

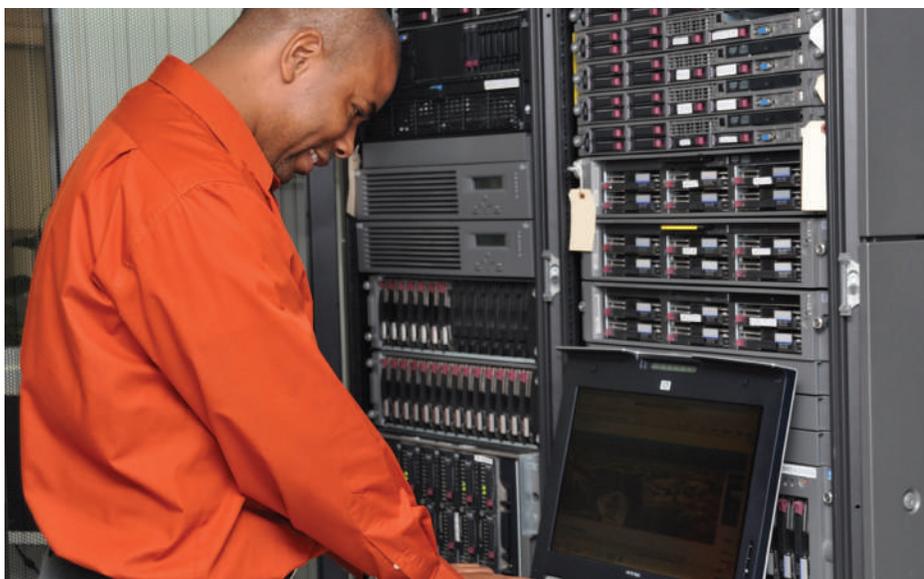


# The Navigator

JULY 2011

## Preparing for the Storm

By Scott MacLaren, Deputy Head of Information Services



Network Administrator Michael Dawkins performing a 'start of season' check on the CIMA network.

The lead up to the annual hurricane season brings about conversations about preparedness throughout the community at large, however, for Information Technology professionals, disaster planning presents its own unique challenges. Whether the predictions are for one storm or 100, the goal of ensuring continuity of services is the same for either scenario.

The term Disaster Recovery (DR) means different things to different people, and here in the Cayman Islands there are unique issues. For instance, conventional wisdom tells us that your DR site should be located far enough away that it will be unaffected by whatever natural or man-made disaster has impacted the main site.

In the United States it is easy to accomplish this: a company in Miami, Florida can have its DR site a few hundred miles away in Tampa, Florida, in another state, or even another country entirely. In contrast, for Cayman we only have two choices: host our DR site domestically or overseas.

For some locally based multi-national companies, it is logical and simple to maintain their DR sites overseas. However for CIMA, we have a mandate that our data is NEVER to be domiciled out of the jurisdiction, meaning it must reside at all times within the Cayman Islands.

This mandate poses only two options: situate our DR site at a different physical location on Grand Cayman, or locate it on Cayman Brac, the larger of the two Sister Islands and which has the highest elevation of all three islands.

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## Preparing for the Storm: Cont.

CIMA has chosen to do both.

On Grand Cayman, CIMA maintains its primary DR site within the offices of a local company that provides hardened data centers and offices purpose built for disaster survivability. On the Brac we have a second fallback site, also located in a hardened location. Both have their own backup power, air conditioning, water and communications, as well as being in a hurricane rated building.

These two sites individually provide CIMA a different layer of security. On Grand Cayman our DR site is actually a part of our production network with high speed "dark fibre" (dedicated, non shared fibre optic cables) connecting the two sites. The servers and data storage located in this remote building are used in our day to day processing and contain the same live, real-time data as our primary site; in effect a "private cloud". In an emergency either building could take on the workload from the other without the loss of any information. On the Brac, we maintain sufficient off-line processing power to accommodate our critical applications and a copy of all our data is constantly being replicated and stored 24 hours per day - key data is replicated every 30 minutes around the clock!

In the event of the loss of both CIMA's offices and our local DR site on Grand Cayman, crucial systems would automatically startup in the Brac. Testing of this system shows that email and web services would become available within 15 minutes, and most other services would be reachable by secure access shortly after that.

On top of these DR sites CIMA continues to maintain legacy tape backup systems where full offline copies of all data are taken every day and for some key systems like our exchange (email) servers backups up to tape occur every eight hours or less.

These tapes are kept in secure storage so that in the event of a catastrophic loss of all data sites, the IT team could still recover CIMA to operational standards in a very short time with just these tapes.

