

Article

FATF Compliance - EU Confirms No Additional AML-CFT Measures for Cayman

Author: Frank Farrell, Associate

The Cayman Islands recently introduced measures to further improve 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”).

As explained in our earlier article [Cayman Improves its FATF Technical Compliance](#), the Cayman Islands remains under monitoring with regards to the Caribbean Financial Action Task Force’s (CFATF) effectiveness review. In June 2021, following the FATF’s plenary meeting, the FATF issued a public statement confirming only two action items remained, namely:

- 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;
- demonstrating prosecution of 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 European Commission’s Directorate-General for Financial Services and Capital Markets Union (DG FISMA) confirmed by way of a letter dated 17 May 2022, that no additional measures beyond those included in the FATF action plan (listed above) are required to remove the Cayman Islands from the European Union’s (EU) AML/CFT list.

The EU will initiate steps to de-list the Cayman Islands once FATF removes the Cayman Islands from its list of jurisdictions under increased monitoring.

The Cayman Islands continues to work towards implementing the remaining FATF action plan recommendations. The DG FISMA has noted that it would monitor progress via the FATF’s International Cooperation Review Group. The next FATF plenary is scheduled for October 2022 shortly after which the jurisdiction is hopeful it will no longer be the subject of the aforementioned monitoring.

Author:

Frank Farrell
Associate
frank.farrell@conyers.com
+1 345 814 7254

This article is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to merely provide a brief overview and give general information.

For further information please contact: media@conyers.com