



Independent AML Officers

INTRODUCTION

With effect from 30th September 2018, the Cayman Islands Monetary Authority (CIMA) introduced revised Anti-Money Laundering (AML) regulations (the Regulations) requiring all funds and management entities (whether regulated by CIMA or not) that conduct "relevant financial business" (as defined by the Proceeds of Crime Law (2019 Revision)) in the Cayman Islands to appoint an AML Compliance Officer (AMLCO), Money Laundering Reporting Officer (MLRO) and a Deputy MLRO (collectively the AML Officer Roles).

The AML Officer Roles may be outsourced to individuals who possess appropriate experience, are independent and can dedicate sufficient time to the function.

INDEPENDENT AML OFFICER - INDEPENDENT OVERSIGHT AND GOVERNANCE

INDOS Financial (INDOS) has a dedicated and experienced AML services team to deliver a robust Anti-Money Laundering Officer service model to Cayman Islands funds and management companies.

INDOS offers an independent and unconflicted service and possesses sufficient capacity to ensure the obligations required of the AML Officer Roles are effectively met.

ABOUT INDOS FINANCIAL

INDOS is a leading provider of independent oversight and assurance services to the funds industry and is authorised and regulated by the Financial Conduct Authority.

We currently provide AML Services to a wide range of different fund strategies and managers, with over \$10 bn of underlying assets.

ADVANTAGES OF USING INDOS FINANCIAL

- Performance of a gap analysis to compare administrator AML processes and policies to CIMA legislative requirements
- Review of management company AML processes and policies
- Semi-annual, on-site administrator reviews, including AML/Client due diligence (CDD) file sampling and independent client screening
- Bespoke quarterly Board reporting and commentary provided by the AMLCO
- Monthly oversight of administrator AML/CDD reporting
- Annual compliance training provided to fund Directors
- Template fund level AML Policy provided to aid set up and compliance of fund entities
- The ability to track and compare AML practices across multiple Fund administrators, identifying areas of risk or weakness
- A documented audit trail of the procedures undertaken
- Dedicated service contacts available to the manager/Board of Directors/administrator

EXAMPLE ISSUES IDENTIFIED BY INDOS FINANCIAL

- Politically Exposed Persons (PEPs)
- Insufficient AML/CDD being undertaken on an identified PEP
- Insufficient investor AML/CDD for "High Risk" investors
- Investor due diligence certifications not completed to standard
- Failed Eligible Introducer/AML Assurance Letter testing by administrators
- Breaches of administrator policies and processes regarding AML/CDD collation
- Illegible CDD documents held on client records

CLIENT TESTIMONIALS

"The fund decided to appoint INDOS Financial as its Cayman Islands AML service provider in 2018. We have been impressed by the depth and quality of the work undertaken by the INDOS AML team. The independent service has enhanced the fund's governance model and added notable value to both the manager and the fund board."

(COO, Emerging Markets Hedge Fund)

"We have found Indos' approach to the Cayman AMLR requirements to be very proactive and detailed which has most definitely vindicated our decision to engage them in this new space. Their dialogue with CIMA, regime gap analysis as well as their process to review the policies and procedures of our fund AML service provider has been detailed and thorough and, overall, allowed us to generate a stronger and more robust AMLR framework." (CFO, Global Macro Hedge Fund)

YOUR INDOS FINANCIAL CONTACTS:

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