



CAYMAN ISLANDS GOVERNMENT

Statement by

Honourable Tara Rivers, JP, MP
Minister of Financial Services and Home Affairs

Financial Services: The Road to 2021 and Beyond

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Overview

Mister Speaker, the Cayman Islands is a leading centre for financial services and has a robust, internationally recognised regime and regulatory frameworks. Cayman has continued to be the jurisdiction of choice for global investment funds and other financial services businesses.

The Cayman Islands present an increasingly attractive jurisdiction in which to reside or to establish a business. Notwithstanding the global headwinds, increased regulation, dealing with a global pandemic and other issues that the Cayman Islands has faced, the **financial services industry is the strongest and most robust pillar of our economy.**

Cayman's legal framework, stable and competent Government, relatively high standard of living and low crime rate, experienced judiciary and respect for the rule of law, good infrastructure and high calibre financial services professionals in both the public and private sectors, means that the Cayman Islands is seeing increased interest from international businesses and individuals seeking to reside and do business here.

Recent inflows include reinsurers, private equity houses and family offices. High net worth persons (and ultra-high net worth persons) need a secure and stable jurisdiction in which to domicile entities and establish other connections. Turbulence in other jurisdictions means that Cayman can continue to be a net beneficiary of these inflows.

In terms of the legal and regulatory frameworks, the Government has put in place a number of measures designed to enhance our regimes and codify a risk-based approach. Regulation is not always welcome, but our financial services industry and their stakeholders will ultimately benefit from the jurisdiction's ability to participate on a level playing field with international financial centres and to meet or exceed international standards.

The continued inflow of registrations, the establishment of new funds and trusts, interest reported from the professional services firms regarding an uptick in the insurance business and the establishment of single and multi-family offices are testaments to the success of Cayman's regime.

For Caymanians and other residents, this means stability: stability in government finances and in the provision of government services, such as education, healthcare, social services and the like; and stability in relation to our international reputation and attractiveness. Despite the fact that there will likely continue to be negative reports and/or comments published by activist organisations promoting their own agendas, those who do business with and invest in the Cayman Islands know us, and respect us for our robust yet pragmatic regulatory regimes.

My Ministry's goal, therefore, is to assist the country to remain stable by creating strong regulatory and commercially responsive legislative enhancements for financial services. And despite the rapid pace of global regulatory developments, and unforeseen challenges such as the pandemic, we have achieved this goal. Moreover, the Cayman Islands financial services industry has thrived and has supported our overall economy, more so now than ever, given the significant

toll that the pandemic has taken on the other pillars of our economy, namely tourism (including that of sports and health tourism).

Strength of the Financial Services Industry in Economic Terms

According to the Economic & Statistics Office, the financial and insurance services industry has consistently been the greatest contributor to the Cayman Islands Gross Domestic Product (GDP). Taking into consideration the contributions of the professional, scientific and technical activities (which comprises primarily of legal and accounting services), financial services broadly have contributed to roughly 44.5% of GDP in 2017, 43.8% in 2018 and 43.2% in 2019.

Despite the slight decline in financial services as a percentage of GDP (which stems from the fact that the industry is growing slower than growth of the overall economy), the financial and insurance services industry has maintained its dominance as the largest single contributor to the real GDP of the Cayman Islands. In fact, 2019 posted another year of **expansion**, with the financial services industry **growing by 2.6 percent in 2019**. The industry continued to show consistent growth with a five-year annual average growth rate of 2.2%.

In addition to being the major contributor to our economy and source of Government revenues, Financial Services is also consistently one of the largest employers among the Cayman Islands workforce, employing over 3,500 persons – or 7.4% of the workforce – in 2019. That represents a 4% increase over 2017. Financial services and insurance activities was the fifth largest employer by sector, according to the Economics and Statistics Office’s Labour Force Survey Report Fall 2019; whereas professional, scientific and technical activities was the third largest employer at 9.9% of the total employed labour force, as reflected in that same report. Again, taken together, financial services broadly employ approximately 8200 people, over 17% (i.e. 17.3%) of the total employed workforce.

