Task Force (FATF).
- Requirements to be satisfied for transfers conducted by VASPs or financial institutions consistent with FATF’s Recommendation 16, also referred to as the Travel Rule.

For more information on the registration and notification requirements for VASPs, visit www.cima.ky

For additional queries, email vaspinfo@cima.ky

Phase 2 of the VASP Act regime is expected to begin later in the year and will focus on the compliance, supervision and enforcement of prudential requirements for all VASPs, the sandbox licensing regime and measures to protect investors and customers. Consultation on these supervisory measures will take place prior to implementation.

Legislative amendments were also made to the Monetary Authority Administrative Fines Regulations. Since 2020, CIMA finalised notices for three entities for anti-money laundering/combating the financing of terrorism (AML/CFT) breaches, with a total fine amount for those entities of CI\$655,517.50. These entities are from the banking, trust and corporate services and insurance sectors.

CIMA currently has open investigations or has issued notices relating to AML/CFT to eight additional entities, which suggests that the administrative fines regime is sustainable.

The Authority has also begun investigations into several breaches for matters such as failing to arrange regulatory filings and failing to seek CIMA’s prior approval for changes in directors, senior officers, or beneficial owners. Since the implementation of the administrative fines regime, we have seen improvement in the culture of compliance among regulated sectors and entities and we look forward to continued cooperation in this area.

Despite the Cayman Islands being placed on FATF’s grey list, it is safe to say that our work was not in vain. This was demonstrated by the jurisdiction’s positive outcome in significant improvements to its technical compliance ratings. The Cayman Islands is now compliant or largely compliant with 39 of the 40 FATF recommendations. With regards to effectiveness, the jurisdiction has made progress and satisfied 60 out of 63 recommended actions imposed in the MER.

Fully delivering on our commitment in addressing the remaining deficiencies identified by FATF, CIMA will continue its efforts in strengthening AML/CFT supervisory processes and efficiencies and look forward to the usual support of fellow industry stakeholders. Our continued efforts will not only help to combat financial crime, and comply with FATF standards/recommendations to exit the grey list, but it will also help to better prepare us for the 5th round of mutual evaluations, which may commence in the near future.

New Staff on Board



With more than 20 years of experience in financial regulation and multi-jurisdictional regulatory compliance, Heeraman Jowaheer joined on 7 December 2020 as Head of the Securities Supervision Division.

In his most recent post, Mr. Jowaheer was employed at a U.S. SEC-registered investment adviser company where he served as Director of Regulatory Affairs and Compliance. He also held other senior leadership roles such as a Financial Regulatory

Consultant and subsequently as Senior Executive (Policy and Research) at the Mauritius Financial Services Commission, and Head of Listing at the Mauritius Stock Exchange.

He holds a Master's of Business Administration degree and an Associate's degree in Human Resources. He is also a graduate and Fellow of the Chartered Governance Institute and a former long-serving member of its Professional Standards Committee.



Gabriela Gibson joined on 1 February 2020 as a Senior Analyst in the Anti-Money Laundering and Counter Financing Terrorism (AML/CFT) Division.

She holds a Bachelor's degree in Accounting and Finance (First Class Honours) and earned a professional diploma in Governance from the Institute of Chartered Secretaries and Administrators. She also obtained accreditations from the Association of Certified Anti-Money Laundering Specialists, the Association of Certified

Financial Crime Specialists and is currently pursuing additional AML/CFT qualifications.

Prior to joining CIMA, Ms. Gibson worked at the Cayman Islands Financial Reporting Authority where she was responsible for the analysis of suspicious activity reports and the development of financial intelligence products. She also has extensive experience in cross-border money laundering investigations and has worked on various projects linked to the Caribbean Financial Action Task Force Mutual Evaluation Report of the Cayman Islands.



Clifton Conolly re-joined the Authority as a Project Assistant in the Information Systems Division on 1 February 2021.

He first joined in 2009 as an Analyst in the Investments Supervision Division and later transitioned to the Finance Division as a Finance Officer. He subsequently left the Authority in 2017 to follow his passion in the technology and software engineering field. Previously, he worked as a broker for Cayman National Securities.

Having the opportunity to return to CIMA to fulfill his dream career, Mr. Conolly looks forward to learning and contributing to the inner workings of the Authority, while developing his skills as a software engineer.

