



the NAVIGATOR

July 2014

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CIMA Hosts GIFCS Working Group Meeting



The CIMA team of (l-r) Ms. Shannon Francis, Ms. Justine Plenkiewicz, Ms. Leticia Frederick and Mr. Rohan Bromfield, with other working group members Ms. Fiona Crocker, Mr. Philip Nicol-Gent, Ms. Tamara Anfossi and Ms. Simone Martin.

The Cayman Islands Monetary Authority (CIMA) hosted a working group for the Group of International Financial Centre Supervisors (GIFCS) on 10 and 11 July. The group met to review and finalize a draft International Standard on the Regulation of Trust and Corporate Service Providers that was previously circulated to the GIFCS membership.

Mr. Philip Nicol-Gent, General Counsel for the Guernsey Financial Services Commission (FSC) was the Chairperson for the meetings. Other members of the working group included: Ms. Fiona Crocker, Deputy Director at the Guernsey FSC, Ms. Tamara Anfossi, Assistant Director at the Bermuda Monetary Authority and Ms. Simone Martin, Deputy Director at the British Virgin Islands FSC. The group also collaborated with Mr. Paul de Weerd, Deputy Director of the Isle of Man Financial Supervision Commission via conference calls.

The CIMA team comprised Mr. Rohan Bromfield, Head of the Fiduciary Services Division, Ms. Leticia Frederick, Deputy Head Fiduciary Division, Ms. Justine Plenkiewicz, Deputy Head of the Policy and Development Division, and Chief Policy & Development Officer, Ms. Shannon Francis.

Ms. Plenkiewicz says, "Despite two very long work days, we were not able to complete the review, but nevertheless we made such significant progress that we anticipate being able to release a final standard by the end of the year."

“...we made such significant progress that we anticipate being able to release a final standard by the end of the year.”

The Authority currently regulates Trust and Company Service Providers through either the Banks and Trust Companies Law, or the Companies Management Law. However, Ms. Plenkiewicz says, "If the standard is implemented, these laws would have to be revised to ensure that they meet the new standard." The working group will submit a final draft to the GIFCS for approval.

Mr. John Aspden, Chief Executive of the Isle of Man Financial Supervision Commission is the current Chairman of the GIFCS, while CIMA Managing Director, Mrs. Cindy Scotland, is the current Deputy Chairman.

Staff Share Information With Fund Administrators



Mr. Jeremy Williams, Senior Analyst in the Investments and Securities Division, addresses participants in the CIFAA event.

Senior Analyst Jeremy Williams, of the Investments and Securities Division, and Analyst Peter Whittaker, gave a presentation on the topic of Regulatory Compliance to a group of Fund Administration professionals at the Cayman Islands Chamber of Commerce on

23 May. The analysts led a one-hour session which was part of a two-day, non-credit course on Fund Administration in the Cayman Islands facilitated by the Cayman Islands Fund Administration Association (CIFAA).

Topics discussed included: Categories of Funds, Administrators, CIMA's Principal Functions, CIMA Structure, and Supervisory Methods. Participants raised questions about the processes involved in Fund registration and licensing. Responding to the group's interest in procedures most applicable to their day-to-day activities as Fund Administrators, Mr. Williams and Mr. Whittaker went into detail regarding the relevant fees and forms for each category of fund.

Chief Analyst, Andrew Rowlings, was also in attendance and contributed to the group discussion.

CIMA encourages staff to participate in training seminars and similar forums, as a means of educating the public about regulatory matters. Such interactions also provide staff with useful input from industry about regulatory procedures and ways in which they can be improved.

Facts Box

Licences/Registrations in Effect

Banking and Trust

	31 March 2014	30 June 2014
Banks	212	210
Category A	15	15
Category B	197	195
Nominee Trusts	29	29
Money Services Providers	6	6

CIMA Presents at CISPA Event

In May, CIMA representatives presented to members of the Cayman Islands Society of Professional Accountants (CISPA) at their annual training event at the Mariott Hotel.

