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# ANTI MONEY LAUNDERING (AML) UPDATE

## **CIMA reminds industry that all AML Officers must be suitability qualified and must act autonomously in their role**

On June 7 the Cayman Islands Monetary Authority (“**CIMA**”) reminded all persons carrying out relevant financial business (“Licensees and Registrants”), that they are expected and required to ensure that their Anti-Money Laundering Compliance Officers (“**AMLCO**”), Money Laundering Reporting Officers (“**MLROs**”) and their Deputies, are aware of their respective duties and responsibilities as set out in the Anti-Money Laundering Regulations (2020 Revision) (as amended) (“**AMLRs**”) and will act in accordance with them.

Licensees and Registrants must ensure that appropriate appointments and the discharge of the day to day functions of the AML Officers are made or occur in accordance with Regulations 3, 4, 33 and 34 of the AMLRs.

Under Part II Section 2 (C) and Part II Section 9 (B) of the *Guidance Notes on the Prevention and Detection of Money Laundering, Terrorist Financing and Proliferation Financing in the Cayman Islands*, appointed AML Officers must be fit and proper to conduct their role and must be:

- (i) Suitably qualified and experienced
- (ii) Persons at a management level who report directly to the Board of Directors or equivalent
- (iii) Natural persons
- (iv) Autonomous (meaning the AML Officer is the final decision maker on whether to file a suspicious activity report)
- (v) Able to access all relevant material to make an assessment as to whether the activity is or is not suspicious

## **◀▶ CIMA also reiterated that:**

1. AML Officers must be able to dedicate sufficient time for the efficient and effective discharge of their respective functions. Where an AML Officer has other professional roles and responsibilities, these should not compromise their independence or ability to carry out their AML functions.
2. AML Officers must be versed in the different types of transactions that the business conducts which may give rise to opportunities for money-laundering, terrorist financing, proliferation financing and any direct or indirect activity with designated person or entities.
3. Where the AML Officer functions is outsourced, the Licensee or Registrant retains ultimate responsibility for compliance with the AMLRs and must maintain adequate policies and procedures.



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## **How can Carne help?**

Carne has 11 AMLCO and MLRO experts globally supporting funds domiciled in the Cayman Islands, Ireland and Luxembourg. Below are some of the essential tasks Carne can perform on a Fund Board's behalf to assist the Fund in complying with the new AML Regulations.

- Act as the named AMLCO, MLRO and DMLRO
- Carry out an annual audit of the Fund's Administrator to ensure that the procedures and processes adopted are in accordance with the relevant legislative and regulatory requirements
- Assist the Fund in drafting an AML / CFT policy to ensure that the Fund's Board can demonstrate compliance with the AML Regulations
- Put procedures in place for the reporting of suspicious activity to the MLRO and / or DMLRO
- Assist the Fund Board in completing an AML / CFT risk assessment of the business taking into consideration all risk categories (such as geographic risk, product/service risk, investor risk and channel/distribution risk)
- Delivery of AML training to the Fund Board, where necessary
- Provide quarterly reporting to the board
- Acting as a day to day contact for AML / CFT related issues

We will be delighted to expand on our offering and capabilities in this area, assess the particular needs of your fund(s) and to highlight our extensive experience providing AML solutions for investment funds.

# Carne contacts

CAYMAN ISLANDS AML Compliance Officer, MLRO and Deputy MLRO

To find out how we can deliver the optimum solution for your specific circumstances, please contact a member of the Carne team below.

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