Notably and remarkably, the Cayman Islands has achieved this growth while responding robustly to international assessments and developments.

Regulatory Assessments: Response and Outcomes

I am delighted to note that the most recent recognition of the Cayman Islands' commitment to adhere to and implement international standards for tax transparency comes from the OECD's Global Forum Peer Review of our domestic and international legal frameworks for the automatic exchange of financial account information (AEOI). Cayman's framework was found to be ***"in place"*** with no recommendations made to revise our framework at this time. This latest endorsement by the OECD of our framework was published just last week.

This is the first stage of the Global Forum's Peer Review of the Common Reporting Standard. Following this positive assessment of our legal framework, the Global Forum's Peer Review is now assessing the legal framework in action – in other words, it is looking at the effectiveness of the regime.

This Peer Review is ground breaking work by the Global Forum in carrying out rigorous, detailed assessments of the legal frameworks for automatic exchange; and I am very happy to report on this positive endorsement of Cayman's regime by the OECD thus far in the process.

As Members of Parliament and the public are aware that on 6 October, the EU removed the Cayman Islands from its list of non-cooperative jurisdictions for tax purposes. Our appearance on the list was as brief as it could have been, given the EU's processes. For context, it's also important to note that since December 2017 when the List was first published and subsequently updated a number of times thereafter, over 30 countries have - at some point - been added to and removed from this particular EU list.

Cayman's removal was welcomed by industry and clients of the jurisdiction who, in a demonstration of confidence in Cayman's stability and in our commitment to meeting regulatory standards, continued to do business with the Cayman Islands during those months in which Cayman was listed, and despite the pandemic. This again is a testament to the strength and resilience of the country and its stewardship.

In addition, my Ministry has actively supported the Attorney General in responding to the Financial Action Task Force (FATF) and the regional FATF-style body, the Caribbean Financial Action Task Force (CFATF). The FATF sets the global standard for AML – which I'll use to refer to anti-money laundering, countering the financing of terrorism, and countering proliferation financing. Based on this standard, the CFATF assessed the Cayman Islands' AML regime and in March 2019, issued its Mutual Evaluation Report (MER) in which recommendations for enhancing our regime were made.

The Ministry has made great strides in addressing its area of responsibility covered in the MER, by introducing new and amended legislation for the financial services industry, to strengthen Cayman's AML regime.

In summary, as it relates to responding to various international regulatory assessments of the jurisdiction's financial services industry, the Government has achieved success on several notable and vitally important issues over the past 3 ½ years. For example, since taking office in 2017, through the work of my Ministry, the Government has developed a comprehensive economic substance regulatory and reporting regime, in compliance with global OECD standards; created a brand new legal and regulatory framework for private funds; enhanced the regulatory regime governing mutual funds; created and introduced a brand new regulatory framework governing virtual asset service providers operating in or from within the jurisdiction; and enhanced our beneficial ownership regime. Each of these significant regulatory initiatives contributes to Cayman's adaptation and compliance with global regulatory requirements and as a result,

enhance Cayman's attractiveness for investors and those seeking to conduct legitimate business in or from within the jurisdiction.

Legislation

Mister Speaker, the last few years have been intense for the Ministry, the Cayman Islands Monetary Authority (CIMA) and the financial services industry alike, having to develop, adapt and adjust to a tremendous volume of legislation. Since 2017, my Ministry has produced one hundred and twenty-four (124) pieces of primary and secondary legislation. Thus far for the year 2020 alone, fifty-four (54) pieces of legislation have been produced by the Ministry which represent over a one hundred and fifty per cent (150%) increase in legislation produced as compared to the last Government administration, and fifty per cent (50%) increase over 2019 alone.

Mister Speaker, this has been an extremely active and productive Government administration. In the interest of time, I will briefly touch on just a few notable pieces of legislation that have been passed and enacted this year.

