COLLAS CRILL

The Cayman Islands: one step closer to removal from the FATF grey list

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The Cayman Islands has successfully advanced a step further towards its removal from the FATF grey list, having previously satisfied 62 of 63 FATF Recommended Actions.

At the conclusion of the June Plenary, the FATF has announced that the Cayman Islands has made significant progress towards fulfilling its action plan, and has authorised an on-site visit. This implies an initial determination by the FATF that the Cayman Islands has largely fulfilled its action plan. The Joint Group of the Americas is now scheduled to carry out an on-site visit to the Cayman Islands and submit a report for evaluation at the October 2023 FATF Plenary. Following the previous FATF Plenary held in February 2023, the Cayman Islands was left with a single action item to address in its three-point action plan. The remaining action to be addressed related to prosecuting all types of money laundering commensurate with the jurisdiction's risk profile and applying appropriate and effective sanctions in such matters.

The two other actions in its three-point action plan, which were considered to have been accomplished, were:

- the enforcement of effective, proportionate, and dissuasive sanctions, administrative penalties, and actions against obligated entities, ensuring timely remediation of any violations; and
- the levying of sufficient and effective sanctions in instances where parties fail to provide precise, adequate, and updated BO information.

If the Joint Group and ultimately the FATF Plenary, upon review of the report, are convinced that the Cayman Islands has indeed fulfilled its three-part action plan (verified during the on-site visit), and that the political will exists to maintain future implementation, the Cayman Islands will be removed from the grey list.

The upcoming FATF Plenary is presently arranged to take place from 23 to 27 October 2023.

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