CIMA representatives joined other recognized experts from the Financial Reporting Authority and Cayman Finance at the intensive, one-day event to provide insight into the financial services legal and regulatory framework in the Cayman Islands and to highlight the latest legal and compliance developments.

CISPA, a non-profit organisation that regulates and promotes the highest standards of accounting and ethics in the accounting profession in the Cayman Islands, organised the event to allow members to learn directly from industry experts.

Divisional representatives Ariel Tatum from Banking; Kadian Taylor and Juliette Maynard from Investment and Securities; and Pedro Reis from Insurance presented on recent regulatory changes and trends in their respective divisions.



CIMA Awards Two Thomas Jefferson Memorial Scholarships

Two young Caymanians – Janique Samson and Keisha James – will be able to pursue their graduate education, thanks to assistance from CIMA's Thomas Jefferson Memorial Scholarship programme.

Ms. Samson is a graduate of Pace University, where she earned a Bachelor of Business Administration (Cum Laude) in 2009. She has been accepted at the University of the West Indies (Mona) to study for a Master of Science degree in Enterprise Risk Management. Ms. Samson says, "I would like to commend CIMA for their investment in the development of Cayman's young professionals. Companies that fulfill their corporate responsibility by providing scholarships will contribute to the development of our country's human capital. I am honoured to have been selected for such a prestigious award and am grateful to CIMA for believing in me and helping me to attain my goals."

Ms. James will pursue a Master's degree in Financial Regulation and Compliance from BPP Law School in the United Kingdom. She completed the Legal Practice Course with Distinction at BPP Law School in 2011, and earned a Bachelor of Laws (Hons) Degree from the University of Liverpool in 2010. She says this course will enable her "to understand the impact that more stringent laws, regulations and compliance policies and procedures have on financial industries from an academic perspective."



(l-r) Ms. Shanaz Whittaker, Mr. Patrick Bodden, Mrs. Cindy Scotland, Mr. Joel Jefferson, Ms. Keisha James and Ms. Janique Samson.

Managing Director, Mrs. Cindy Scotland, expressed satisfaction that the Authority was able to award two scholarships this year. She says, "We are extremely pleased to assist these two young women in achieving their academic goals. They are both in areas of study which are very relevant to CIMA's work. We look forward to the completion of their studies, and anticipate their return to contribute to CIMA's regulatory work and to the financial services industry of the Cayman Islands."

CIMA Prepares for Disasters

Each year, CIMA's Disaster Recovery and Business Continuity team meticulously conducts a variety of communications, data recovery and application recovery tests from the Deloitte-managed Disaster Recovery Centre (DRC) at Citrus Grove. Considered "one of the most structurally sound buildings in the region", the Citrus Grove location will safely house CIMA staff, secure critical systems and data, and ensure business continuity in the event of a disaster.

CIMA's Disaster Recovery exercise began on the evening of 29 May with the IT Division initializing a real-world scenario by pulling all the plugs to the servers. This real-world exercise was mimicking the loss of power like that caused by Hurricane Ivan, which resulted in long-term power disruption. Though theoretically CIMA's network should have been offline, in reality CIMA's Uninterruptible Power Supply (UPS) seamlessly powered every click back at CIMA Headquarters.

The Information Systems Division has made great strides since September 2004, when Hurricane Ivan caused power loss to CIMA's sole Network Operations Centre (NOC). That experience prompted the development of two disaster recovery sites, on Grand Cayman and Cayman Brac, equipped to operate for weeks at a time. Both locations are now considered "hot sites", meaning that in the event of a computer, or equipment disaster, network operations will

continue to operate seamlessly by way of upgraded UPSs. CIMA's robust backup strategy ensures that data will not be compromised due to a server crash, by using on storage arrays specifically designed to maintain the reliability of the data. Other preventative measures include antivirus and data loss prevention programmes, which block malicious software.

However, CIMA is continually striving to enhance its Disaster Recovery and Business Continuity Plan.