Investment Funds

As I mentioned earlier, the Government has implemented increased transparency and oversight of investment funds through the enactment of the Private Funds Law and amendments to the Mutual Funds Law. CIMA now regulates more than 12,000 private funds and more than 11,000 thousand mutual funds.

Virtual Assets

Similar to our funds regime, the Cayman Islands is now in a stronger position to regulate and attract persons and entities that deal with virtual assets, with the phased commencement of legislation for virtual asset service providers (VASPs). The VASPs legislation, which incorporates FATF standards for AML, allows for the supervision of persons and entities who are involved in providing business services that use or rely on virtual assets on behalf of another person or entity.

This framework better positions the Cayman Islands to welcome the new digital age that is rapidly developing around us. It is designed to bring new business and clients to our shores in an area that, according to global data, is growing significantly. Industry is optimistic about the prospects for Cayman that this new framework promotes.

Beneficial Ownership

In addition to funds and VASPs legislation, I am pleased to report that over the last few years the Ministry worked to strengthen and enhance the Cayman Islands centralised **beneficial ownership register**, which was first enacted on 1 July 2017. Legislative amendments have increased penalties for non-compliance by the companies, which may lead to them being struck off the Companies Register. Corporate Services Providers now have increased powers to pursue non-compliant clients, and to report to the BO competent authority about the steps they've taken.

Mister Speaker, successfully orchestrating the high volume of legislative actions taken over the past 3½ years has been a significant achievement. In doing so, the Ministry consulted extensively with industry during the various legislative development processes carried out, sometimes with multiple rounds of consultation on individual pieces of legislation. I am cognisant that consultations take a significant amount of time and effort on everyone's part, but they are absolutely worthwhile to ensure that appropriate decisions are taken. Supported by the Ministry team, engagement with local stakeholders has, by necessity, increased sharply over the last few years – not just in terms of the traditional methods of consultation, but also through the use of working groups and the introduction of Ministry quarterly update meetings. This work is necessary in order to build awareness and understanding of the Ministry's work programme.

As I said, dealing with this high volume of legislative actions taken over the past 3½ years has certainly been an accomplishment; and in order to support the work that was required of the Ministry, a significant investment by the Government in the form of budgetary and human resources has been necessary.

Budget and Human Resources Increases

Since the very beginning of my tenure as Minister of Financial Services, I have successfully advocated for, the Government has willingly supported, and this honourable House has thankfully approved, a substantially increased budget for the Ministry, its departments and CIMA.

This Government's investment in financial services related departments and CIMA has increased by 84% since 2017, from \$23.85 million to \$43.87 million. The budget for the Cayman Islands Monetary Authority alone has grown by one hundred and twelve (112%) per cent, from \$13.8 million to \$29.3 million.

This investment has been critical because without it, Cayman would not have a chance of meeting our international regulatory obligations, which in turn help to build and maintain a robust, commercially competitive financial services industry. The human resources capacity that this Government has built provides a strong foundation and enhances the country's ability to adapt to regulatory developments and maximise commercial opportunities. (No doubt, increased investment to support the capacity and work of the Ministry, its departments and CIMA will be needed in the coming years as well.)

Mister Speaker, I will now provide a brief overview of the enhancements of each of the financial services-related departments within my Ministry, and CIMA, which have taken place during the last 3 ½ years.

Department for International Tax Cooperation (DITC)

The **Department for International Tax Cooperation (DITC)** has seen an increase of 110% in its 2021 budget as compared to its 2017 budget. This increase has in large part funded IT systems and human resources that are vital to Cayman meeting its agreements to participate in global tax

information exchange, including through the OECD's CRS, or Common Reporting Standard; and the US's FATCA, or Foreign Accounts Tax Compliance Act.

Still relating to global tax cooperation, the increased budget also supports Cayman's ability to monitor industry's compliance with our economic substance regulatory framework. Economic substance was first enacted in 2019, and it is intended to ensure that for taxation purposes, companies actually do conduct business in the countries in which they're established.