New Staff on Board



Abena Agard recently joined as a Senior Analyst in the Anti-Money Laundering/Counter Financing Terrorism Division (AML/CFT Division) on 11 February 2021.

Originally from Barbados, she brings over 12 years of experience in financial services and regulatory compliance. In her most recent role at the Financial Services Commission (FSC) of Barbados, she made significant contributions to Barbados' national AML/CFT risk assessment, as well as the FSC's

AML/CFT & Proliferation Financing risk-based framework.

Ms. Agard holds a Bachelor's degree in Economics and Accounting from the University of the West Indies. She is also a Certified Anti-Money Laundering Specialist and is currently pursuing a Master's degree in Business Administration at the Edinburgh Napier University while obtaining a certification as a Transaction Monitoring Associate.



Llanni Tibbetts joined CIMA on 15 March 2021 as an Analyst in the Compliance Division.

He brings over seven years of experience in the banking services field, having worked at Butterfield Bank (Cayman). He first joined Butterfield as a bank teller and ascended through the ranks becoming part of their Corporate Banking Division's Onboarding and Amendment team, which sparked his interest in the compliance arena.

Having previously obtained qualifications as a Certified Anti-Money Laundering Specialist, Mr. Tibbetts is excited to take up his new post at CIMA where he can expand his knowledge and contribute to the success of the Authority.



Paul McAllister re-joined as a Chief Policy & Development Officer in the Policy & Development Division on 22 March 2021.

He first joined CIMA in 2015 as a Senior Policy & Development Officer and left in 2017 to take up a post at the Toronto-Dominion Bank. While there, he made significant contributions to the development, implementation and maintenance of the bank's enterprise AML-ATF policy and governance framework. Overall, he brings almost 11 years of

experience in financial services and financial sector regulation/supervision.

Mr. McAllister holds a Master of Business Administration (Specialism in Finance) degree from Edinburgh Business School, Heriot-Watt University and a Bachelor of Sciences degree in Banking & Finance from the University of the West Indies. He is also a Certified Anti-Money Laundering Specialist and a Regulated Canadian Immigration Consultant.

New Staff on Board



With four years of experience in the insolvency field, Megan Argenbright joined CIMA on 29 March 2021 as a Senior Analyst in the Compliance Division.

She discovered a passion for compliance during her involvement with due diligence procedures relating to multi-million dollar asset recoveries and stakeholder distributions, as well as onboarding new clients, third-party funders and asset purchasers.

Having previously obtained a Bachelor's degree in Finance, she is looking forward to pursuing professional qualifications in compliance while gaining new experiences and perspective with the Authority.



On 29 March 2021, Denisha Samuels joined CIMA as a Policy and Development Officer.

She brings with her over five years of experience in hedge funds administration. Prior to joining CIMA, she was responsible for managing large asset portfolios and was involved with a variety of compliance related projects.

She is a Certified Anti-Money Laundering Specialist and looks forward to gaining regulatory

insight in her new role at CIMA while contributing towards the Authority's mission of protecting and enhancing the integrity of the financial services industry of the Cayman Islands.



Daniel McFadden joined the Authority on 31 March 2021 as Senior Analyst II in the Insurance Supervision Division.

Mr. McFadden holds a Bachelor's degree in Finance from Saint Joseph's University in Philadelphia and has over 14 years of experience in the financial services arena, which spans across various multinational life and property and casualty (re)insurance companies, such as American International Group, MetLife and Chubb.

Looking forward to his journey at CIMA, Mr. McFadden says he is very excited for the opportunity to contribute to the future success of the Authority within Cayman's growing insurance market.

New Staff on Board



Janique Samson re-joined CIMA to serve as its first Chief Risk Officer in the Managing Director's Office effective 1 April 2021.

Her professional career began with CIMA in 2009 as an Analyst in the Banking Supervision Division. She later left the Authority to take up a post in the private banking sector, where she served in corporate lending for seven years.

She holds a Bachelor's degree in Finance and Economic from Pace

University, New York City and a Master's degree in Enterprise Risk Management from the University of the West Indies. She is also a past recipient of the Authority's Thomas Jefferson Memorial Scholarship award.

Looking forward to the new post, Ms. Samson is confident that her experience in regulation and banking, together with her academic qualifications, will aid in her mandate to successfully steer the implementation and maintenance of CIMA's Risk Management framework.



Niall McAuliffe joined CIMA on 6 April 2021 as Deputy Head of the Onsite Inspection Unit, bringing 15 years of financial services and regulatory compliance experience to the post.

