

CAYMAN ISLANDS



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**THE PROCEEDS OF CRIMINAL CONDUCT (AMENDMENT) (MONEY  
LAUNDERING REGULATIONS) LAW, 2000**

**(LAW 5 OF 2000)**

**THE PROCEEDS OF CRIMINAL CONDUCT (AMENDMENT) (MONEY  
LAUNDERING REGULATIONS) LAW, 2000**

**ARRANGEMENT OF SECTIONS**

1. Short title.
2. Interpretation.
3. Insertion of new clause - Regulations.
4. Insertion of new clause - Failure to disclose knowledge or suspicion of money laundering.

CAYMAN ISLANDS

Law 5 of 2000.

I Assent

P.J. SMITH

Governor.

20 July, 2000

**A LAW TO AMEND THE PROCEEDS OF CRIMINAL CONDUCT LAW  
(1999 REVISION), TO ENABLE THE GOVERNOR IN COUNCIL TO  
PRESCRIBE MEASURES TO BE TAKEN TO PREVENT MONEY  
LAUNDERING AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Proceeds of Criminal Conduct (Amendment) (Money Laundering Regulations) Law, 2000. Short title
2. In this Law “the principal Law” means the Proceeds of Criminal Conduct Law (1999 Revision). Interpretation
3. Before section 20 of the principal Law and after the heading “Money laundering and other offences” the following section is inserted - Insertion of new clause - Regulations
  - “Regulations 19A.(1) The Governor in Council may make regulations prescribing measures to be taken to prevent the use of the financial system for the purposes of money laundering.
  - (2) Regulations made under this section may -
    - (a) make different provisions for different circumstances or cases and may contain incidental, supplementary and transitional provisions; and

- (b) provide that the contravention of any provision of those regulations constitutes an offence and may prescribe penalties for any such offence -
  - (i) on conviction on indictment, consisting of a fine or imprisonment for a term not exceeding two years, or both; or
  - (ii) on summary conviction, consisting of a fine not exceeding \$6,000.”.

Insertion of new clause -  
Failure to disclose  
knowledge or suspicion  
of money laundering

4. After section 25 of the principal Law the following section is inserted -

“Failure to  
disclose  
knowledge  
or suspicion  
of money  
laundering

25A. (1) A person is guilty of an offence if -

- (a) he knows or suspects that another person is engaged in money laundering;
- (b) the information, or other matter, on which that knowledge or suspicion is based came to his attention in the course of his trade, profession, business or employment; and
- (c) he does not disclose the information or other matter to the Reporting Authority as soon as is reasonably practicable after it comes to his attention.

(2) Subsection (1) does not make it an offence for a professional legal adviser not to disclose any information or other matter which has come to him in privileged circumstances.

(3) It is a defence to a charge of committing an offence under this section that the person charged had a reasonable excuse for not disclosing the information or other matter in question.

(4) Where a person discloses to the Reporting Authority -

- (a) his suspicion or belief that another person is engaged in money laundering; or
- (b) any information or other matter on which that suspicion or belief is based,

the disclosure shall not be treated as a breach of any restriction imposed by statute or otherwise.

(5) Without prejudice to subsections (3) or (4), in the case of a person who was in employment at the time in question, it is a defence to a charge of committing an offence under this section that he disclosed the information or other matter in question to the appropriate person in accordance with the procedure established by his employer for the making of such disclosures.

(6) A disclosure to which subsection (5) applies shall not be treated as a breach of any restriction imposed by statute or otherwise.

(7) In this section, and in section 19A, “money laundering” means doing any act -

- (a) which constitutes an offence under section 21, 22 or 23 or section 47 or 48 of the Misuse of Drugs Law (2000 Revision); or
- (b) in the case of an act done otherwise than in the Islands, which would constitute such an offence as is referred to in paragraph (a) if done within the Islands,

and for the purposes of this subsection, having possession of any property shall be taken to be doing an act in relation to it.

(8) For the purposes of this section, any information or other matter comes to a professional legal adviser in privileged circumstances if it is communicated or given to him -

- (a) by, or by a representative of, a client of his in connection with the giving by the adviser of legal advice to the client;
- (b) by, or by a representative of, a person seeking legal advice from the adviser; or
- (c) by any person -
  - (i) in contemplation of, or in connection with, legal proceedings; and
  - (ii) for the purpose of those proceedings.

(9) No information or other matter shall be treated as coming to a professional legal adviser in privileged circumstances if it is communicated or given with a view to furthering any criminal purpose.

(10) A person guilty of an offence under this section shall be liable -

- (a) on summary conviction, to a fine not exceeding \$50,000; or
- (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine or to both.

(11) No prosecution shall be instituted under this section without the consent of the Attorney-General.”.

Passed by the Legislative Assembly the 14th day of July, 2000.

MABRY S KIRKCONNELL

Speaker.

W. EBANKS

Deputy Clerk of the Legislative Assembly.