Because of these important regulatory oversight responsibilities, the Government has supported the development and expansion of DITC. Staffing levels are projected to grow by 250% in four years, with the headcount for 2017 being eight and projected to reach 28 employees by next year.

Mister Speaker, CRS, FATCA and economic substance all went live in different years, which meant the IT systems to support them were built on an "as needed" basis. As noted previously, DITC's budget increase will be used in part to streamline its systems. I'm pleased to say, and industry has also been pleased to hear, that the new DITC Portal is much more than an upgrade. It now covers all three compliance standards – that being CRS, FATCA and economic substance reporting. In addition to improving the reporting process for industry, the new portal better equips DITC to monitor compliance with our regulatory standards, in order to help the Cayman Islands meet our international obligations.

Department for Financial Services Policy and Legislation (DFSPL)

Over the last few years the Cayman Islands Government, with the support of this House, has significantly adapted our legislative and regulatory frameworks to meet evolving standards from various international and regional bodies, such as the OECD, the FATF and the CFATF, and the European Union.

Given the demanding workload to be carried out, the **Department for Financial Services Policy and Legislation (DFSPL)**, had a compelling need to expand its team to be able to address the various policy and legislative matters at hand. You see, Mister Speaker, the DFSPL had a small team of only five employees (including managers) when I took office as Minister in 2017. I am grateful for the support of the Government and indeed this Parliament in agreeing to the significantly increased budgetary allocation to the Ministry for 2018 - 2021 Budgets, collectively, in order to address the crucial need for additional personnel to carry out the vitally important functions of the Ministry on behalf of the Government.

Between 2017 and 2021 via the approved budget and supplemental funding to support its mandate, DFSPL is projected to have an **eighty-nine (89%) per cent increase in its budget**. This is primarily attributable to an increase in headcount to ten (10) policy staff (and 13 staff overall, which represents a 160% increase in human resources for the department since 2017); and a larger budget to support the funding of important support services such as legal, communications and public affairs.

Over the past 3 1/2 years, the workload of the Ministry, and in particular the DFSPL, has been enormous. There is no other way to put it. As mentioned earlier, since taking office in June 2017, DFSPL has produced one hundred and twenty-four (124) pieces of primary and secondary legislation. In reviewing the outputs of the department thus far for the year 2020, fifty-four (54) pieces of legislation have been produced which represent over a one hundred and fifty per cent (150%) increase in legislation produced as compared to the last Government administration, and fifty per cent (50%) increase over 2019 alone. All while dealing with the impacts of the global pandemic no less.

Mister Speaker, having persons who are familiar with and understand the legislative drafting processes is integral to the work of the DFSPL. I was amazed to find that for a Ministry that produces the sheer volume of legislation that it does, there was no dedicated “in house”

expertise to assist in providing guidance and oversight, helping to pull together and rationalise the legislative development process and functions required of the Ministry.

To that end, I am very pleased to report that the Government has supported the creation and funding of a Senior Legislative Advisor position for the Ministry, which has recently been filled by a very able and experienced person who has worked closely with the Ministry throughout the past several years. Having this talent as a part of the Ministry certainly helps to increase its capacity, and support to the Minister, going forward. (The Ministry and Government is of course deeply appreciative of the support given by the Attorney General's Chambers in actually drafting the various pieces of legislation as required.)

Cayman Islands General Registry (General Registry)

The Cayman Islands General Registry has seen a consistent budget trend over the four-year period. From 2017 to 2021, General Registry will see a 9% increase in budget; and the headcount is expected to increase from 43 to a projected 62 people in 2021 (which represents a 44% increase in personnel since 2017). To continue delivering a high level of performance across the various services with a constant budget, the Registry has become more efficient with its resources. The introduction of the Cayman Business Portal and Corporate Administration Platform has allowed General Registry to deliver services to corporate service providers on island in a cost-effective manner; and the General Registry, as the Competent Authority for beneficial ownership, has the legal authority to monitor businesses' compliance with providing beneficial ownership information to Government, as required by law.

