



# the NAVIGATOR

October 2014

## The Authority Participates in National Risk Assessment

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(l-r) Premier, the Hon. Alden McLaughlin; Minister of Financial Services, the Hon. Wayne Panton; CIMA's Managing Director, Mrs. Cindy Scotland, and World Bank Senior Financial Specialist, Mr. Emile van der Does de Willebois.

CIMA's Managing Director, Mrs. Cindy Scotland, addressed the opening ceremony of the launch of the Cayman Islands' National Risk Assessment on 14 October, 2014. She told her audience that, "This National Risk Assessment represents a significant aspect of the convergence of various international initiatives to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction."

**“ ...Like all financial centres, onshore and offshore, we face our challenges, but I stand before you confident this morning that as a country we have much to be proud of. ”**

She added that, "Like all financial centres, onshore and offshore, we face our challenges but I stand before you confident this morning that as a country we have much to be proud of. We have been proactive in ensuring that our regulatory framework meets international standards and in some cases exceeds, and that the regime is effective. However, there is always room for improvement and this exercise is about making those improvements."

The Managing Director said that a risk assessment involves making judgments about threats, vulnerabilities and consequences. She expressed the view that, "The outcome of the exercise should mean not only developing solutions to the problems that are associated with such risks, but also an assessment as to whether we, as a country, are prepared to assume those identified risks going forward."

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## National Risk Assessment (continued from page 1)

Mrs. Scotland suggested that there is a need for a national strategic plan to determine the direction in which the country wished to see financial services in the jurisdiction develop. She said, "We also need to be prepared to adjust our model to reflect the accepted level of risk."

Six of the eight Working Groups that have been established for the NRA are being chaired by staff of the Authority, which has at least two members on all six of those groups.

Representatives from the public and private sectors participated in the three-day workshop facilitated by the World Bank.

Other speakers at the opening ceremony were Premier, the Hon. Alden McLaughlin; Minister of Financial Services, the Hon. Wayne Panton; and World Bank Senior Financial Specialist, Mr. Emile van der Does de Willebois.



### Facts Box

Licences/Registrations in Effect

30 June 2014

30 September 2014

#### Banking and Trust

Banks

210

206

Category A

15

15

Category B

195

191

Nominee Trusts

29

29

Money Services Providers

6

6

## Looking Back at Hurricane Ivan



On 11 September, the thoughts of virtually everyone in the Cayman Islands turned to Hurricane Ivan, which had devastated Grand Cayman exactly ten years earlier.

Hazard Management Cayman Islands, with support from the Caribbean Disaster Management Agency, held a retrospective conference entitled "After the Storm: remembering Hurricane Ivan". Representatives from regional countries affected by Ivan were invited.

One of the conference's sessions focussed on Business Continuity and Financial Center Commerce - Lessons Learnt From Hurricane Ivan".

Head of CIMA's Information Systems Division, Charles "Chuck" Thompson, represented the Authority at that session. He explained that the Authority had developed its own business continuity/ disaster recovery plans.

These plans guide the Authority on: Crisis Assessment, Response Management, Business Recovery Management, Emergency Management, Staff Well-Being Management, and Public Relations Management.

He told the audience that, "Hurricane Ivan demonstrated the value of having alternate locations from which business operations can continue in the event of a major contingency."

Mr. Thompson shared that as a result of this lesson learnt from Ivan, the Authority's Business Recovery plan now provides for two off-site locations to facilitate continuity of operations should the need arise.

He also explained that as the regulator for Cayman's vital international financial services sector, CIMA had introduced a Statement of Guidance on Business Continuity Management for All Licensees. This SOG was issued in March 2007.

## Seychelles Central Bank Delegation Calls on CIMA



(l-r) Special Assistant to the Managing Director, Mr. Mitchell Scott; Deputy Head of the Banking Supervision Division, Ms. Sharon Braithwaite; Deputy Managing Director - Supervision, Mrs. Anna McLean; Governor of the Central Bank of Seychelles, Ms. Caroline Abel, and Director of the Seychelles Financial Services Supervision Division, Mr. Jean-Paul Barbier.

