

CIMA's Rule and Statement of Guidance on Records for Company Management licensees

Insights - 05/04/2024

The Cayman Islands Monetary Authority's Rule and Statement of Guidance on the Nature, Accessibility, and Retention of Records for Licensees Conducting the Business of Company Management is now in full effect for both new and existing licensees.

This includes companies operating under the Companies Management Act, Banks and Trusts Companies Act, Mutual Funds Act, and the Insurance Act. The Rule and Statement of Guidance (Rule and SOG) came into effect immediately upon publication in August 2023 for new licensees. For existing licensees, the Rule and SOG came into effect on 1 April, 2024.

The Rule and SOG does not extend to regulated mutual funds and private funds.

Aims of the Rule and SOG

The aims of the Rule and SOG are to:

- establish the Cayman Islands Monetary Authority's (CIMA) expectations as to the mandatory accessibility requirement for records
- discuss the treatment of records generally as well as the requirements of other applicable acts including the Data Protection Act
- provide examples of the key records that a licensee is expected to maintain and the mandatory minimum retention period
- set out the mandatory requirements for maintenance of accounting records

Key points

Key points from the Rule and SOG include the following:

Record accessibility and retention

Licensees must maintain records that are easily accessible and can be reproduced in hard copy. Records need to reflect accurately any paper-based records and are to be complete, unaltered, and readily available upon request by CIMA without delay.

Electronic and paper-based records

Electronic records should adhere to the same standards as paper-based records, including in cases of disaster preparedness and storage. Electronic records should be of good quality, easily accessible and reproducible in hard copy. Caution is advised against premature destruction of paper-based records when converting to electronic formats.

Record-keeping requirements

Licensees are responsible for a wide range of records, including financial, corporate, client, and due diligence records. They should ensure records are kept up-to-date and establish a records management program that addresses the categorization, retention, and disposal of records.

Retention timeframe

Records must be kept for a minimum of five years after each related transaction date or as required by relevant acts and regulations. This period may be longer where the records relate to fiduciary relationships with clients.

Annual review

Licensees should review their record-keeping arrangements annually and make necessary adjustments, especially where third parties are involved.

Records outside the Cayman Islands

If records are kept outside the Cayman Islands, the licensee must ensure security and accessibility. CIMA should have access to these records within a reasonably short timeframe.

Additional information

All records should be kept in English or be professionally translated into English, and CIMA must be informed of how records can be accessed once a licensee ceases to carry on business.

Where there has been a breach of the rules contained in the Rule and SOG, CIMA's policies and procedures as noted in their Enforcement Manual will apply.

The Rule and SOG underscores CIMA's commitment to robust regulatory standards and reflect the evolving nature of record-keeping in the digital age. Ensuring alignment with these measures is essential for the operational integrity and compliance of your business.

How Ogier Regulatory Consulting can assist

Our team can guide licensees through the intricacies of implementing the Rule and SOG, offering support with updated documentation, policy development and compliance strategies. We encourage licensees managing company business to proactively review their current systems to ensure they meet the latest requirements. Ogier Regulatory Consulting provides comprehensive services, including gap analysis, policy updates and specialized training, all tailored to maintain an efficient and compliant record-keeping framework.

We would be pleased to discuss how we can assist in securing compliance with CIMA's record-keeping standards. Please contact any of our team members below for further information.

The Rule and SOG can be found on [CIMA's website](#).

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