Mr. Terrence Charles, CIMA Network & Operations Manager

Facts Box

Licences/Registrations in Effect

31 March 2014

30 June 2014

Fiduciary Services

Trust Companies	141	140
Unrestricted Trusts	49	48
Restricted Trusts	65	65
Nominee Trusts	27	27
Registered Private Trust Companies	88	91
Registered Controlled Subsidiaries of Trust Companies	38	38
Companies Management	90	97
Corporate Services	18	16

CIMA Legal Counsel Addresses Young Investors Club

The fifth annual Saxon Investors Club Competition culminated on 1 May with an awards ceremony at the St. Ignatius school hall. CIMA Legal Counsel, Mrs. Angelina Partridge represented the Authority as Guest Speaker at the awards ceremony.

The competition takes fledgling investors through a simulation of the New York Stock Exchange, enabling students from 14 to 19 years to experience the highs and lows of what it might be like to trade in the real world, using virtual startup capital of \$100,000. A total of 80 students from various schools participated.



This year, the winning team 'The CEOs' - consisting of two students from St. Ignatius - ended in a position of over \$300,000. The runners-up, '2 Legit 2 Quit' from Hope Academy, ended with their portfolio at over \$209,000.

Mrs. Partridge congratulated the students for their efforts and commented, "The Cayman Islands have a unique position in the world market as the fifth biggest banking centre. World-class regulation and a legal system similar to the United Kingdom, enable the Cayman Islands to continue to be a leading destination for investments. A healthy economy and stable currency make this jurisdiction an ideal place for you to call home."

She urged students to constantly seek ways to improve. She encouraged them to do their best, and to actively seek ways of improving their efforts throughout life.

Minister of Education, Employment and Gender Affairs, the Hon. Tara Rivers, JP presented the awards to the winning teams.

Managing Director Meets Investment Club Members

CIMA's Managing Director, Mrs. Cindy Scotland, met with the winners of this year's Saxon Investors club competition when they visited the Authority on 25 June.

Mrs. Scotland congratulated the team entitled The CEOs, which comprised Aaron Santamaria and Shaquille Morgan. She also shared a few pointers with the young men about making the transition to university.

The students got the opportunity to learn about the career options available at CIMA, and the best means of applying for internships with the Authority.

Legal Counsel, Mrs. Angelina Partridge, also attended the meeting.



Senior CIMA Staff Attend Banknote 2014 Conference

Managing Director, Cindy Scotland, and Head of Currency, Deborah Ebanks, attended Banknote 2014, the premier technical conference for the banknote industry. It was held in Washington DC from 10-12 April.

The conference focused on new technologies and developing trends directing the current and future state of the banknote industry.

Together with other international delegates from both the private and public sectors, Mrs. Scotland and Ms. Ebanks participated in interactive discussions with peers and previewed the latest technology for innovative banknote security, production and issuance.

The conference also featured a range of

international speakers and panels presenting their expertise on critical aspects of banknote issuance and usage in today's ever-changing business climate.

These included topics such as lowering Central Bank currency replacement costs, anti-counterfeiting innovations and measures to mitigate environmental impact.

Prior to the start of the Banknote 2014 conference, both members of staff attended the Board Meeting of the International Association of Currency Affairs (IACA), held on 6 April. The Managing Director is a member of the IACA Board, and the Head of Currency was invited to attend as an observer.



Mrs. Cindy Scotland sharing a moment with Banknote 2014 delegates.

Heather Smith at Helm of Investments and Securities



Heather Smith is settling in to her new role as Head of the Investments and Securities Division at CIMA. Her appointment became effective on 1 June 2014.

Ms. Smith was promoted from Deputy Head of the Division, a position which she held since 1 November 2006. She has over fifteen years of experience in the financial services industry.

She earned a Bachelor of Science degree in Business Economics, as well as the Associate of the Securities Institute and Certified Anti-money Laundering Specialist qualifications.

In her new post, Ms. Smith has responsibility for

Morag Nicol Returns to Insurance Division



Morag Nicol returned to CIMA to serve as acting Head of the Insurance Supervision Division. Her appointment was effective Thursday, 24 April 2014.

Mrs. Nicol was engaged initially for a period of three months in this capacity.

Part of her remit during this time will be to assist in the search for a permanent replacement for the former Head, whose employment with CIMA ended in mid-April.