On October 2014 a group of senior managers from the Authority met with two representatives from the Central Bank of Seychelles. The two representatives, Ms. Caroline Abel, Governor and Mr. Jean-Paul Barbier, Director – Financial Services Supervision, travelled from

the Republic of Seychelles to meet with the Authority. Their main mission was to get information on the regulatory framework of the Cayman Islands Offshore Banking Sector.

The discussions with the Seychelles delegation covered a broad spectrum, including the legislative framework necessary to support a growing offshore sector; types and uses of the banking licences issued; regulatory measures necessary to foster the solid reputation of the Cayman Islands as one of the top offshore financial centres.

The Seychelles representatives were very interested in the staff capacity requirements; legislation to deter money laundering and the financing of terrorism; and to understand the challenges that come with being an international financial centre.

Deputy Managing Director - Supervision, Mrs. Anna McLean, stressed the need for the support infrastructure such as external audit, legal and compliance to be well developed, as the Cayman Islands has found that these sectors play a pivotal role in the development of the offshore industry. She also cautioned our visitors to continue to proceed cautiously, focusing on quality rather than quantity, noting the ease of licensing, versus the challenges to divest of entities that are not in congruence with one's strategic goals.

The Republic of Seychelles is a member of the African Union and currently boasts eight onshore retail banks and three offshore banks.

## Japanese Professor includes CIMA in Research Visit

Professor Shigeru Nishiyama, a professor at Waseda University in Tokyo, Japan, visited CIMA in September, as part of a research visit to the Cayman Islands.

The former Visiting Professor at Stanford University in California, is Assistant Dean at the Business School of Waseda University.

He says people in Japan's financial services industry regard the Cayman Islands very highly as a jurisdiction. Prof. Nishiyama was interested in learning more about the Cayman Islands, including the history of the financial services industry; competitiveness against the other tax neutral jurisdictions in the region; and the present situation of the jurisdiction's financial industry.



(l-r) Special Assistant to the Managing Director, Mr. Mitchell Scott; Deputy Managing Director and General Counsel, Mr. Langston Sibbles, QC; and Public Relations Executive, Dr. Sharon Marshall, meeting with Prof. Nishiyama.

### Facts Box

Licences/Registrations in Effect	30 June 2014	30 September 2014
<b>Fiduciary Services</b>		
Trust Companies	140	140
Unrestricted Trusts	48	49
Restricted Trusts	65	64
Nominee Trusts	27	27
Registered Private Trust Companies	91	93
Registered Controlled Subsidiaries of Trust Companies	38	38
Companies Management	97	98
Corporate Services	16	16

## New Member on CIMA's Board of Directors



Judith Watler attended her first meeting of the Board of Directors of the Cayman Islands Monetary Authority on 6 August, after having been appointed to the position on 29 July.

Ms. Watler is Compliance Director for the Americas at Intertrust, where she has responsibility for ensuring compliance with the Anti-Money Laundering ("AML") and Regulatory requirements. She is also responsible for compliance with the Group's internal policies and

procedures for all jurisdictions in which Intertrust has offices within the Americas region.

## RBC Royal Bank Opens New Branch

Deputy Managing Director - Supervision, Mrs. Anna McLean, spoke on behalf of the Authority at the opening of RBC Royal Bank (Cayman) Limited's newest branch.

At the opening ceremony for the Caribbean Plaza branch on 2 October, Mrs. McLean said the branch is a great addition, and should do well, because the Seven Mile Beach/West Bay Road area is one which is seeing a great deal of construction and development.

She told the bank's officials that, "At CIMA, our role is to ensure prudent banking practices that will protect the consumers of your products, enhance the jurisdiction's financial services sector and its reputation. We note that international institutions, such as yours, have many stakeholders. However, we do encourage you to continue to be a responsible corporate citizen, to operate in the best interests of your customers, and that of the jurisdiction."

Before joining that company, Ms. Watler worked at CIMA for approximately fourteen years, most recently in the position of Senior Analyst in the Investments and Securities Division. She was responsible for the supervision and regulatory compliance of a portfolio of regulated entities and licence holders. During this period, she supervised and managed a team of Analysts and made significant contributions to the on-going assessment of the Cayman Islands regulatory regime by international organisations.

