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Record keeping update: Cayman Islands regulated entities

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The Cayman Islands Monetary Authority (**CIMA**) has issued a new Statement of Guidance on Nature, Accessibility, and Retention of Records (**Guidance**) which aims to ensure that regulated entities maintain records in a manner that promotes accessibility, retention, and appropriate security.

Who does the new rule and guidance apply to?

The guidance applies to all entities regulated by CIMA, including mutual funds and private funds.

What are the requirements?

The following summary highlights key points that regulated entities should be aware of:

- **Statement of objectives:** The guidance sets CIMA's minimum expectations for record-keeping arrangements and applies to all regulated entities. The arrangements for record-keeping may vary, but records and systems must be adequate to satisfy CIMA's requirements.
- **General record-keeping requirements:** Records must be legible, easily accessible, and maintained using an appropriate record management system. A regulated entity should establish a records management system that addresses categorisation, retention periods, and disposal of records.
- **Records retention timeframe:** Regulated entities should maintain records in their original format for a minimum of five years after the transaction date or any other period stipulated in the legislation.
- **Elements of records management:** Regulated entities must maintain adequate procedures for the availability, maintenance, security, privacy, and preservation of records. Records should be reviewed periodically and adjusted if necessary.
- **Keeping of accounting records:** Accounting records must be kept in a manner that shows and explains the regulated entity's transactions and commitments, and enables CIMA to monitor compliance with regulatory and anti-money laundering and countering terrorism financing obligations.
- **Maintenance of records outside of the Cayman Islands:** Regulated entities may maintain records outside the Cayman Islands, but they must ensure that CIMA has access to these records at all reasonable times and within specified timeframes.
- **Electronic records:** Electronic records should be treated with the same requirements as paper-based records, ensuring good quality, accuracy, and easy accessibility. Regulated entities must also comply with the Cayman Islands Electronic Transactions Act (as amended).

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How can we help?

It is crucial for regulated entities to review their current record-keeping practices and make any necessary adjustments to ensure compliance. Collas Crill's team of legal and regulatory experts can assist you with the following services:

1. **Compliance review**: Conducting a gap analysis of your existing record keeping procedures to identify any areas that may need improvement or adjustment to meet the guidance.
2. **Drafting and reviewing corporate governance policies:** We can help you develop or update your record keeping policy and procedures in compliance with the guidance.
3. **Document updates:** We can review your offering documents or other disclosure materials to determine if they need amendment to reflect your updated record keeping policy and procedures and can help you draft these revisions.

Collas Crill is committed to helping you navigate the changing regulatory landscape and ensuring that your organisation remains compliant with the latest guidance. Please contact your usual Collas Crill contact or regulatory@collascrill.com for further details and assistance.

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