Kamaal Connolly Promoted to Public Relations Officer



Kamaal Connolly has been promoted from Public Relations Assistant to Public Relations Officer. The appointment is effective 1 July, 2014, one year after he re-joined the Authority.

Mr. Connolly previously worked with CIMA as a PR Assistant in the Public Relations Unit from 2010 to 2011. His most recent stint as PR Assistant began in June 2013.

The Public Relations Officer is responsible for supporting the Public Relations Executive in providing public relations and

the authorisation and supervision of regulated hedge funds, fund administrators and securities investment companies in the Cayman Islands, and for directing a programme of continuous monitoring and inspection of licensed fund administrators and securities investment companies.

Of the appointment, Managing Director, Mrs. Cindy Scotland, said, "We know that Heather is well prepared to assume the responsibilities of Head. She has the requisite training, experience and industry exposure, and has represented the Authority very competently in her substantive post. We are also extremely pleased to be able to appoint another young Caymanian to this role."

Mrs. Nicol previously worked with CIMA's Insurance Division from 1998 to 2007. During this time, she served as Deputy Head of Insurance for five years, and as Head of Insurance for one year.

She also worked with the Authority as an insurance consultant in 2009.

Mrs. Nicol holds the designations of Chartered Insurer, Associate of the Chartered Insurance Institute and Certified Fraud Examiner, as well as a B.Sc. in Mathematics and Statistics.

communications services to foster awareness, understanding and support for CIMA among its staff, external stakeholders and the public.

"Kamaal has quickly demonstrated his ability to be a valuable addition to the PR Unit," Public Relations Executive, Dr. Sharon Marshall, said. "We are happy that he is able to move into this new role", she added.

Mr. Connolly has a Bachelor of Arts degree in Advertising and Public Relations from the University of Tampa, Florida.

CIMA Appoints Two Chiefs in Policy and Development

Shannon Francis and Prabhavathi Namburi joined the Authority on 5 May at the level of Chief Policy and Development Officer in the Policy and Development Division.



Ms. Francis has a Bachelor of Science degree in Community Health Education/Sociology Minor, from the University of Wisconsin, U.S.A. She also earned a Master of Business Administration from the University of Leicester, United Kingdom, and an International Compliance Diploma, from

the International Compliance Association, UK.

She is also a Fellow of the International Compliance Association.



Ms. Namburi earned a Bachelor of Commerce, a Masters in Human Resources Management and a Bachelor of Law. She has also pursued the Professional Practice Course at the Cayman Islands Law School.

As Chief Policy and Development Officer, Ms. Francis and Ms. Namburi are responsible for

conducting research on international regulatory developments relating to financial services, and developing proposals for regulatory instruments for CIMA's supervisory divisions.

CIMA Scholarship Recipient Takes Up Employment with the Authority



When CIMA established its scholarship programme in 2007, it was always with the hope that students would return home to contribute to the economic development of their country.

Shanaz Whittaker, the 2010 recipient of the Thomas Jefferson Memorial Scholarship awarded by the CIMA, did just that. Ms. Whittaker began employment as an Analyst in the Investments and Securities Division on 9 June, after completing her studies at

the University of Tampa, Florida, in May. Ms. Whittaker, who interned at CIMA during her holidays as part of her scholarship conditions,

graduated with a Bachelor's of Science degree in Management.

Managing Director, Mrs. Cindy Scotland said, "Shanaz has always been an exemplary intern and we are pleased to have her as a member of the CIMA team."

CIMA established the scholarship programme in 2007 in memory of the late Honourable Thomas Jefferson, former Financial Secretary and Leader of Government Business, for students pursuing a Bachelor's or Master's Degree in Finance, Accounting, Economics, Management or Business Administration.

Ms. Whittaker says, "I'm extremely grateful to CIMA for providing me with this opportunity, which has been so beneficial, professionally and personally. Everything I do is a reflection of the experiences and knowledge gained abroad which would not have been available to me without the Thomas Jefferson Memorial Scholarship."

