

**Statement  
by Premier of the Cayman Islands  
Hon. McKeeva Bush, OBE, JP  
On the Cayman Islands' Rating by the Financial Stability Board**

**Delivered in the Legislative Assembly  
Cayman Islands  
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Thank you Madam Speaker.

I rise to make a statement on the excellent rating that the Cayman Islands recently received from the Financial Stability Board, for international cooperation and information exchange on matters relating to financial regulation and supervision.

It is a testament to the foresight and wisdom found in these Islands that we continue to gain recognition as a compliant jurisdiction in these very important areas. Therefore, it is my pleasure to highlight this jurisdiction's achievement.

Following an assessment of 61 jurisdictions, the Financial Stability Board (or FSB) included the Cayman Islands among 41 jurisdictions that "demonstrate sufficiently strong adherence" to regulatory and supervisory standards on international cooperation and information exchange.

Madam Speaker, this is a most welcome endorsement for the Cayman Islands. It demonstrates that Cayman is on par with the giant economies of G7 and G20 countries such as the United Kingdom, United States, Brazil, Canada and France. In fact, as the report shows, some of the FSB's own member jurisdictions were not rated as having "sufficiently strong adherence".

As background to this achievement, the FSB's evaluation is part of an initiative to encourage adherence to internationally agreed information exchange and cooperation standards in the areas of banking supervision, insurance supervision and securities regulation.

These standards are contained in:

- the *Core Principles for Effective Banking Supervision*, developed by the Basel Committee on Banking Supervision;
- the *Insurance Core Principles*, developed by the International Association of Insurance Supervisors (or IAIS), and
- the *Objectives and Principles of Securities Regulation*, developed by the International Organisation of Securities Commissions (IOSCO).

The Financial Stability Board has rightly recognised Cayman's level of compliance with these standards. We can add this to the high compliance rating we have received recently from the Global Forum with regard to information exchange and cooperation on tax matters, as well as the high compliance rating on anti-money laundering and anti-terrorism standards from the Caribbean Financial Action Task Force.

It was not long ago that this organisation, formerly known as the Financial Stability Forum, had categorized the Cayman Islands in its third tier. This was the lowest rating possible regarding international compliance. Since then, review upon review has indicated that we have made significant progress and this recognition by the FSB is another example.

It is apparent that through the ongoing efforts in this jurisdiction, the Financial Stability Board has come to a greater acceptance of the Cayman Islands. This is seen not only in the recent assessment. It is also evidenced in the fact that our jurisdiction was chosen as a member of the FSB Regional Consultative Group of the Americas, set up to provide input to the board on financial stability issues.

Consultative group representatives from Cayman are the Financial Secretary, Kenneth Jefferson; and the Managing Director of the Cayman Islands Monetary Authority Mrs. Cindy Scotland. This FSB Regional Consultative Group will hold its



inaugural meeting in December in Mexico and we look forward to the outcome of that.

The invitation to the consultative group follows on the heels of the Cayman Islands' recognition by the Global Forum in September of this year, which found the legal and regulatory regime of the Cayman Islands in compliance with all nine essential elements of international tax transparency and exchange of information standards, as set by the Global Forum for its Phase 1 assessments. It should also be noted that the Cayman Islands is a member of the Steering Committee and Peer Review Committee of the Global Forum on Transparency and Exchange of Information for Tax Purposes. Furthermore, our jurisdiction was given a high compliance rating on anti-money laundering and anti-terrorism standards from the Caribbean Financial Action Task Force.

Considering these achievements, I would like to take this opportunity to express my appreciation for the members of the Cayman Islands International Tax Cooperation Team the membership of which is as follows:

- Mr. George McCarthy, Chairman, CIMA
- Hon. Samuel Bulgin, Attorney General,
- Mr. Kenneth Jefferson, Financial Secretary
- Mrs. Cindy Scotland, Managing Director, CIMA
- Mr. Langston Sibblies, DMD-General Counsel
- Mr. Samuel Rose, Deputy Chief Officer, Financial Services, Ministry of Finance
- Mrs. Michelle Bahadur, Director, Financial Services Secretariat
- Mrs. Jacqueline Jefferson-Ziemniack, Senior Legislative Adviser, Financial Services Secretariat
- Mr. Duncan Nicol, Director, Tax Information Authority

Madam Speaker, in addition to the FSB's excellent rating of our jurisdiction, I am pleased to note that the Cayman Islands Monetary Authority was recently appointed as a member of the executive committee of the International Association of Insurance

Supervisors (or IAIS). A longstanding member of the association, CIMA actively assisted in the development of the revised IAIS Core Principles, which were adopted in September this year.

In addition, the Managing Director of CIMA has recently been elected as the Deputy Chair of the Group of International Finance Centre Supervisors (GIFCS, previously named Offshore Group of Bank Supervisors (OGBS)). And CIMA will complete its two-year appointment on the Board of the Association of Supervisors of Banks of the Americas (ASBA) this month. It is also a member of the Caribbean Group of Banking Supervisors (CGBS) and is on the CGBS' Basel II Implementation Working Group.

And finally, I would like to note the work of the Cayman Islands Attorney General as Chairman of the Caribbean Financial Action Task Force (CFATF). As one of the founding members of this organisation, the Cayman Islands has been providing continued excellence in leadership during the difficult climate of recent times. This has put us in good stead for future recognition by the EU as a jurisdiction that is equivalent under the relevant AML/CFT standards.

Madam Speaker, as I said before, the FSB's assessment is the latest to be carried out by international bodies on aspects of Cayman's international financial services regime that recognises our achievements. I'm sure that all members of the House will agree that these are positive developments for the Cayman Islands.

They are robust affirmation that our financial services regime is high calibre, and that the Cayman Islands is a strong jurisdiction to conduct business. This government pledges its ongoing support to this industry and its continued success.

Thank you Madam Speaker.