Ms. Watler earned a Bachelor of Arts degree from St. Leo University. She also has a Certificate of Proficiency in Insurance, a Certificate in Offshore Finance and Administration, Institute of Chartered Secretaries & Administrators (ICSA); the CAMS (Certified Anti-Money Laundering Specialist) Professional Designation; FIBA AML Institute Certification; and is a Notary Public of the Cayman Islands. Ms. Watler is a member of the Board of Directors of the Cayman Islands Compliance Association.



## CIMA Staff Step Up Recycling Efforts



Members of CIMA's Green Team have been working with fellow employees to make definite progress with regard to implementing initiatives to make the Authority more environmentally-friendly.

On 25 August, staff welcomed containers from the Department of

Environmental Health (DEH) for the purpose of collecting aluminium cans to be recycled through the DEH recycling programme.

CIMA also received containers for collecting used batteries and became the first agency to receive them, as part of the DEH's newly-launched recycling programme.

In addition to collecting cans and batteries for recycling, CIMA employees deliver used newspapers to the Humane Society on a monthly basis, to be reused for lining the cages of animals in the shelter.

In September, the Green team launched the plastic bottle collection programme, to enable staff to responsibly dispose of recyclable plastic at work.

The Green Team was instrumental in initiating the partnership with DEH and continues to seek ways to facilitate staff participation in activities that promote protecting the environment, as well as being involved in the community.

## Deputy Managing Director - Supervision



Anna McLean took up her new post as Deputy Managing Director - Supervision on 1 September.

In the newly-created position, Mrs. McLean will have oversight of the Authority's regulatory divisions – Banking Supervision, Insurance, Investments and Securities, and Fiduciary Services.

Mrs. McLean is a former Head of Banking Supervision at CIMA. While with the Authority, she received extensive training in banking supervision and regulation, including a one-year secondment to the Bank of England. She also participated in courses at the Bank for International Settlements, the Board of Governors of the U.S. Federal Reserve

System, and various other regional Central Banks, in addition to regularly representing the Cayman Islands at international supervisory forums.

Mrs. McLean left CIMA for the private sector in 2005. Managing Director, Mrs. Cindy Scotland, said of the appointment, "We are very pleased that Anna has come back to take up this new role at CIMA. Her qualifications and experience make her a perfect fit for the role, as CIMA continues to enhance the robustness of its supervision processes."

She is an MBA graduate from the University of the West Indies, and also holds a Bachelors of Science Degree in Business Management

## CIMA Appoints Head of Policy and Development



Justine Plenkiewicz was confirmed as Head of the Policy and Development Division on August 1, 2014, after acting in the position from December 23, 2013.

Ms. Plenkiewicz is responsible for managing and overseeing research in the area of financial sector regulation and supervision. She oversees the strategic development of policies and statistics, the provision of advice on policy issues and makes recommendations on changes to policy and legislation for the financial sector.

She regularly represents the Authority at

meetings of the International Association of Insurance Supervisors and the Group of International Insurance Centre Supervisors.

Ms. Plenkiewicz earned a B.A. in Communications and Bachelor of Law, both at the University of Ottawa (Canada). She also holds a Master's degree in Law and Economics and a Master's degree in Public Administration.

She is a member of the Law Society of Upper Canada (2002).

## New Deputy Head Insurance Supervision



Ruwan Jayasekera was promoted from a Chief Analyst to the position of Deputy Head of Insurance, with effect from 1 September 2014.

He reports to the Head of the Insurance Division. As the Deputy Head, he manages the day-to-day operations of the Division, both on an on-site and off-site basis by providing guidance, assistance to and supervision of the Chief Analysts and Senior Analysts, and through these posts, the Analysts and Junior Analysts, to achieve the legislative requirements and the goals and objectives of the Division and CIMA.

Mr. Jayasekera first joined the Insurance Division at CIMA in April 2007, as a Senior Analyst and was later appointed as a Chief Analyst.

After working in this capacity for a few years, he returned to his native Sri Lanka in 2011, taking up the position of Assistant General Manager – Business Operations at Allianz Insurance Lanka Ltd.

