

CAYMAN ISLANDS



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THE PROCEEDS OF CRIME (AMENDMENT) (NO. 2) LAW, 2016

(LAW 40 OF 2016)

THE PROCEEDS OF CRIME (AMENDMENT) (NO.2) LAW, 2016

ARRANGEMENT OF SECTIONS

1. Short title
2. Amendment of section 2 of the Proceeds of Crime Law (2016 Revision) - interpretation
3. Amendment of section 4 - powers, functions and duties of Financial Reporting Authority
4. Amendment of section 5 - Anti-Money Laundering Steering Group
5. Amendment of section 15 - conditions for making of order
6. Amendment of section 115 - detention of seized cash
7. Amendment of section 145 - regulations
8. Amendment of Schedule 6 - List of activities falling within the definition of “relevant financial business”

CAYMAN ISLANDS

Law 40 of 2016.

I Assent

Helen Kilpatrick

Governor.

2nd December, 2016

**A LAW TO AMEND THE PROCEEDS OF CRIME LAW (2016
REVISION); TO MAKE FURTHER CHANGES NECESSARY FOR
COMPLIANCE WITH INTERNATIONAL STANDARDS RELATING TO
THE PREVENTION OF MONEY LAUNDERING, TERRORIST
FINANCING AND PROLIFERATION FINANCING; AND FOR
INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Proceeds of Crime (Amendment) (No. 2) Law, 2016. Short title
2. The Proceeds of Crime Law (2016 Revision), in this Law referred to as the “principal Law”, is amended in section 2 by inserting after subsection (11) the following subsection - Amendment of section 2 of the Proceeds of Crime Law (2014 Revision) - interpretation

“(12) Schedule 6 may be amended by Order made by the Cabinet and the Order is subject to affirmative resolution of the Legislative Assembly.”.
3. The principal Law is amended in section 4(9) by deleting the words “as defined in those regulations”. Amendment of section 4 - powers, functions and duties of Financial Reporting Authority

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| Amendment of section 5 - Anti-Money Laundering Steering Group | 4. The principal Law is amended in section 5(1)(h) by deleting the words “with anti-money laundering and counter terrorism measures for designated non-financial businesses and professions” and substituting the words “with Regulations made under section 145 in relation to persons conducting “relevant financial business” who are not otherwise subject to such monitoring by the Monetary Authority”. |
| Amendment of section 15 - conditions for making of order | 5. The principal Law is amended in section 15(6) by deleting the words “subsection (4) or (5)” and substituting the words “subsection (3) or (4)”. |
| Amendment of section 115 - detention of seized cash | 6. The principal Law is amended in section 115(1) by inserting after the words “of 48 hours” the words “which shall not include any Saturday or any excluded day”. |
| Amendment of section 145 - regulations | 7. The principal Law is amended in section 145(1) as follows - <ul style="list-style-type: none">(a) by inserting after the words “upon the recommendation of” the words “the Anti-Money Laundering Steering Group,”;(b) by inserting after the words “the financial system” the words “and any other facilities provided in or from within the Islands”; and(c) by inserting after the words “purposes of criminal conduct” the following -<ul style="list-style-type: none">“including measures -<ul style="list-style-type: none">(a) to utilise systems and train employees to prevent money laundering;(b) to manage and mitigate any risks that may be involved in the course of business;(c) to conduct the appropriate and adequate due diligence of a customer or a person with whom business is conducted;(d) to ensure that proper and adequate records are kept;(e) or procedures that may be required to be utilized in matters involving specific types of customers or activities which may include a politically exposed person or the transfer of currency;(f) to maintain the prescribed obligations of a financial institution or a designated non-financial business or profession in the prevention of money laundering; and(g) to ensure that proper and adequate reports are made to the relevant Authority in the Islands regarding any suspicious activity related to money laundering”. |

8. The principal Law is amended in Schedule 6 as follows -

Amendment of Schedule
6 - List of activities
falling within the
definition of "relevant
financial business"

- (a) in the heading by deleting the words "list of";
- (b) by inserting beneath the heading the words "Any activity related but not limited to -";
- (c) by deleting paragraphs 4, 5, 6 and 7 and substituting the following paragraphs -
 - "4. Money or value transfer services.
 - 5. Issuing and managing means of payment (e.g. credit and debit cards, cheques, traveller's cheques, money orders and bankers' drafts, electronic money).
 - 6. Financial guarantees and commitments.
 - 7. Trading in -
 - (a) money market instruments (cheques, bills, certificates of deposit, derivatives etc.);
 - (b) foreign exchange;
 - (c) exchange, interest rate and index instruments;
 - (d) transferable securities; or
 - (e) commodity futures trading.";
 - (d) in paragraph 8 by inserting after the words "provision of" the word "financial";
 - (e) by deleting paragraph 11 and substituting the following paragraph -
"11. Individual and collective portfolio management advice.";
 - (f) by deleting paragraph 12 and substituting the following paragraph -
"Safekeeping and administration of cash or liquid securities on behalf of other persons."; and
 - (g) by inserting after paragraph 18 the following paragraphs -
 - "19. Otherwise investing, administering or managing funds or money on behalf of other persons.

20. Underwriting and placement of life insurance and other investment related insurance.”.

Passed by the Legislative Assembly the 24th day of October, 2016.

Juliana Y. O’Connor-Connolly

Speaker.

Zena Merren-Chin

Clerk of the Legislative Assembly.