

**Premier and Minister for Financial Services &
Commerce, André M. Ebanks MP**
Finance Committee

Opening Statement

Intro

The Ministry of Financial Services and Commerce (MFSC) remains steadfast in its commitment to supporting and enabling the Cayman Islands being “*a globally recognised international financial services centre of excellence.*”

This statement is not just about maintaining and continuing to bolster our reputation on the world stage; it is about ensuring that our economy remains strong and resilient for the benefit of every Caymanian, directly or indirectly.

Thus it is worth pausing to recognise just how central financial services are to our economic and fiscal stability.

The financial services industry is the single largest contributor to our national income and one of the most important sources of stable government revenue. It helps to pay for our schools, healthcare, policing, social programmes, roads and other critical infrastructure. When the global environment becomes more uncertain, the strength of this sector is one of the reasons Cayman has been able to avoid the more severe fiscal pressures seen elsewhere.

The sector's impact is not confined to balance sheets. Financial services directly and indirectly support thousands of jobs across the Islands, and they are a major driver of high-skill, high-wage employment for Caymanians. The industry is also one of the largest employers of women and a significant source of professional opportunities for young Caymanians returning from study overseas.

The effects ripple across the domestic economy. Financial services activities sustain demand for legal, accounting, technology, compliance, marketing, IT, human resources and hospitality services. Our status as a leading international financial centre supports a broad ecosystem of professional services, and that ecosystem, in turn, supports local entrepreneurship as well as medium to small businesses.

In short, when financial services are strong and well-regulated, the whole country benefits. Protecting and modernising this sector is not a niche concern of industry; it is a core public-interest priority.

Ministry Budget Overview

The 2026–2027 budget for the Ministry of Financial Services and Commerce is designed to strengthen our position and to address the risks ahead.

First, through our core policy and legislative units, we will continue to strengthen the regulatory framework for financial

services, commerce, aviation and maritime affairs, and intellectual property. This includes work on beneficial ownership transparency, tax cooperation, and alignment with international standards on anti-money laundering, counter-terrorist financing and proliferation financing. The objective is clear: to keep Cayman off adverse lists, to minimise the risk of sanctions or market access restrictions, and to preserve our reputation as a high-quality, compliant financial centre.

Second, we are investing in data, technology, and business process modernisation across the Ministry. These investments will support the transition to outcomes-based budgeting by improving our ability to track performance, monitor risk, and report meaningfully to Parliament and the public. These investments and innovations will also make it easier for businesses and individuals to interact with our agencies, reducing delays and improving service quality.

Third, this budget continues and expands support for small and medium-sized enterprises, entrepreneurial development and export readiness. Through agencies such as the Cayman Islands Centre for Business Development, we will help local businesses access advisory services, training, and programmes that support innovation and growth. This is an essential complement to our international financial services work: a strong offshore sector must sit alongside a vibrant domestic economy that offers real opportunities for Caymanians.

Fourth, we will deepen our work on illicit finance and financial crime risk. The new Office for Strategic Action on Illicit Finance (**OSAIF**) will continue to coordinate national efforts in preparation for the next round of FATF assessments, and to assist in building capacity across supervisory and law-enforcement partners.

Housed within the Ministry, OSAIF consolidates the country's strategic leadership, interagency coordination, and operational delivery in anti-money laundering, counter-terrorist financing, and counter-proliferation financing under one roof.

This is not only about satisfying international examiners; it is about protecting Cayman's economy and society from the real harms associated with illicit finance.

To focus briefly on preparation for the FATF 5th Round:

- 1) OSAIF is conducting a gap analysis on our current position against each FATF Standard, and it is working with each agency or authority where they are doing their own gap analysis.
- 2) From the gap analysis, OSAIF will develop and track progress on action plans to meet the relevant Standard where there is a gap.
- 3) OSAIF is working on technical requirements to update legislation where necessary – including revisions to the AML regulations.

- 4) OSAIF is also coordinating training across agencies, the private sector, and monitoring reports and mutual evaluation reports (MERs) coming out of other countries.

Finally, through our overseas offices and stakeholder engagement programmes, we will maintain an active external presence. This is particularly important in an era where international tax, trade and regulatory policies are evolving rapidly. Proactive engagement helps to ensure that Cayman's interests are understood and considered, rather than decided for us in other capitals.

Diversification

Broad Outcome 3 therefore drives the Government's efforts to build a diversified economy that supports prosperity and innovation across all sectors.

To be clear, the local financial services industry is comprised of several strong sectors, e.g. funds, insurance, trusts and banking. Therefore, when we say "build a diversified" it is in the sense that among our core industries, we aim to expand the breath of sectors to seize opportunities in emerging areas that are complimentary—chiefly reinsurance, tech and family offices.

For instance, reinsurance provides a significant opportunity for the Cayman Islands. Due to our highly regulated framework and our strong standing as an investment funds global leader,

there is a convergence of insurance and asset management that the Cayman Islands is in prime position to develop a solid local reinsurance ecosystem that can create high valued private and public sector jobs, boost the country's reputation, increase government revenue, motivate charitable contributions (such as towards scholarships), and local access to greater insurance expertise which can assist with domestic challenges such as the cost of home insurance.

The Ministry will therefore lead a robust initiative to obtain Qualified Jurisdiction Status under the US-based National Association of Insurance Commissioners.

Conclusion

Taken together, the MFSC budget reflects a strategy to strengthen the foundations of the financial services industry, expand to newer complimentary sectors, enhance access to financial services, and encourage innovation that supports local business growth and entrepreneurship.

This budget is about more than just numbers—it's about investing in the future of our people and businesses. By prioritising initiatives that improve service delivery, foster entrepreneurship, and ensure a stable business environment, we are taking concrete steps to support the economic well-being of every Caymanian. This budget serves as a roadmap for creating a stronger, more inclusive economy.

The shift towards Outcomes-Based Budgeting (OBB) is integral to this process. With OBB, we ensure that our investments are not only aligned with national priorities but also focused on achieving measurable impacts. This approach moves us beyond traditional budgeting and places a stronger emphasis on delivery of results with enhanced transparency, accountability, and value for money. It empowers us to directly link our financial resources to tangible improvements in services, infrastructure, and the opportunities available to our people. Through this, we are building a more responsive and responsible government that works for all stakeholders—public and private alike.

In moving forward with this budget, we are not just preparing for the next fiscal year; we are laying the groundwork for long-term, sustainable growth that benefits every individual, family, and business in the Cayman Islands.

A high-level overview of each appropriation for the Ministry shall be distributed to members which includes an explanatory note for various budget variances between 2025 and 2026/27.