

FUND FINANCE FRIDAY

Cayman Officially Removed From EU AML List

February 16, 2024



By Michael O'Connor
Partner | Conyers



By Derek Stenson
Partner | Conyers

Following the end of a long-running process, the Cayman Islands has now officially been removed by the EU Commission from its list of 'high-risk' countries for AML/CFT purposes.

The most obvious effect of the de-listing in the immediate future is that there are now no technical or legal barriers preventing securitization vehicles being formed in the Cayman Islands should they wish to be compliant with EU securitization regulation rules. There was no equivalent issue from an investment funds perspective during the period of this most recent listing but Cayman being given the 'all-clear' will also no doubt be of comfort to sponsors and LPs in utilizing Cayman vehicles.

The de-listing is of course a recognition of the vast number of enhancements that Cayman has made to its regulatory and AML regime in an extraordinarily compressed timeframe but, more importantly, means that Cayman has now returned to being on no lists of note (except for maybe a list of the foremost fund establishment domiciles in the world!) with no additional hurdles or lists being on the immediate horizon.