

FUND FINANCE FRIDAY

Great News for Cayman as FATF Removes Jurisdiction From its 'Grey List'

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The Financial Action Task Force last Friday announced that it was removing the Cayman Islands from its 'Grey List' for increased monitoring in AML matters.

This listing has had no direct impact on the fund finance world but FATF's decision to now remove Cayman from this list is nevertheless a vote of confidence in Cayman's favor as a reputable jurisdiction with a robust and effective anti-money laundering/counter terrorist financing monitoring regime.

Importantly, the decision by FATF means that the Cayman Islands is now eligible to be removed from the European Union's enhanced AML/CFT due diligence list. Cayman was automatically added to the EU list as a result of the FATF listing and, while not relevant to fund finance, the EU list is relevant to certain securitization vehicles and transactions.

It is hoped that Cayman's removal from the EU list may take place early in 2024 so watch this space for further updates!