CIMA Now Registering and Licensing Directors Online

Non-resident directors and Cayman Islands-based directors of entities regulated under the Mutual Funds Law are now required to be either registered or licensed with the Cayman Islands Monetary Authority. This requirement is also applicable to certain "excluded persons" under the Securities Investment Business Law.

These developments are a result of the Directors Registration and Licensing Law, 2014, coming into force from 4 June.

Individuals appointed as directors for fewer than 20 covered entities have to be registered by 3 September 2014, while professional directors who are appointed as directors for 20 or more entities, as

well as corporate directors, must be licensed by 3 December 2014.

The required Director information must be updated annually by 15th January of each subsequent year.

The registration process must be carried out through CIMA's Director Gateway web portal, and payment of the applicable fees is by credit card only.

This is in line with the Authority's objectives of gradually phasing out manual filings by licensees and registrants. Electronic filing of Directors' information is an essential element to improving data quality and will significantly enhance the Authority's ability to effectively carry out its mandate under the Monetary Authority Law.

The Authority Offers Summer Internship Opportunities

CIMA strives to make internships available for interested university students, home for their summer break. This summer, the Authority accepted six students to work in various divisions. They were: Shakeina Bush, Rebekah Khan, Chloe Scott, Tyleisha Galbraith, Takiyah Smith, Megan Thompson and Olin Monteith.

Rebekah joined the Investments and Securities division for the month of June. She is in her final year at Florida International University (FIU) in Miami, pursuing a Bachelor's degree in Finance.

Shakeina and Tyleisha were assigned to the Banking Supervision division. Shakeina recently graduated with a Bachelor of Science degree in Education from FIU, and Tyleisha attends the UWC Pearson College in Canada, where she is completing the International Baccalaureate Diploma Programme.

Chloe Scott was placed in the Fiduciary division. She is a senior at Palm Beach Atlantic University in Florida and is working towards a Bachelor's in Accounting. She is interested in Finance and Accounting and plans to complete the CPA examination. Megan Thompson, a senior at Johnson and Wales University in Miami, Florida, was assigned to the Managing Director's Office. During her internship, she will get a first-hand experience of how the Managing Director's Office oversees the operations of the Authority.

Takiyah Smith, a senior studying at Oakwood University is

assigned to the PR Unit. She is majoring in Communications with a concentration in Public Relations. Olin Monteith joined the Information Systems division. He is currently a senior at Quincy University and is working towards obtaining a Bachelor's in Computer Information Systems. Olin plans to be a network administrator.

Having a well-developed internship programme assists the Authority in attracting and developing talented persons to work at CIMA.



(l-r) Ms. Tyleisha Galbraith, Ms. Rebekah Khan, Mr. Olin Monteith, Ms. Takiyah Smith, Ms. Chloe Scott and Ms. Megan Thompson. Ms. Shakeina Bush is absent.

UK Training for Currency Head

Head of the Currency Division, Deborah Ebanks, participated in the Royal Mint's fourth Coin Management Training Programme from 2 – 6 June 2014. The training programme was held specifically for Central Banks/Issuing Authorities.

The week-long interactive and knowledge-based event covered all aspects of coin management.

There were presentations from experts within the Royal Mint and talks from international partners and specialists. The 29 participants also visited the Mint for a full day's tour, and attended a presentation at the Bank of England, which also included a tour of their museum.

In a Workshop Presentation: Introducing a New Coinage into the System, participants were challenged to design a new coin. These presentations were voted on by the participants who were not allowed to vote for their own team. Ms. Ebanks was part of the team comprising the Americas and one representative from the Philippines and Seychelles, which was voted the winner of the challenge.

The programme was intended to ensure that each delegate attained an in-depth knowledge of all aspects of coin management from the world's leading export mint.



Ms. Deborah Ebanks (3rd from left) being presented with her Certificate of Participation with the Directors of Sales and the Americas Sales Team.

CIMA Represented at CGBS Basel II Technical Working Group Meeting and Workshop



Mr. Ishmael DaSilva (extreme right) with counterparts at the banking meeting in Barbados.

