

FUND FINANCE FRIDAY

Cayman Islands Achieves Significant Milestone in Removal Process from 'AML Grey List'

July 7, 2023



By Michael O'Connor
Partner | Conyers



By Derek Stenson
Partner | Conyers

While the Cayman Islands' current inclusion on the FATF "Grey List" and the EU "Black List" for AML purposes is not of material relevance to transactions in the fund finance world, the Cayman Islands recently received some very positive news when FATF confirmed at its June meeting that the Cayman Islands has now met all 63 of its recommended actions regarding the jurisdiction's AML framework.

FATF has confirmed that the next step will be an on-site visit to the Cayman Islands (a standard and expected final step in the process which will take place in the coming months) and, assuming the inspection proceeds as expected, the Cayman Islands will be eligible for removal from the FATF "Grey List" in October of 2023.

Removal from the corresponding EU AML list is subject to the approval of the EU authorities, but it is expected that this process will begin following the Cayman Islands' removal from the FATF list.

While it is still a little early to say that this chapter has been fully written, the above news is a very important and positive milestone which demonstrates that the Cayman Islands continues to prove itself as a sophisticated jurisdiction with a robust and effective AML framework. We look forward to bringing further positive news on this topic in the coming months.