

Cayman Islands Removed from FATF Grey List

On 27 October 2023, the Financial Action Task Force ("FATF") delivered the welcome news that the Cayman Islands has been removed from the FATF's increased 'monitoring list' (often referred to as the FATF Grey List).

This decision comes after the Cayman Islands once again demonstrated its commitment to international standards by satisfying all Recommended Actions and successfully completing an on-site inspection by the FATF earlier this year.

The FATF's recognition of the Cayman Islands' robust and effective anti-money laundering and counter-terrorist financing ("AML / CFT") regime underscores the jurisdiction's dedication to implementing the highest global standards.

In its press statement, the FATF confirmed that the jurisdiction had satisfied prior commitments given to the FATF and strengthened the effectiveness of its AML / CFT regime by:

- (1) applying sanctions that are effective, proportionate and dissuasive, and taking administrative penalties and enforcement actions against obliged entities to ensure that breaches are remediated effectively and in a timely manner;

- (2) 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; and

- (3) 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.

What happens next?

With this significant milestone achieved, there is an expectation that the removal from the FATF's Grey List will soon lead to the Cayman Islands' delisting from the EU's AML / CFT List. The Ministry of Financial Services & Commerce of the Cayman Islands remains actively engaged in direct discussions with EU officials. Their objective is to further enhance the jurisdiction's regulatory framework to facilitate the jurisdiction's removal from the EU's AML / CFT List.

Cayman Islands Government Release

A copy of the 27 October 2023 press release from the Cayman Islands Ministry of Financial Services is available¹.

¹<https://www.mfs.ky/news/grit-and-commitment-gets-the-cayman-islands-off-the-fatf-list/>

Further Information

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