Prior to this, he held various senior leadership roles at Grant Thornton, in the Cayman Islands, the Middle East and Ireland offices.

He was also employed with PwC, both in the Cayman Islands and London offices. Whilst in London, he served as team leader in

PwC's AML Compliance department.

Mr. McAuliffe is a fellow of the Institute of Chartered Accountants in England and Wales and a Certified Anti-Money Laundering Specialist.



Ife Adanna joined CIMA on 21 April as a Chief Policy & Development Officer.

Ms. Adanna has over 12 years' experience in banking. In her last dispensation at a regional financial services group, she led the implementation of the Basel II /III capital adequacy programme and spearheaded an International Financial Reporting Standard asset classification project. She also has expertise in strategic management, credit and market risk management, regulatory

reporting, credit analysis and credit administration.

She holds a Bachelor of Science Degree in Management Studies and Finance (with First Class Honors) and is completing a Master's degree in Strategic Leadership from the University of the West Indies, St Augustine, Trinidad and Tobago. She has also been a part-time tutor at the university for over a decade.

New Staff on Board



On 16 April 2021, we welcomed Devon Farrell as a Senior Analyst in the Investments Supervision Division.

Prior to his appointment at CIMA, he worked with Ernst & Young (Caribbean) where he gained significant experience in financial auditing over a wide cross-section of industries.

Originally from Barbados, Mr. Farrell holds a Bachelor of Science Degree in Economics and Accounting from the

University of the West Indies and is a Chartered Accountant.



On 21 April 2021, Sydonie Barrett joined CIMA as a Policy & Development Officer.

Her main responsibilities include assisting in the drafting and development of regulatory instruments and other policy documents, collecting and summarising information on regulatory frameworks and practices, and monitoring international regulatory news and industry updates for changes that impact the Cayman regulatory environment.

Ms. Barrett holds a LLB in Law with International Studies from the University of Surrey and completed her postgraduate legal studies at the University of Law in London.

She was previously employed at a local law firm and the House of Parliament.

Staff Complete Cambridge Fintech Course



Yoshneck Mutomba, Wayne Alexander, Kavita Maharaj-Alexander, Cynthia Campbell and Renee Caudeiron participated in the Cambridge Fintech and Regulatory Innovation programme facilitated by the University of Cambridge, Judge Business School.

The course ran from February to April, complete with a capstone project presentation at the end. Through our Learning and Development team, CIMA was able to secure two scholarships, which will aid the university in investing in future Fintech leaders.

According to staff participants, the course content was well-structured, interesting, and voluminous.

CIMA Interacts with Students at Local Career Fairs

It was a busy period for our Learning & Development and Human Resources Division. During the quarter, CIMA participated in three career fairs.

Attracting over 600 students, the first event was held by the John Gray High School on 12 February. CIMA was among 49 public and private sector companies present at the fair.

Several weeks later, on 5 March, CIMA staff members interacted with over 1,000 students at the Chamber of Commerce Expo during the course of the day.

The Authority also attended the Clifton Hunter High School Career Fair held on 29 March.

Through live trivia activities, students learned about various internship, educational, and career opportunities available at CIMA, including other general facts.



CIMA staff interact with students at this year's John Gray High School Career Fair.



Our handcrafted Cayman Islands Coat of Arms puzzle was a popular item among visitors.



Students engage in trivia activities at the Chamber of Commerce Career Expo.

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QUARTERLY STATISTICS

NUMBER OF ENTITIES LICENSED/REGISTERED & CURRENCY IN CIRCULATION AS OF 31 MARCH 2021

BANKING & TRUST

Banks	111
Category A	10
Category B	101
Nominee Trust	20
Controlled Subsidiaries	7
Money Service Provider	5
Building Societies & Development Banks	4

INVESTMENTS

Mutual Funds	11,555
Registered	8,134
Master Funds	3,077
Administered	286
Limited Investor Funds	670
Licensed	58
Private Funds	13,219
Mutual Fund Administrators	77
Full	68
Restricted	9
Exempted	0

SECURITIES

Securities Investment Business Act (SIBA) Licensees	42
Registered Persons under SIBA	1,642

FIDUCIARY SERVICES

Trust Companies	141
Unrestricted Trust	57
Restricted Trust	59
Nominee Trust	25
Registered Private Trust Companies	141
Registered Controlled Subsidiaries of Trust Companies	43
Companies Management	123
Corporate Service Providers	24