While the hope is always that these preparations are never put to the test, CIMA continues to be well prepared in the event of the worse case scenarios and committed to staying abreast of advancements in disaster mitigation.



## CIMA Licence/Registration Numbers

Banking and Trust	31 March 2011	30 June 2011
<b>Banks</b>	<b>246</b>	<b>250</b>
Class A	16	16
Class B	230	234
Class B Restricted	1	1
<b>Nominee Trusts</b>	<b>42</b>	<b>42</b>
<b>Money Services Providers</b>	<b>8</b>	<b>8</b>
<b>Fiduciary Services</b>		
<b>Trust Companies</b>	148	147
Unrestricted Trusts	53	53
Restricted Trusts	72	71
Nominee Trusts	23	23
<b>Registered Private Trust Companies</b>	50	56
<b>Registered Controlled Subsidiaries of Trust Companies</b>	21	23
<b>Companies Management</b>	81	82
<b>Corporate Services</b>	9	9
<b>Insurance</b>		
<b>Insurance Companies</b>	<b>749</b>	<b>754</b>
Class A	29	29
Class B	720	725
<b>Insurance Managers</b>	<b>30</b>	<b>32</b>
Insurance Brokers	<b>34</b>	<b>37</b>
Insurance Agents	<b>75</b>	<b>60</b>
<b>Investments and Securities</b>		
<b>Mutual Funds</b>	<b>9,261</b>	<b>9,409</b>
Registered	8,707	8,857
Administered	426	424
Licensed	128	128
<b>Mutual Fund Administrators</b>	<b>134</b>	<b>130</b>
Full	94	94
Restricted	38	34
Exempted	2	2
<b>Securities Investment Business Law (SIBL) Licensees</b>	<b>29</b>	<b>31</b>
<b>Excluded Persons Under SIBL</b>	<b>2,442</b>	<b>1,936</b>
<b>Currency in Circulation</b>		
	<b>31 March 2011</b>	<b>30 June 2011</b>
<b>Total Currency</b>	<b>CI\$85.6 million</b>	<b>CI\$84.9 million</b>
Notes	CI\$76.4 million	CI\$75.6 million
Coins	CI\$9.2 million	CI\$9.2 million



International Association  
of Insurance Supervisors

## CIMA Joins Ranks of IAIS MMoU Signatories

The Cayman Islands Monetary Authority (CIMA) has become the 15th signatory to the Multilateral Memorandum of Understanding (MMoU) of the International Association of Insurance Supervisors (IAIS).

Joining an elite group of international standard setters and regulators, formalisation of the accomplishment was announced in mid-June 2011 following an intensive three-year application process.

The MMoU is a framework for cooperation and the exchange of information between insurance supervisors. It also sets standards to which each signatory must adhere.

Managing Director, Mrs. Cindy Scotland, lauded the accession as further demonstrating CIMA's commitment to international cooperation and transparency, saying: "Effective cooperation between supervisors is paramount to encouraging financial stability and growth. The Authority is pleased that the regime we have in place has met the stringent requirements of the validation process as set out by the IAIS. This accession speaks volumes for the calibre of our regime and we look forward to ongoing collaborations with the IAIS."

Other signatories include Australia, Germany, Singapore, Bermuda, France and Guernsey.



## About the IAIS

Established in 1994, the International Association of Insurance Supervisors (IAIS) represents insurance regulators and supervisors of some 190 jurisdictions.

Since 1999, the IAIS has welcomed insurance professionals as Observers. Currently there are more than 120 Observers representing industry associations, professional associations, insurers and reinsurers, consultants and international financial institutions. The IAIS issues global insurance principles, standards and guidance papers, provides training and support on issues related to insurance supervision, and organises meetings and seminars for insurance supervisors.

The IAIS works closely with other financial sector standard setting bodies and international organisations to promote financial stability. It holds an Annual Conference where supervisors, industry representatives and other professionals discuss developments in the insurance sector and topics affecting insurance regulation.

An Executive Committee, whose members represent different geographical regions, heads the IAIS. It is supported by three main committees - the Technical Committee, the Implementation Committee and the Budget Committee. These committees form subcommittees and working parties (working groups, task forces and groups) to accomplish their objectives.