Cayman Islands Monetary Authority (CIMA)

Mister Speaker, the jurisdiction's primary financial services regulator, the **Cayman Islands Monetary Authority**, has been allocated a 112% increase in budget (which translates to almost \$15.4 million) over the past four years since taking office in 2017 and factoring in the 2021 budget. In addition to the budgeted increase, CIMA has consistently received supplemental funding at key intervals over the past several years to support its growth, and with the support

of this House, has received nearly \$16.0 million in total supplemental funding between 2017 and 2020 to address various changes to the legislative and regulatory frameworks in response to evolving international standards.

The most recent supplemental funding received by CIMA, for over \$6.0 million, supported the creation and/or enhancements to two very critical regulatory regimes – that being the registration and supervision of private funds and broadened mutual funds scope, and the regulation of virtual asset service providers. I again thank all Members of Parliament for your support in approving this additional funding to CIMA in order to ensure that CIMA has the resources necessary to implement these regulatory regimes.

Cayman Finance

As outlined in detail, this Government has committed to actively support our domestic economy and the local financial services industry through legislative enhancements. But, Mister Speaker, this Government has also made available significant financial contributions to support the financial services industry's engagement and other activities. The support made available to **Cayman Finance** alone has increased by 253% since taking office in 2017. KYD \$750,000 per annum was allocated to support the activities of Cayman Finance in the Ministry's 2018/2019 Budget and again in the 2020/2021 Budget.

I am pleased to report that earlier this year the Government tabled a revised purchase agreement with Cayman Finance, covering the revision of Cayman Finance's 2020-2021 business plan. I am happy to see that this business plan is now in place. By necessity, it is flexible enough to cover global developments in financial services in real time.

At a local level, Cayman Finance has designed activities to raise public awareness and understanding of our financial services industry, and to create summer internship opportunities for young Caymanians.

Its international activities cover engagement with international industry stakeholders, and research and marketing activities that proactively seek to protect the reputation of Cayman's primary industry.

In addition, the Cayman Finance Purchase Agreement stipulates quarterly progress reports on the delivery of the activities, and their cost. This creates an accountability framework to evaluate the delivery of value for money.

From Reactive to Proactive

International Public Affairs

Over the last few years, the Government has made a substantial investment in public affairs and communications within the budgets of various Ministries to develop a strong and positive presence in key foreign markets for the jurisdiction. In terms of face-to-face international engagement efforts made, I have led several delegations to Washington, D.C. over the years to meet with influential policy makers on Capitol Hill, as well as doing likewise with EU Permanent Representatives in Brussels.

In addition to the significantly enhanced budget allocation to support Cayman Finance's research, communications and engagement efforts as discussed earlier, with the 2020 budget year drawing to an end and 2021 on the horizon, the Ministry will be engaging in a number of new initiatives to enhance its public affairs and communications support to strengthen its ongoing efforts in key markets, such as the UK, US, EU and Republic of China.

This will complement the engagement plans of the CIGO in the UK, which is led by the Cayman Islands Representative and supported by the Ministry's recently hired Financial Services Attaché

who will be based in the UK and will also cover the EU region. Work with the Ministry of International Trade will also continue in this regard.

Challenging stereotypes

From the very beginning, in June 2017, in speaking with both internal (that being Ministry) and external stakeholders, being local financial services industry representatives, I have communicated the need for all stakeholders – Government and industry alike - to engage more proactively in addressing the “perception problem” about Cayman that unfortunately still exists among some (influential) quarters.

