



Cayman Islands suspicious activity reporting regime now in force

Insights - 14/01/2025

Anticipated amendments to the Cayman Islands' suspicious activity reporting regime came into effect on 2 January 2025.

Revisions include changes to the suspicious activity reporting (SAR) process administered by the Cayman Islands Financial Reporting Authority (FRA). The FRA has also issued an industry advisory on the new defence against money laundering (DAML) and consent regime.

The FRA confirmed, in an [industry advisory](#) dated 10 January 2025, that the relevant amendments to the Proceeds of Crime Act (Revised) (POCA) are now in force.

Background to the 'SAR defences' under the Proceeds of Crime Act

Up until 2 January 2025, POCA provided for defences to the following money laundering offences for persons who had filed a suspicious activity report (SAR) with the FRA:

- concealing, disguising, converting or transferring criminal property (or removing criminal property from the Cayman Islands)
- entering into or becoming concerned in an arrangement which the relevant person knows or suspects facilitates the acquisition, retention use or control of criminal property by or on behalf of another person
- acquiring, using or having possession of criminal property

Key changes

Following the Proceeds of Crime (Amendment) Act, 2023 (Commencement) (Amendment) Order, 2024, sections 11, 12 and 13 of the Proceeds of Crime (Amendment) Act, 2023 (the POCA

Amendment Act) came into force on 2 January 2025.

The amendments effectively make the above "SAR defences" only available to persons who have filed a SAR with, and received consent from, the FRA prior to continuing any involvement in a relevant transaction and/or committing any act which might otherwise potentially amount to a POCA money laundering offence.

In addition to filing a SAR, the relevant amendments to POCA effectively now require a person filing a SAR to have the FRA's consent to 'commit' any associated acts in order to use a POCA defence in relation to such acts (if and to the extent that they could amount to one or more of the above money laundering offences).

New defence against money laundering / consent regime

It had been anticipated that the commencement date on the relevant provisions of the POCA Amendment Act would be extended to later in 2025 in order to allow time for the new "defence against money laundering (DAML) / consent regime" to be implemented by the FRA through consultation on supporting regulations, issuing guidance and conducting industry outreach. It is anticipated that draft regulations will soon be issued to industry for consultation.

In the meantime, the FRA has issued an [industry advisory](#) as interim guidance for SAR filers, which includes specific guidance in respect of the following key points:

- **Submitting a DAML / consent request**- SAR filers must submit a completed SAR, including all relevant information required under POCA, either through the FRA's online [AMLive Portal](#) or by secure email to the FRA directly. When submitting a DAML SAR, a SAR filer must: (i) explicitly indicate it is a DAML SAR, and (ii) state, in the 'Reason for Suspicion' section of their SAR filing, why they are making a DAML / consent request (and provide full details of the activity in respect of which the relevant DAML / consent is being sought).
- **Authority for consent**- the Director of the FRA (or an individual authorised by the Director of the FRA) will be responsible for granting or refusing a DAML / consent.
- **Notice period and deemed consent**- a "notice period" of seven working days will be set, during which the relevant DAML / consent request must be responded to by the FRA - failing which the relevant applicant will be deemed to have FRA consent. This notice period commences on the first working day after a SAR containing a DAML / consent request is submitted to the FRA (or such longer period as the Director of the FRA may determine, if an amendment to the relevant SAR or DAML / consent request is required because it is incomplete).
- **Refused consent and moratorium period**- a "moratorium period" of 30 calendar days will be set, commencing on the first working day after the FRA provides notice that the DAML / consent request has been refused, during which the activity that is the subject of the relevant

DAML / consent request should not be carried out.

Next steps

The FRA's industry advisory confirms that if a person has already submitted a SAR on or after 2 January 2025 and needs to submit a DAML / consent request in relation to the same, that person should contact the FRA directly (by email).

More generally, the anti-money laundering (AML) compliance policies and procedures of any entities that are subject to the Cayman Islands AML regime should be reviewed and, if necessary, updated to reflect the new DAML / consent regime.

How can Ogier help?

Ogier's Regulatory team is available to assist with all aspects of compliance with the Cayman Islands AML regime, including the POCA Amendment Act and the new DAML / consent regime.

To help our clients meet their obligations under the Cayman Islands AML regime, Ogier Global can also offer our clients qualified and experienced individuals to act as AML officers (AMLCO, MLRO and / or Deputy MLRO).

Should you have any questions or wish to receive further information in relation to the material covered in this briefing, please contact your usual Ogier attorney or any of the contacts listed in this briefing.

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Regulatory information can be found under [Legal Notice](#)

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