### Signatories in alphabetical order:

1. Australia Prudential Regulation Authority, Australia
2. Financial Market Authority, Austria
3. Bermuda Monetary Authority, Bermuda
4. Financial Services Commission (FSC), British Virgin Islands
5. Cayman Islands Monetary Authority, Cayman Islands
6. Financial Supervisory Commission, Chinese Taipei
7. Autorité de Contrôle des Assurances et des Mutuelles, France
8. Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Germany
9. Guernsey Financial Services Commission, Guernsey
10. Financial Services Agency, Japan
11. Jersey Financial Services Commission, Jersey
12. Malta Financial Services Authority, Malta
13. Comision Nacional de Seguros y Fianzas, Mexico
14. De Nederlandsche Bank, The Netherlands
15. Insurance Supervisory Commission, Romania
16. Monetary Authority of Singapore, Singapore
17. Dubai Financial Services Authority (DFSA), United Arab Emirates



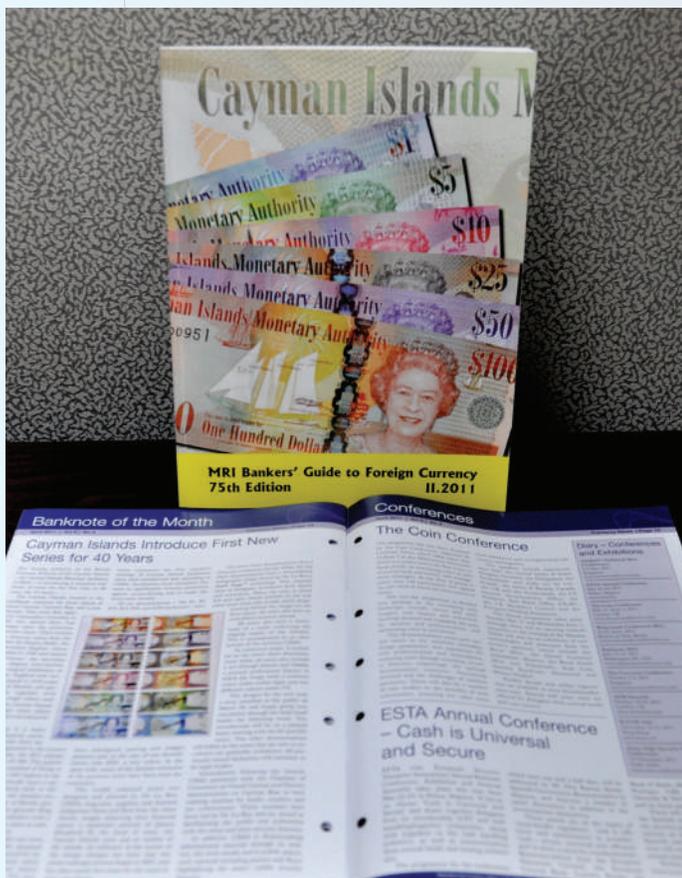
## D series Recognised in International Publications

The recently issued Cayman Islands D series banknotes have scored the coveted cover spot in the 75th edition of the MRI Bankers' Guide to Foreign Currency.

First published in 1990, the quarterly publication is used by central and commercial banks, exchange bureaus, libraries, universities, coin dealers, travel agents including those involved in international trade who rely on it to learn details about worldwide currencies. Quoted by Herwig Bayer of Associated Foreign Exchange (AFEX) as, "The Bible of Foreign Exchange tellers," the guide is widely distributed in the United States and around the world.

Coordinating the efforts behind the release of the D series notes, Head of Currency, Miss Deborah Ebanks, commented, "Having the C.I. currency depicted on the cover, is positive publicity for the Cayman Islands, albeit completely free of cost to CIMA. Seeing our newly designed notes on the cover of this prestigious industry publication makes the Authority very proud. It demonstrates that through diligent work, the Cayman Islands can continue to be recognised as a jurisdiction that strives for excellence and is a leader in industry innovation."

The D series was also selected as the 'Banknote of the Month' by editors of Currency News, in their April 2011 issue. Currency News is a monthly publication which focuses exclusively on world currencies, catering to all professionals involved in currency matters.



## CIFAA Sponsors Fund Administration Course



Jeremy Williams, an Analyst in the Investments and Securities Division (ISD), has successfully completed the Advanced Certificate in Fund Administration course, passing the course with distinction.

Based on his outstanding results, Mr. Darren Stainrod, Chairman of the Cayman Islands Fund Administrators Association (CIFAA), awarded full sponsorship

for Mr. Williams to pursue the next level of training, namely the Diploma in Fund Administration. The course is accredited by the United Kingdom-based University of Manchester Business School.

Mr. Williams will be completing the course via distance learning, facilitated locally by CIFAA. The programme is scheduled to be completed in October 2011.