Mister Speaker, in keeping with the policy priorities in this area which were discussed during my 2020-2021 Budget Debate last year, one of the key aspects of our public relations efforts has been to challenge the stereotypes that abound regarding the Cayman Islands, as perpetuated by the entertainment industry. These stereotypes exist mainly because of misinformation and ignorance about the Cayman Islands and that of our financial services industry; and as such, throw away references can be seen in television, films and advertisements, without any real thought as to their validity. It is therefore up to us – as a jurisdiction - to challenge the stereotypes and help to educate the entertainment industry as to what the Cayman Islands is really all about. Such careless, throw away comments can harm the reputation of our Islands because collectively they reinforce the myth that the country operates on a shady level; and when that myth is repeated consistently it morphs into a generally accepted “belief”. Therefore, it is unacceptable for us to sit back and do nothing. As a country we must take on each challenge as it arises.

One such challenge happened early this year when the Government issued a cease-and-desist letter to AT&T, requesting that it change one of its television advertisements that depicted the Cayman Islands in a negative light. We also used that opportunity to inform the company that the Cayman Islands’ financial services are provided in accordance with global financial standards, and that the OECD rankings place the Cayman Islands on par with other countries, such as Canada and England, for transparency and tax information sharing. We stated that any insinuation to the

contrary was wrong and inaccurate. We also advised them that Government reserved its right to legal and appropriate regulatory actions, should they not comply. I am happy to report that AT&T did in fact agree to change and remove the reference to the Cayman Islands in the popular advertisement.

Mister Speaker, there have been other such challenges made by the Government during the past year, which have included challenging a reference to being called a “tax haven” in a tax textbook. As a result of our challenge, the publishing company subsequently agreed to remove the reference in all future editions of the publication. The Government has also challenged several instances where Cayman was spuriously referenced in episodes of a few sitcoms aired on popular streaming platforms.

To challenge every throw away negative comment about the Cayman Islands is a formidable task, but this Government believes it is vital to do so in order to help minimise such references in the future; and to educate the broader public about how the Cayman Islands operates as a legitimate and integral cog in the wheel of the global economy.

Mister Speaker, it gives me great pleasure to report to this honourable House, a year after I initially indicated that moving forward, the Government would “take on Hollywood” (as a euphemism for mass media generally) as necessary, we have done just that; and we have already seen positive, tangible effects as a result of doing so. So despite the apparent lack of understanding of some people as to why the Government would attempt to be more proactive in this way, as can be seen from the notable successes that I have just highlighted, there is great vision in taking a more proactive approach to challenging ill-informed stereotypes.

Mister Speaker, I am not saying that as a country we will be successful in addressing (or even possibly identifying for that matter) *each and every* spurious reference to the Cayman Islands; but what I *am* saying - as I have done from the beginning – is that we must take both a defensive as well as proactive stance to defending and promoting the significant strides made by, and the

reality of, the Cayman Islands. We cannot sit back and let Hollywood or any activist lobby organisation define who we are or what we do. Mister Speaker, I'm honoured to be the Minister, and a part of this Government, that has helped to move the needle forward in this direction and bring about some positive results thus far.

So to summarise the position taken, Mister Speaker, I borrow a quote from the former US Attorney General, Robert Kennedy, by saying, "There are those that look at things the way they are, and ask why... I dream of things that never were, and ask why not?"

Looking ahead

Mister Speaker, I will now provide a brief summary of my Ministry's priorities for the weeks, months and year ahead.

Engagement/Communications/PR

As previously discussed, the Ministry is working to strengthen its engagement strategy that employs targeted public relations and communications. In doing so, the Ministry will continue to work in close collaboration with the CIGO in the UK, and with the Ministry of International Trade to help determine how best and effectively to deploy additional resources overseas to promote and defend to jurisdiction accordingly.

Responding to Ongoing Regulatory Assessments

From all accounts the year 2021 is shaping up to be another intense year with respect to the scrutiny of Cayman's legislative and regulatory regimes as part of the work programmes of various international and regional organisations. From ongoing FATF, OECD and EU reviews of Cayman's AML and tax regimes, the Ministry will continue to have a significant workload ahead. In keeping with the Government's practice, industry will be consulted as part of these ongoing

initiatives; and the Ministry will be issuing a more fulsome industry advisory outlining more details in the coming week.

