CAYMAN ISLANDS

Money Services Law (2010 Revision)

MONEY SERVICES BUSINESSES (AMENDMENT) REGULATIONS, 2019

(SL 51 of 2019)

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(AMENDMENT) REGULATIONS, 2019
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In exercise of the powers conferred by section 29 of the Money Services Law (2010 Revision) the Cabinet makes the following Regulations —

Citation
1. These Regulations may be cited as the Money Services Businesses (Amendment) Regulations, 2019.

Insertion of regulations 6, 7 and 8 in the Money Services Businesses Regulations, 2001 - report on licensee’s sub-agent, etc.

2. The Money Services Businesses Regulations, 2001 are amended by inserting after regulation 5 the following regulations —

“Report on licensee’s sub-agent

6. A licensee shall provide to the Authority a report on the licensee’s sub-agent containing the following details —

(a) the name and address of the sub-agent;
(b) the licensee’s assessment of the sub-agent’s compliance with applicable laws;
(c) the name of all institutions with which a transaction account is maintained by the sub-agent;
(d) the report of a risk assessment of the sub-agent’s operations and arrangements; and
(e) information as determined by the Authority that enables the Authority to assess the sub-agent’s inherent risks and control risks.

Authority may require independent assessment
7. (1) Notwithstanding regulation 6, the Authority may, at the expense of a licensee, require the licensee to have an independent assessment of a sub-agent carried out.

(2) An independent assessment under paragraph (1) is subject to the terms of reference agreed to or determined by the Authority.

Information from a sub-agent
8. (1) A licensee shall provide to the Authority, where the licensee proposes to enter into a contract or other arrangement with a sub-agent, the following information regarding the sub-agent —

(a) the name and address;
(b) the type of account to be used by the sub-agent for money services business transactions;
(c) the settlement of remittances and reporting systems;
(d) the record-keeping systems;
(e) the cash security and other internal control systems;
(f) the training plan;
(g) the procedures in place to ensure compliance with applicable laws; and
(h) where the proposed sub-agent is a company —
   (i) the ownership and control of the company; and
   (ii) the information set out in paragraph 8 of the First Schedule.

(2) Where a person (“an applicant”) who is desirous of carrying on money services business applies to the Authority for a licence and the applicant also proposes to enter into a contract or other arrangement with another person as a sub-agent, the applicant shall, in addition to providing the information set out in the First Schedule, provide to the Authority the information under paragraph (1).”.
Amendment of First Schedule – information to be contained in, and to accompany, an application for the grant of a licence

3. The Money Services Businesses Regulations, 2001 are amended in the First Schedule as follows —

(a) by repealing paragraph 6 and substituting the following paragraph —

“6. In respect of —

(a) the approved transaction account, the name and address of the depository institution at which the transaction account is maintained; and

(b) the approved arrangement for the purposes of the money services business, the following —

(i) the name and address of the person with whom the licensee proposes to enter into an arrangement;

(ii) the details of the arrangement;

(iii) the name and address of any other persons involved with the arrangement;

(iv) the jurisdiction within which a person under subsubparagraph (iii) operates and the jurisdiction in which the person’s operation is licensed or registered;

(v) a statement in writing of whether any of the persons under subsubparagraphs (i) or (iii) are regulated in another jurisdiction;

(vi) a statement in writing of whether the arrangement entered into requires approval in another jurisdiction for it to be a valid arrangement; and

(vii) the licensee’s risk assessment report.”; and

(b) in paragraph 8 as follows —

(i) in subparagraph (a), by deleting the word “five” and substituting the word “ten”; and
(ii) in subparagraph (l), by inserting after the words “its proposed activities” the words “and the name of any person that the applicant proposes to enter into a contract or other arrangement with as a sub-agent”.

Made in Cabinet the 17th day of December, 2019.

Kim Bullings
Clerk of the Cabinet