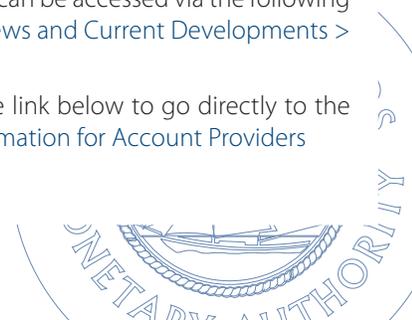
Head of ISD, Mrs. Yolanda McCoy, offered her comments on Jeremy's recent accomplishment: "On behalf of ISD I would like to extend our congratulations to Jeremy. Attaining university level qualifications, with distinction, is a remarkable achievement especially while managing full time employment. The Authority fully supports Jeremy's endeavours to pursue higher education and we are extremely grateful to CIFAA for their continued commitment and sponsorship."

## Dormant Accounts – Information For Account Providers on CIMA Website

The Dormant Accounts Law 2010, its regulations and subsequent amendments (collectively referred to as the 'Law'), requires certain financial institutions ('account providers') to transfer monies that are in dormant accounts in their institutions to the Government after seven years of account inactivity. It also requires account providers to provide certain documentation to the Minister for Finance and to CIMA.

To assist account providers in meeting the requirements of the Law, CIMA has provided explanatory information on its website [www.cimoney.com.ky](http://www.cimoney.com.ky). This includes a Frequently Asked Questions sheet. The web page can be accessed via the following path: Home > About CIMA > News and Current Developments > Current Developments.

Our online readers can click the link below to go directly to the page: [Dormant Accounts: Information for Account Providers](#)

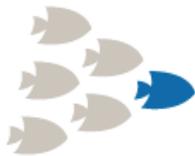


# CIMA's First Leadership Cayman Graduate



Ruth Myles (3rd from left) and classmates Sheena Thompson, Christian Van Der Bol and Mark Edmunds during a Leadership Cayman strategising exercise.

**Leadership  
Cayman**



Following six months of fortnightly seminars, Ruth Myles, CIMA's Public Relations Officer, has graduated as part of the 2011 class of Leadership Cayman.

First introduced in the Cayman Islands by the Chamber of Commerce in 2009, the programme is designed to develop and enhance the leadership skills of each participant. During each of the seminars, participants interact with diverse, high-level community leaders and decision makers in areas ranging from business, government, education, media, criminal justice, the arts and more to discuss the areas of concern associated within each field.

Lauding the range of the curriculum and high calibre of speakers, Mrs. Myles explains: "This experience has opened my eyes to the challenges of leadership both professionally and in our community. This programme gave me a deeper understanding of some of the social, economic, business and political issues affecting our community, as well as enabled me to identify ways we all can become leaders in the community."

"I now have a different perspective regarding some of the problems facing our society, but more importantly, I have developed a network of likeminded professionals who feel as passionately as I do about being part of the solution. I'm grateful that CIMA enabled my participation in this inspirational programme."

Mrs. Myles plans to move forward with some of the ideas she was introduced to during the programme, through ongoing work with the Leadership Cayman Alumni Association.

"The mission of the Alumni Association is to continue the momentum and spirit of the programme," explains Mr. Wil Pineau, Chief Executive Officer of the Chamber of Commerce and class of 2010 graduate. "Through networking and contact with the variety of speakers and community representatives the classes provide, there are ongoing opportunities for alumni to play a more active role in our community as well as developing their own skills as a leader and potential influencer."

The selection process for participants in the Leadership Cayman programme includes an application, essay and multi-panel interview, if shortlisted. Anyone interested is encouraged to speak to alumni and attend information sessions, held during the recruitment drive for each new class.

For more information on the Leadership Cayman programme please visit: [www.leadershipcayman.ky](http://www.leadershipcayman.ky).

## 'Webinars' Enable Continued Learning

Beyond the traditional approaches staff may take to furthering their education, CIMA regularly supports its staff's educational endeavours through the use of web seminars (webinars).

Some of these are presented by the Association of Certified Anti-Money Laundering Specialists (ACAMS). Learning from real-life case studies based on both private and public sector issues, CIMA employees utilise the ACAMS webinars to keep abreast of the latest regulatory changes and newest anti money laundering best practices.

These events are specifically geared towards employees who are members of the ACAMS Society to maintain 'Continuing Professional Education' (CPE) credit. However, other CIMA employees are invited to attend for informational purposes and development.

The most recent webinar, conducted at CIMA's Learning Centre on 24 June, was entitled: "A Practical Approach to the Challenges of Detecting Human Trafficking." During the two-hour review, expert speakers presented 'business models' of human trafficking rings and highlighted the important money laundering indicators associated with this international crime.