He then returned to CIMA as a Chief Analyst in the Insurance Supervision Division in January 2013.

## Promotion to Senior Analyst in Fiduciary Services



Tarena Christian is moving up the career ladder at the Authority.

She was promoted from Analyst to Senior Analyst in the Fiduciary Services Division, effective from 1 September 2014.

Ms. Christian recently passed the final examination for the certificate and diploma in International Trust Management offered by the Society of Estate and Trust Practitioners (STEP).

STEP offers a number of formal qualifications, ranging from entry-level programmes to advanced certificates

and diplomas.

The international diploma which Ms. Christian earned is delivered in association with Manchester Business School, and is a collaboration between STEP, the International Trust Companies Association (ITCA) and CLT International (CLTI).

She has been employed with CIMA in the Fiduciary Division since 18 December 2006. She says, "After I attain additional degrees and certificates, I would like to reach a stage in my career where I can actively train younger professionals in my field, perhaps as part of a mentorship programme."

## CIMA Co-Hosts Insurance Seminar with Fitch Ratings

When she gave the welcome and introductory remarks for a seminar co-hosted with Fitch Ratings, CIMA's Deputy Managing Director – Supervision, Mrs. Anna McLean, referred to the fact that insurance and reinsurance are a rapidly-evolving industry.



Deputy Managing Director – Supervision, Mrs. Anna McLean

She said that entities are trying to manage the increasing risks and increasing exposure, and thus put their insurance vehicles and captives to more sophisticated use.

Mrs. McLean stated, "Therefore, it is important for everyone involved in the Cayman Islands insurance industry to keep abreast of the latest developments at both the national and international level. It is our hope that seminars such as this will impart participants with the knowledge they need to be on top of these developments."

Participants discussed topics such as Market Perspectives, Reinsurance Market, Ratings Process/Criteria, Why Ratings?, the Insurance Regulatory Environment.

The event was held on 22 October, for approximately 90 participants from the Authority, the Cayman Islands insurance industry and from abroad.



It attracted sponsorship from the Cayman Islands Insurance Association, Greenlight Re, RBC Wealth Management, the Cayman Islands Society of Professional Accountants (CISPA), Walkers and Knighthead Annuity.

Ms. Julie Burke, a managing director in Fitch Ratings' North American insurance rating group; senior directors, Mr. Donald Thorpe and Mr. Jeff Mohrenweiser; and director, Mr. Brad Istwan represented the company.



## CIMA Footballers Win Government League Tournament

The CIMA football team have been crowned the champions of this year's Cayman Islands government football league tournament.

There were 8 teams from various government departments and agencies participating in the tournament.

CIMA's team played 9 matches and won 7. Two of the games ended in a draw and one win was the result of a forfeit. Overall, they scored 28 goals during the tournament.

The Prison Services team was the CIMA team's first opponent of the tournament and coincidentally their opponent in the final match. CIMA won their final match with a score 3-1.

CIMA continues to support its staff in such activities and the Management team is especially proud that the team members were able to secure the coveted victory.



## New Directors Registration Law Explained

Managing Director, Mrs. Cindy Scotland, met with a journalist from the Cayman 27 television station to explain aspects of the new Directors Registration and Licensing Law, 2014.

The law came into effect on 4 June. It requires individuals appointed as directors for fewer than 20 covered entities 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.

Mrs. Scotland explained that the Law was designed to close a regulatory gap, because there were no licensing or registration requirement imposed on individual persons who acted as directors of CIMA-registered entities. In contrast, companies that provide directorship services must be licensed, while directors of licensees must be approved by CIMA.

She emphasised that the director information collected by CIMA under the Law will be used for regulatory purposes only. In practice, this means that director information is not available to the public, and is protected from freedom of information requests; and that the Law does not prescribe caps on directorships for any director.



Ms. Mona Lisa Tatum of Cayman 27 interviewing the Managing Director, Mrs. Cindy Scotland.

The sections related to capacity under the Law have not yet come into force, and will not until approved by the Cayman Islands government.