Chief Analyst in the Banking Supervision Division, Ishmael DaSilva, participated in the Caribbean Group of Banking Supervisors (CGBS) Basel II Technical Working Group Meeting and Workshop which was held in Barbados from June 23-24. The topic of the workshop was Basel II Implementation in the region. Mr. DaSilva presented on the Items of National Discretion embedded in Pillar I of the Basel II Framework.

The working group is tasked with drafting a uniform set of documents, policies and procedures to be used by various member countries once they reach the stage of Basel II implementation in their respective jurisdictions. Additionally, the group encourages discussion of issues encountered during the process of implementation, and through such discussions, formulate 'attack' strategies.

This is the second such meeting that Mr. DaSilva has attended on behalf of the Authority, acting as a representative for the Cayman Basel II implementation group. His last appearance was in conjunction with Chief Analyst, Dana Rankine, in Trinidad where he presented on Pillar II and Basel III implications.

Mr. DaSilva commented, "I look forward to participating in such workshops because of the high level of cross-border discussions on key issues related to the implementation of the Basel framework. Each of the subscribing countries is seeking to implement these internationally accepted standards, and adding a level of comfort in the viability

of their banking sectors. However, before doing so, they first have to ensure that they have the proper infrastructure in place to accommodate such changes. In seeing the diverse hurdles identified by each jurisdiction, in particular the gaps in the legal infrastructure, one obtains a first-hand appreciation for the Basel standards as it shows how 'weak' a particular jurisdiction is in relation to the standards. The subsequent evolution of that jurisdiction in bringing their infrastructure up to par is, to me, extremely interesting." He further explained that during the working group meeting, the Cayman Basel II implementation group was asked to assist their counterparts in Barbados and the Turks and Caicos Islands with the development of the proposed Basel II Prudential and Reporting forms.

The next CGBS Basel II Technical Working Group meeting is scheduled for the last quarter of this year in the Bahamas.

Licences/Registrations in Effect	31 March 2014	30 June 2014
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Insurance

Insurance Companies	787	793
Class A	27	27
Class B	720	725
Class C	38	39
Class D	2	2
Insurance Managers	31	31
Insurance Brokers	41	41
Insurance Agents	61	63

Investments and Securities

Mutual Funds	11,205	11,296
Registered	8,064	8,116
Master	2,637	2,676
Administered	394	395
Licensed	110	109
Mutual Fund Administrators	120	116
Full	88	84
Restricted	30	30
Exempted	2	2
Securities and Investment Business Law (SIBL) Licensees	37	37
Excluded Persons Under SIBL	2,057	2,190

Currency in Circulation

Total Currency	CI\$91.7m	CI\$91.7m
Notes	CI\$81.6m	CI\$81.5m
Coins	CI\$10.1m	CI\$10.2m

Note: CI\$1.00 = US\$1.20

LOOK AHEAD

2014

CIMA to Host Seminar with Fitch Ratings

The Authority is in the process of finalizing a day-long seminar with Fitch Ratings in the Cayman Islands in October this year. Last October, a similar seminar organized in collaboration with A.M. Best was a great success, attracting over 100 attendees.



For this year's seminar, CIMA expects to have 125 attendees from both Cayman and other jurisdictions.

The seminar is being jointly sponsored by Industry.

While the agenda for the seminar is being finalized, Fitch is expected to present on a number of pertinent topics including the rating process, ILS, SPCs, PICs, Cat Bonds, Hedge Funds and a market

perspective on Reinsurance, General Insurance and Life Insurance. There will also be a Fitch/CIMA Panel Q&A.



Fitch Ratings is a preeminent global rating agency, which is part of the Fitch Group. Fitch Ratings was one of the three ratings agencies first recognized by the U.S. Securities and Exchange Commission

as a nationally recognized statistical rating organization (NRSRO) in 1975.

Holding the seminar here in conjunction with this prestigious agency gives further credibility to Cayman as an international financial services jurisdiction. The seminar is scheduled for Wednesday, 22 October, at the Grand Cayman Marriott Beach Resort.

For more information, please contact the Insurance Supervision Division at CIMA by email at insurance@cimoney.com.ky.