



# Snapshot: Cayman Islands Anti-Money Laundering Regulations (2023 Revision)

Insights - 16/03/2023

A revised version of the Cayman Islands Anti-Money Laundering Regulations (**AMLR**) was published in January 2023, which consolidates three sets of prior amendments to the AMLR that were made further to their publication throughout 2020, namely:

- the Anti-Money Laundering (Amendment) Regulations, 2020
- the Anti-Money Laundering (Amendment) (No. 2) Regulations, 2020
- the Anti-Money Laundering (Amendment) (No. 3) Regulations, 2020

Prior to this consolidation of the AMLR (**2023 Revision**), persons carrying on relevant financial business in the Cayman Islands will have had to refer to each of the above discrete amendment regulations in order to interpret certain regulatory requirements applicable under the AMLR. The 2023 Revision now consolidates all amendments made to the AMLR to date into one document.

In this snapshot, we recap some of the key amendments that were made to the AMLR throughout the course of 2020 and which have now been consolidated in the 2023 Revision.

## Key amendments consolidated in the 2023 Revision

### 1. Removal of the Anti-Money Laundering Steering Group (**AMLSG**) list of countries

The AMLR were amended, in 2020, so that persons carrying on 'relevant financial business' as defined under the Proceeds of Crime Act (Revised) (**RFB**) could no longer rely on the list of countries deemed to have an equivalent anti-money laundering (**AML**) regime to the Cayman Islands (**Equivalent Jurisdictions List**) as published by the AMLSG.

Instead, persons carrying on RFB must conduct their own risk assessment of each country or geographic area in which their customers or applicants for business reside or operate. The effect of

this is that persons carrying on RFB can no longer rely by default on the Equivalent Jurisdictions List for the purposes of carrying out simplified due diligence or other actions permitted (under the AMLR) in instances where a low risk of money laundering or terrorist financing exists.

## 2. Requirements for country risk assessments

Specific requirements for assessing the risk of money laundering or terrorist financing in a particular country or geographic area were also introduced in 2020. When assessing such risks, a person carrying out RFB must take account of credible sources related to money laundering, terrorist financing, proliferation financing, corruption, and any other criminal activity. Further, a determination that a low risk of money laundering or terrorist financing exists cannot be made where any specified risk factor is present (for example, where a country or geographic area in question has been identified by credible sources as not having effective systems to counter money laundering, terrorist financing, or proliferation financing).

## 3. Transfers of virtual assets

Identification and record-keeping requirements relating to transfers of virtual assets were also introduced and made effective as of 1 July 2022. These particular requirements impose, amongst other things, obligations to collect and record specified information in respect of virtual asset transfers, including certain details relating to originators and beneficiaries on such transfers.

## 4. Other amendments

The AMLR were also amended, in 2020, to address certain other matters including, for example, the imposition of additional prescribed content requirements for eligible introducer assurance letters. The 2023 Revision also contains an amended definition of "family member" (in the context of Politically Exposed Persons (PEPs)) to include a civil partner, as well as a spouse, parent, sibling or child of a PEP.

## **How can Ogier assist further?**

Ogier's Regulatory team has extensive experience advising funds and other regulated entities in the Cayman Islands on anti-money laundering matters.

Ogier Regulatory Consulting is an independent team providing a range of regulatory consulting services, including Cayman Islands AML audit services. Working alongside Ogier's global team of regulatory law specialists, advising on which and how laws must be complied with, Ogier Regulatory Consulting can advise on the operational implementation of programmes to meet those legal requirements.

For further information on this please reach out to the authors, or to your usual Ogier contact.

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