

Article

Cayman Islands improves its FATF technical compliance

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The Cayman Islands has further improved its technical compliance with the 40 Financial Action Task Force (FATF) Recommendations relating to anti-money laundering and countering the financing of terrorism (AML/CFT).

In February 2021, the FATF determined that the Cayman Islands was compliant or largely compliant with 39 of the 40 criteria at the time. This was further upgraded in October 2021, and the Cayman Islands is now rated as compliant or largely compliant with all 40 FATF Recommendations.

The Cayman Islands is now at the forefront of jurisdictions assessed so far on technical compliance with the FATF 40 Recommendations.

Separately, the Cayman Islands remains under monitoring with regards to the Caribbean Financial Action Task Force's (CFATF) effectiveness review. The 2019 Mutual Evaluation Report identified 63 recommended actions to be addressed. In February 2021, FATF determined that the Cayman Islands had satisfactorily addressed 60 of these recommended actions, but placed the Cayman Islands on the 'grey list' of jurisdictions under increased monitoring as it worked to strengthen its AML/CFT supervisory regime.

More recently, following the FATF's plenary meeting in June 2021, the FATF issued a public statement explaining that it considered the Cayman Islands had "taken steps towards improving its AML/CFT regime, including by applying sanctions that are effective, proportionate and dissuasive, and taking administrative penalties and enforcement actions against obliged entities to ensure that AML/CFT breaches are remediated."

The FATF public statement further noted: "The Cayman Islands should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) imposing adequate and effective sanctions in cases where relevant parties (including legal persons) do not file accurate, adequate and up-to-date beneficial ownership information in line with those requirements; and (2) demonstrating that they are prosecuting all types of money laundering in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions."

The Cayman Islands continues to work towards addressing these two remaining recommended actions. The next FATF plenary is scheduled for October 2022.

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