



CAYMAN ISLANDS GOVERNMENT

Statement by
Honourable André Ebanks, MP
Premier and Minister of Financial Services and Commerce

Section 11(5) Expenditure in 2025 – Cayman Islands Institute of Professional Accountants AML Funding

Second Meeting of the 2025/2026 Session of the Cayman Islands Parliament

October 2025

Mister Speaker, as required by Section 11(6) of the Public Management and Finance Act (2020 Revision) (the “PMFA”), I make this Statement to Members of this Honourable House with respect to an “exceptional circumstance” transaction that was approved by Cabinet for the Ministry of Financial Services and Commerce during the 2025 financial year. This transaction was approved pursuant to Section 11(5) of the PMFA.

This transaction relates to funding for the Cayman Islands Institute of Professional Accountants (CIIPA) to support its functions as a Supervisory Authority under the Anti-Money Laundering Regulations (AMLRs).

Mister Speaker, the Cayman Islands Institute of Professional Accountants, or CIIPA, was established under the Accountants Act in 2016, as the statutory body responsible for governing and regulating the accounting profession in the Islands.

In 2017, the Cabinet designated CIIPA as the Supervisory Authority for firms of accountants conducting relevant financial business under the Proceeds of Crime Act. This designation placed upon CIIPA a critical role in the jurisdiction's anti-money laundering (AML) and counter-financing of terrorism (CFT) framework, in alignment with the Financial Action Task Force (FATF) standards.

CIIPA is one of three supervisory authorities for designated non-financial businesses and professions (DNFBPs), alongside the Department of Commerce and Investment (DCI) and the Legal Services Supervisory Authority (LSSA). Unlike those entities, CIIPA's AML supervisory role has, to date, not been funded by the Government.

Mister Speaker, CIIPA has endeavoured since 2017 to discharge its AML supervisory obligations using its limited resources, but its supervisory capacity is constrained by insufficient funding.

The Cayman Islands is scheduled to undergo its 5th Round Mutual Evaluation by the FATF in December 2027. Effective AML supervision of the accounting sector is an essential input to our success in that assessment. Failure to adequately resource CIIPA would therefore risk undermining our jurisdiction's compliance with international AML/CFT standards.

Given this exceptional circumstance, Cabinet has determined it necessary to intervene under section 11(5) of the Act. This provision empowers Cabinet to authorise executive financial transactions where no appropriation exists, provided that the transaction remedies an exceptional circumstance and does not exceed five per cent of the budgeted executive revenue for the financial year.

Mister Speaker, Cabinet has approved the establishment of a Purchase Agreement between the Government of the Cayman Islands and CIIPA for the 2025 fiscal year.

Under this arrangement, \$200,000 will be reallocated from existing appropriations within the Ministry of Financial Services and Commerce's budget — specifically from output group FSA 1 — to fund CIIPA's AML supervisory functions.

This transaction does not result in any increase to total public expenditure. Rather, it is a reallocation within the Ministry's existing appropriation framework.

The funding will allow CIIPA to:

- Build adequate staffing and training capacity;
- Develop and implement a risk-based AML supervisory framework;
- Conduct on-site inspections through third-party providers; and
- Improve outreach, sectoral guidance, and engagement with supervised entities.

These outputs have been specified within a new Purchase Agreement pursuant to section 30(3) of the Public Management and Finance Act.

Mister Speaker, by equipping CIIPA to operate as an effective AML supervisory authority, the Cayman Islands will further strengthen its

AML/CFT framework and demonstrate to international partners our ongoing commitment to maintaining the integrity and reputation of our financial services industry.

This investment is both prudent and strategic, as it will contribute materially to our jurisdiction achieving a positive rating on Immediate Outcome 4 (IO4) during the forthcoming FATF Mutual Evaluation.

Mister Speaker, in conclusion, Cabinet's authorisation of this transaction reflects the Government's continued resolve to uphold robust financial integrity standards while ensuring efficiency and value for money within the public sector.

I therefore commend this statement to Honourable Members of this Parliament in accordance with section 11(6) of the Public Management and Finance Act.

Thank you, Mister Speaker.