In addition, with increased international focus on the need to attract sustainable investments to recover from the current economic recession that many countries are facing as a result of the pandemic, there is an opportunity for the Cayman Islands to begin to more prominently highlight the positives that the country brings in this arena as an experienced, stable and trustworthy facilitator of international investments that can positively contribute to the EU's (and others) sustainability and economic agenda.

The Ministry's continued engagement on these subjects, both locally and internationally, will inform and help shape Cayman's response and action to be taken.

Conclusion

Mister Speaker, 2020 has been a challenging year worldwide, with unprecedented pressures placed upon societies all across the globe, the Cayman Islands being no exception. The fact that the Government is able to provide the level of support that we do to our people and businesses most impacted financially by this pandemic is made possible largely because of the enduring strength and resilience of our financial services industry; and that strength and resilience is predicated on an effective working relationship that has been built between the Government (through the work of the Ministry), CIMA and local industry professionals.

Cayman's international rankings are a testament to this work and the robustness of our industry and economy as a whole, with Moody's reaffirming Cayman's Aa3 stable rating as of 13th April 2020; and the OECD's Forum on Harmful Tax Practices' global standard on economic substance assessing the Cayman Islands as being "**not harmful**" in June 2019, the highest ranking possible. In addition, the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, marked Cayman as "**largely compliant**" in 2017 (the same ranking given to countries

like Germany, UK and Canada); and has most recently assessed Cayman's legal frameworks for the automatic exchange of financial account information to be *"in place"* with no recommendations made to revise our frameworks at this time.

These are accomplishments worth noting and repeating – frequently - as the good news about the Cayman Islands is often lost in the rhetoric and utterances of those intent on painting Cayman in a bad light. It is also important to remind the public about these accomplishments which were achieved during this Government Administration, to help combat the 'selective memory syndrome' that often occurs, especially around this time in the Term.

The continued growth of the financial services industry year-over-year in real economic terms is a testament to the continued success of the Cayman Islands as a global financial centre. This success, which has been consistent throughout this period of intense change over the last several years, is a testament to the leadership of this Government and those at the helm of financial services, helping the country navigate the turbulent waters.

Therefore, as a result of many hours of complex, diligent and vitally important work carried out by all involved, financial services in the Cayman Islands continues to grow. As a Government, working in tandem with stakeholders, including Industry as appropriate, we are committed and prepared to proactively and reactively respond to global developments, to ensure the continued success of the Cayman Islands for years to come.

The challenges are great and yes, the setbacks may come, but we have proven that we are up to the task to face them head on, and to overcome.

The hallmark of great leadership is not how you perform during times of relative calm and prosperity, but instead how you stand up and perform during the times of great challenge, uncertainty and pressure. This Government has weathered (and continues to weather) the storms of the past several years. The financial services legislative and regulatory landscape has changed tremendously over the past decade, and the required pace of change has never been as

intense as it has been over the last 3 years. However, given the global impact of COVID-19, geo-political priorities, concerns and rhetoric have also intensified; and so too have the international regulatory initiatives which reflect such priorities.

The year 2020 has been a year like none other – from intense earthquakes to raging landfill fires, from a worldwide pandemic to powerful regional tropical storms and hurricanes. The Cayman Islands has successfully weathered them all.

Whereas the year 2021 is shaping up to be another intense year, my Ministry, its respective departments and CIMA are all in a better position to effectively carry out the required tasks at hand (and those to come). As a result of the investment made by this Government administration, the Ministry is now better equipped to assist the Government and country to respond to the ever-evolving global regulatory landscape, and to the various international assessments of the jurisdiction, in order to maintain Cayman's crucial role and position as a global financial centre. These significant enhancements were brought about during this Term as a result of visionary and tenacious leadership, and with the support of the Government and Parliament alike.

I thank you all.