

E-BOOK



Apex Compliance Solutions Quarterly Update - Cayman Islands Issue 4 – October 2022



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Driving
positive change



FATF update

On January 12, 2023, a Cayman Islands delegation updated a Financial Action Task Force (“FATF”) review group on money-laundering investigations and prosecutions, to demonstrate the Cayman Islands’ capability and capacity for fighting financial crimes.

The review group will report its findings from the review process to the FATF, for decision during the FATF Plenary this February. At the end of the plenary, the FATF will make a public statement on the status of jurisdictions on its monitoring list – whether the jurisdiction is to remain, or to be removed. If the jurisdiction is to be removed, it is noted that this may happen at the following plenary, which will be in June 2023. [Read more here.](#)

Russia Sanctions

On November 11, 2022, the Russia (Sanctions) (Overseas Territories) (Amendment) (No.3) Order, 2022 was published.

The amendments include the following:

- creating new trade prohibitions relating to gold jewelry and to certain processed gold
- making provision concerning the prohibition of imports of liquefied natural gas and the export of Russia’s vulnerable goods
- creating new prohibitions concerning the supply and delivery by ship of certain oil and oil products (“the new prohibitions”) and the provision of related ancillary services
- creating exceptions from the new prohibitions and for Treasury licences allowing maritime transportation of oil and oil products to take place notwithstanding the new prohibitions
- allowing for the issue of monetary penalties for breaches of the new prohibitions.

[Read more here.](#)

AML Regulations (consolidated)

The Anti-Money Laundering Regulations have been revised consolidating the previous revisions and amendments. These are now noted as being the Anti-Money Laundering Regulations (2023 Revision). [Read more here.](#)

Investor Education Campaign

On November 16, 2022, The Cayman Islands Monetary Authority (“CIMA”) announced the launch of its online campaign titled “I Learned the Hard Way” which seeks to raise awareness about the importance of financial education as well as understanding the risks associated with investment opportunities.

Further detail can be [found here](#). ...and the campaign can be [found here](#).

CIMA AML/CFT Activity Report 2021

On January 12, 2023, CIMA issued its AML/CFT Activity Report 2021. In particular, pages 7 and 8 of the report which details some of the areas of deficiency identified by CIMA. [Read more here.](#)

Internal Audits

In January 2023, CIMA issued circulars to all securities investment business licensees, registered persons and other selected financial service providers as a reminder that CIMA expects such entities to conduct independent internal audits (“Audit”) of their internal AML/CFT control systems.

The Audit should provide an independent assessment of the adequacy of and compliance with, the licensee's established policies and procedures, including policies and procedures pertaining to AML and CFT. CIMA expects to be provided with a copy of the report of all Audits conducted and must be provided within 3 months of the completion of the Audit.

CIMA have also requested details from any firms which expect to conduct an Audit in 2023.

Limited Liability Companies (Amendment) Act, 2022

On October 19, 2022, the Limited Liability Companies (Amendment) Act, 2022 was published. As a result, existing limited liability companies ("LLC") would no longer have to file a certificate of amendment on membership changes with the Companies Registrar. An LLC is required to maintain, at their registered office, the names and addresses of their members in their register of members, and the nature of their voting rights; and to provide this information upon demand to the Companies Registrar. [Read more here.](#)