

Statement on Preparations for the Fifth Round CFATF Mutual Evaluation

Mister Speaker, I rise to update this Honourable House on the Cayman Islands' preparations for its Fifth Round Mutual Evaluation by the Caribbean Financial Action Task Force, or CFATF, and to explain what this process means in practice for Government, our competent authorities and industry.

First and foremost, on or about 1 September 2026, the Cayman Islands is now officially in the assessment phase.

Accordingly, our authorities will participate in pre-assessment training next week, and the on-site assessment is scheduled for 6 to 17 December 2027. Our team has also begun regular engagements with the CFATF Secretariat to support preparations.

Mister Speaker, it is essential for me to reiterate to the country that this is an important **national** exercise. It will examine whether our laws and regulatory framework meet the standards established by the Financial Action Task Force, or FATF, and how effectively our system prevents and combats money laundering, terrorist financing and proliferation financing.

As a leading international financial centre, Cayman has a responsibility to protect its financial system from criminal abuse and cooperate with international partners. We must demonstrate that we understand our risks and that our framework delivers results through effective supervision, financial intelligence, investigations and enforcement.

Before the assessors arrive, our authorities will submit information on our laws, institutions and operational performance, and respond to questions arising from their review. During the on-site visit, assessors will meet with public authorities and private sector representatives to examine how the system works in practice. Their report will identify strengths and areas for improvement.

Mister Speaker, reliable regulation depends on sound evidence. Our third National Risk Assessment (**NRA**), undertaken between August 2025 and July 2026, which updates the assessments conducted in 2015 and 2021.

The Office for Strategic Action on Illicit Finance, or OSAIF, coordinated this whole-of-government exercise, supported by private sector participation.

Nine multidisciplinary working groups examined threats and vulnerabilities across the jurisdiction and its principal sectors, including banking, investments, trust and corporate services, and virtual assets. Cross-agency reviews and validation workshops tested the findings.

The NRA, related risk assessment work and the proposed 2026–2030 national strategy is expected to come before Caucus and Cabinet for approval shortly. Publication will follow Cabinet’s expected approval. Thereafter, OSAIF plans to begin outreach this month with supervisors and law enforcement partners to explain the findings to industry and the public.

Mister Speaker, being responsive means using this evidence to address changing risks. Supervisors will explain regulatory expectations in light of the findings. Businesses will be able to utilise them to inform their own risk assessments and controls, while law enforcement priorities are expected to reflect the revised threat analysis. The resulting action plan will support continued monitoring of risks and the measures taken to address them.

These preparations reflect our high level political and policy commitment to being a responsible, reliable and responsive country. Government, our competent authorities and industry each have a fundamental role in demonstrating that commitment through their actions.

Mister Speaker, Government remains fully committed to the evaluation and to maintaining a robust, risk-based regime that protects the integrity of our financial system and sustains confidence in Cayman as a trusted global partner.

Thank you, Mister Speaker.