A webinar was also held on 22 June, entitled: "AML and Tax Evasion Initiatives." During the session, participants analysed current global initiatives to make tax evasion a predicate crime for money laundering and evaluated how these new standards could affect compliance.

### Other issues examined were:

- the latest advances in global tax enforcement;
- how offshore banks and tax havens have increased global awareness and initiatives in tax enforcement;
- why banks must better monitor domestic and foreign politically exposed persons; and,
- how tax haven concerns could impact your AML program.

There are eight future webinars scheduled through October 2011 with topics relevant to the financial services industry.



Dwayne Dixon (Fiduciary) has participated in several webinars including courses offered by ACAMS

## HR Developments

### Students Return for Summer Internship Programme

As summer heats up, five young Caymanian university students maintain their career focus through internships with the Cayman Islands Monetary Authority (CIMA).

Interning this summer are Shanaz Whittaker, Patriann Monteith, Samantha Williams, Takiyah Smith and Rosworth McLaughlin.

Miss Whittaker – CIMA's 2010 Thomas Jefferson Memorial Scholarship recipient – continues her studies at the University of Tampa, majoring in Business Management. She is working with the Investments and Securities Division for the remainder of the summer where she hopes to gain valuable exposure to the various units within the division.

Interning with CIMA for the first time, Miss Monteith is currently pursuing her Bachelor's Degree in Accounting at Florida Atlantic University. She is working in the Human Resources Division.

Miss Williams, who holds an Associate's Degree in Business from the International College of the Cayman Islands (ICCI) is spending her time in the Insurance Supervision Division. At the completion of her internship, she plans to incorporate her professional



CIMA's 2011 summer interns: (seated from left to right) Patriann Monteith, Shanaz Whittaker, (standing) Rosworth McLaughlin and Takiyah Smith. (Not pictured: Samantha Williams)



## Students Return for Summer Internship Programme: Cont.

experience gained at CIMA in her pursuit of a Bachelor's in Business Administration, also from ICCI.

Mr. McLaughlin just completed his second round of interning with CIMA where he assisted the Information Systems (IS) Division. He holds an Associate's Degree in Accounting from the University College of the Cayman Islands and is currently pursuing a Bachelor's degree in Accounting and Computer Information Systems at Oakwood University in Alabama.

He expressed his gratitude to the organisation, saying: "I am thankful for having had the privilege of being back with CIMA

for another summer. My work experience with the IS Team was exciting."

A fellow Oakwood University student and repeat intern, Miss Smith is pursuing a Bachelor's Degree in International Relations and is currently working in the Banking Supervision Division.

During university breaks, interns typically rotate throughout the various divisions of CIMA to gain a broad perspective of the key areas of responsibilities of each division and the importance of internal, as well as, external interactions.

## CIMA sharing employment tips with students



CIMA HR Officer Eric Webster and JGHS Life Skills teacher Georgia Harding (at left) with year 10 students following Mr. Webster's employment presentation

Human Resources Officer Eric Webster shared valuable information for prospective applicants seeking both summer jobs and fulltime employment during a presentation to year 10 students from John Gray High School (JGHS) on 24 June.

Mr. Webster's presentation was part of the life skills programme offered at the school to help prepare youngsters for the challenges that follow graduation. During the session Mr. Webster outlined attributes, such as, skills, personal qualities, qualifications, and experience that employers look for in job candidates when hiring.

The talk was the last of a series of nine carried out by CIMA for

2011. The series catered to JGHS students in years 10, 11, and 12.

Due to the success and relevance of the series, it has been incorporated into the school curriculum and CIMA plans to continue its involvement. Mr. Webster explained:

"CIMA has an interest in the development of young persons and we recognise that they will eventually fall within the pool of talent from which the Authority draws. Providing them with the relevant information to better prepare for the work environment is a small but critical service not only to them but also to the community."

# Staff Updates

## Promotions:



Kara Ebanks: Analyst to Senior Analyst, Insurance Supervision Division



Roshenara Khan: Analyst, Investments and Securities Division to Senior Analyst, Compliance Division

## New Hires:



Chad Bodden: Senior Policy and Development Officer, Policy and Development Division



Daria Kawecka: Systems Programmer Analyst, Information Services Division



Charles Bodden: Analyst, Investment and Securities Division



Deborah Musson: Head of Human Resources, Human Resources Division



Tiffany Hydes-Belalcazar: Junior Analyst, Banking Supervision Division

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