## CIMA Represented at IOSCO AGM in Brazil



Managing Director, Mrs. Cindy Scotland; Head of the Investments and Securities Division, Ms. Heather Smith; and Chief Analyst, Ms. Juliette Maynard, attended the 39th annual conference of the International Organization of Securities Commissions (IOSCO). It was held in Rio, Brazil, from 28 September to 2 October, 2014.

The delegation participated in meetings and workshops, discussing issues such as: ways to improve co-operation among regulators, enhancing investor protection and enforcing regulatory actions. Training and development were also included in the discussions, as both were seen as vital to the achievement of the objectives of IOSCO membership, in ensuring that there is continuous building of expertise to keep pace with ongoing and emerging issues.

Securities regulators and self-regulatory organisations from Europe, the Middle East, Asia, North and South America and the Caribbean attended the conference.

Mrs. Scotland, commented, "The adherence to international standards is key to fulfilling our regulatory and supervisory mandate and the ability to participate in the setting of these standards is vital. IOSCO provides that opportunity. CIMA is a member of IOSCO and other international standard-setting bodies. The IOSCO conference is the ideal event for regulators to discuss emerging challenges in the securities sector."

In 2009, CIMA was formally admitted as an ordinary (i.e. full) member during the meeting of the Presidents' Committee at IOSCO's 34th Annual Conference in Tel Aviv, Israel.

With the admittance, CIMA also officially became a party to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information. CIMA signed the MMOU, which is the benchmark for international cooperation among securities regulators, on 24 March 2009.

IOSCO is the principal global standard-setting body for the regulation of securities markets. Its objectives encompass cooperation and information exchange, standard setting and surveillance, and mutual assistance.

The next IOSCO Annual Conference will be held in London in May, 2015. Peru will host the 2016 annual conference, and it will be Jamaica's turn in 2017.

Licences/Registrations in Effect	30 June 2014	30 September 2014
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### Insurance

Insurance Companies	793	793
Class A	27	28
Class B	725	724
Class C	39	39
Class D	2	2
Insurance Managers	31	31
Insurance Brokers	41	41
Insurance Agents	63	63

### Investments and Securities

Mutual Funds	11,296	11,292
Registered	8,116	8,056
Master	2,676	2,733
Administered	395	397
Licensed	109	106
Mutual Fund Administrators	116	117
Full	84	84
Restricted	30	31
Exempted	2	2
Securities and Investment Business Law (SIBL) Licensees	37	37
Excluded Persons Under SIBL	2,190	2,281

### Currency in Circulation

Total Currency	CI\$91.7m	CI\$89.5m
Notes	CI\$81.5m	CI\$79.2m
Coins	CI\$10.2m	CI\$10.3m

Note: CI\$1.00 = US\$1.20

## LOOK AHEAD

# 2014

## Senior CIMA Staff to Speak at Campbells' Fund Focus Conference 2014



Mrs. Cindy Scotland



Ms. Heather Smith

Two senior members of the Authority's staff are scheduled to speak at the Campbells' Fund Focus Conference 2014.

Managing Director, Mrs. Cindy Scotland, will give

an **Industry Update** at the Opening session, sharing significant developments in the Funds Industry since the 2013 conference. She will be joined by President of the Cayman Islands Directors Association, Mr. Paul Harris.

Head of the Investments and Securities Division, Ms. Heather Smith, will be on the panel for a session entitled **Regulation Here and Abroad – Latest Updates on Best Practice Solutions for FATCA, Recent Cayman Changes and Future Developments you Need to Know About Today.**

Other panellist will be Director - Deloitte Tax LLP, Ms. Denise Hintzke; Director, Head of Tax Affairs - Alternative Investment Management Association, Mr. Paul Hale; and Managing Director - UBS Fund Services, Ms. Monette Windsor. The Moderator will be Partner, Head of Corporate – Campbells, Mr. John P. Wolf.

Campbells' Fund Focus is the longest established funds conference in the Cayman Islands, and is celebrating its twelfth year.

The theme of the conference is **New Thinking for New Fund Structures**. It takes place on Friday, 14 November 2014, at the Westin Resort & Spa, Grand Cayman.