INSURANCE

Insurance Companies	682
Class A	26
Class B	628
Class C	23
Class D	5
Insurance Managers	21
Insurance Brokers	23
Insurance Agents	44

CURRENCY IN CIRCULATION

Total Currency	CI\$ 157.5m
Notes	CI\$ 143.9m
Coins	CI\$ 13.6m
CI\$1.00 = US\$1.20; m = million	

Summary List of Updated Legal & Regulatory Measures

Given the recent introduction of several legal and regulatory measures, and in an effort to keep the financial services industry better informed, the Authority has compiled a summary list of such changes over the past quarter, February - April 2021. For the latest updates, visit www.cima.ky

Acts & Regulations Updates

Freedom of Information Act (2021 Revision)

Reinforces and gives further effect to certain fundamental principles which underly the system of constitutional democracy by granting the public a general right of access to public held records by authorities.

[Read more](#)

Freedom of Information (General) Regulations (2021 Revision)

Sets out the standards and general rule of order for the Freedom of Information Act (2021 Revision).

[Read more](#)

Mutual Fund (Annual Returns) Regulations (2021 Revision)

Sets out the standards and general rule of order in respect of Annual Returns under the Mutual Funds Act (2021 Revision).

[Read more](#)

Mutual Funds (Fees) Regulations (2021 Revision)

Sets out the standards and general rule of order in respect of Fees under the Mutual Funds Act (2021 Revision).

[Read more](#)

Mutual Funds Act (2021 Revision)

Outlines the application, authority, supervision, enforcement, and provisions which collectively form the Mutual Funds Act (2021 Revision).

[Read more](#)

Private Funds (Amendment) Regulations, 2021

Amendment made to Private Funds Regulations, 2020. Insertion of regulation 3 and corresponding Schedule – Declaration regarding capital contributions.

[Read more](#)

Private Funds (Annual Returns) Regulations, 2021

Sets out the standards and general rule of order in respect of Annual Returns under the Private Funds Act (2021 Revision).

[Read more](#)

Regulatory Measures Updates

Procedure: Deregistration of Controlled Subsidiaries and Private Trust Companies

Establishes the Authority's procedure for deregistering controlled subsidiaries and private trust companies.

[Read more](#)

Rule: Deregistration of Private Trust Companies

Establishes the Authority's rules on deregistration of Private Trust Companies.

[Read more](#)

Procedure: Fitness and Propriety

Establishes the Authority's Regulatory Procedure on Assessing Fitness and Propriety.

[Read more](#)

Policy: Fitness and Propriety

Establishes the Authority's Regulatory Policy on Fitness and Propriety.

[Read more](#)



Proceeds to benefit
literacy and numeracy
programmes at
government primary
schools



ADULTS \$20
CHILDREN \$10

CRICKET SQUARE
GEORGE TOWN

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STAFF PROMOTIONS

February - April 2021



Kayon Whyte
Senior Analyst II,
Banking Supervision
Division



Kara Ebanks
Deputy Head,
Insurance
Supervision Division



Patriann Monteith,
Senior Analyst II,
Investments
Supervision Division



Peter Whittaker
Senior Analyst II,
Investments
Supervision Division



Yoshneck Mutomba
Deputy Head,
Financial Stability &
Statistics Division



Angelina Partridge
Deputy General
Counsel, Legal
Division



Suzanne Sadlier
Head,
Onsite Inspection
Unit



Sashawna Strachan
Analyst II, Banking
Supervision Division



Prabha Namburi
Chief Strategy Officer
Managing Director's
Office

Presentation to Passport2Success Cohort

Earlier in March, our Learning and Development Specialist, Michelle Majid and Chief Human Resources Officer, Eric Webster delivered an insightful presentation on "Work Etiquette" to the 33rd cohort of Passport2Success – a programme facilitated by the Ministry of Education, Training and Employment which seeks to help recent school leavers and young Caymanians improve their basic skills to help them find employment.

Presenters covered topics on proper communication etiquette at the office, crucial job interview dos and don'ts as well as changes in the workplace due to COVID-19.

Participants also heard from CIMA Human Resources Assistants Brittany Miller and Leticia Ebanks, who shared their personal experiences in the working world. Ms. Ebanks is also a 2015 graduate of Passport2Success.

