

## Cayman Islands Sanctions Update Post-Brexit

All Cayman Islands persons or entities are subject to applicable Cayman Islands sanctions legislation. In addition, persons or entities that carry on 'relevant financial business' in or from the Cayman Islands are subject to the Anti-Money Laundering Regulations (2020 Revision) and are required to implement policies and procedures that include checking customers, applicants for business, beneficial owners, transactions, service providers and other relevant parties against sanctions lists applicable in the Cayman Islands.

Sanctions legislation in the Cayman Islands (a "Sanctions Order") is extended to the Cayman Islands, as a British Overseas Territory, by United Kingdom ("UK") Statutory Instrument and therefore largely mirrors the UK Sanctions Regulations. Other Cayman Islands legislation also empowers certain Cayman Islands authorities to impose sanctions.

The sanctions regimes of the US Treasury Department's Office of Foreign Assets Control ("OFAC") are not applicable in the Cayman Islands. However, the Cayman Islands Monetary Authority notes that due to their extraterritorial effect, financial services providers should take note of them.

Until 31 December 2020, the European Union ("EU") sanctions continued to apply in the UK. In the run up to this date, the UK has been transferring EU existing sanctions into UK law.

However, it has also brought into force standalone UK sanctions regimes that are not identical to those of the EU. United Nations

("UN") sanctions continue to be implemented into UK law. Clients with Cayman Islands entities that carry on relevant financial business must therefore ensure that such entity (or its appointed service provider) has systems in place to check against UK (and, where applicable, Cayman Islands) sanctions specifically and not simply those of the EU, the UN and OFAC.

If you have any questions relating to the Cayman Islands sanctions regime, please reach out to any of the persons below or to your usual Maples Group contact.

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**January 2021**  
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