

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE FINANCIAL REPORTING AUTHORITY OF THE CAYMAN ISLANDS

AND

CAYMAN ISLANDS CUSTOMS & BORDER CONTROL SERVICE

CONCERNING COOPERATION IN THE EXCHANGE OF FINANCIAL INTELLIGENCE

Parties and interpretation

This Memorandum of Understanding is made between the following two Parties:

The Financial Reporting Authority of the Cayman Islands (hereafter referred to as FRA) and the Cayman Islands Customs & Border Control Service (hereafter referred to as CBC), hereafter referred to collectively as "The Parties", desire in the spirit of cooperation and mutual interest, and within the framework of Cayman Islands national legislation, to facilitate the exchange of information in support of the investigation or prosecution of money laundering (ML), the financing of terrorism (FT) and the financing of proliferation of weapons of mass destruction (FP).

To that end the Parties, without the intent to create a legally binding document, but with the purpose of fostering said information exchange to the fullest extent possible, have reached the following understanding:

1. Objective

To set the framework whereby the Parties will provide to each other information that they have reasonable grounds to suspect would be relevant to the investigation or prosecution of money laundering or terrorist financing and proliferation financing.

2. Information exchange

CBC will provide information to FRA in the form of a Suspicious Activity Report (SAR) in accordance with Proceeds of Crime Law (2019 Revision) (POCL) if it discovers activity that satisfies POCL's definition of criminal conduct or criminal activity; it will also make disclosures in accordance with s.114 POCL; CBC also undertakes to forward disclosures of money in excess of \$10,000 to FRA.

To the extent authorised by the laws governing the Parties, and consistent with their own policies and procedures, the Parties may exchange information that it has access to or may come into its possession which may be relevant to the investigation or prosecution of ML, FT or FP.. Information provided to the other party may only be used for purposes relevant to the investigation or prosecution of ML, FT or FP..

Where it is permitted, the FRA will disclose information in relation to Suspicious Activity Reports (SARs) in accordance with POCL and the Anti-Money Laundering Regulations 2018.

Information provided by the FRA is for intelligence purposes only and may not be used in evidence; should CBC wish to follow up on any intelligence provided, it must start its own investigation.

CBC may ask the FRA if it holds any information on a particular individual or entity; it may also ask the FRA to use the Egmont network to make enquiries of another Egmont member.

3. Justification of request

CBC will, to the extent possible, provide a brief statement of the underlying facts justifying any request for information.

4. Meetings

The Director of CBC or a nominated representative and the Director of the FRA (“Director”) or a nominated representative, will agree to meet as needed, but not less than quarterly, to review and discuss the relationship between the Parties and the exchange of information. They will also discuss the development, co-ordination and implementation of policies to combat ML/FT/FP.

5. Training and Technical Assistance Activities

- 5.1 The Parties shall co-ordinate the development and implementation of their respective annual training programs in all AML, CFT and CFP and associated areas. When conducting an activity involving training, each Party shall ensure that the other one is given an opportunity to benefit from it as well.
- 5.2 Each Party shall keep the other informed of invitations to associated training activities, conferences, seminars and workshops, offered in the Cayman Islands or abroad, and which could reasonably be of interest to the other Party given its mandate and duties.
- 5.3 When only one of the Parties attends at any such training event, whether in the Cayman Islands or abroad, which could reasonably be of interest to the other Party given its mandate and duties, the Party attending the event shall produce a

Back-to-Office report debriefing the other Party on the contents of the training and shall share with it any training materials received at the training.

6. Use and release of information

The Parties will not permit the use or release of any information or document obtained from the other party for purposes other than those stated in this Memorandum without the prior consent of the disclosing party.

7. Other cooperation

In addition to exchange of information and documents concerning financial transactions, the Parties will cooperate in other ways. This may include the exchange of general information regarding money laundering, terrorism financing and other serious offences, including analysis of financial data, and information about trends in money laundering, terrorism financing and other serious offences.

8. Confidentiality of information

- 8.1 All information or documents acquired by the Parties in application of the present Memorandum will be subject to strict controls and safeguards to ensure that the information is used only in a manner authorised by this Memorandum and treated in a confidential manner.
- 8.2 Information acquired by the Parties will be subject to official secrecy and is to be protected with the same confidentiality as provided by the national legislation of the receiving Authority for similar information and documents from national sources.
- 8.3 The fact that information or documents have been acquired by the Parties under this Memorandum is to remain confidential.

9. Communication

- 9.1 CBC will communicate to the FRA what use, if any, it has made of the information provided by the Financial Reporting Authority; this includes the fact that no action was taken and no use made of the information provided. This feedback is to be delivered within 28 days of the disclosure and will be updated as appropriate.
- 9.2 Communication between the Parties will take place in English using a mutually agreed method.

10 Term and Amendments

- 10.1 This Memorandum will come into effect on the day it is signed by both Parties.
- 10.2 This Memorandum may be amended at any time by mutual consent.
- 10.3 The Parties may discuss and agree on other avenues of information sharing and co-operation among them beyond this MOU.
- 10.4 No understanding under this MOU shall contradict, oppose or relax a legal obligation under any law, regulation, guideline or other legally binding instrument.
- 10.5 This MOU is revocable at any time. The revocation will become effective as from the receipt of written notification to that effect from the other Party. The terms and conditions of this MOU dealing with the confidentiality of information received prior to the termination of this MOU will remain in effect indefinitely after the revocation of this MOU.

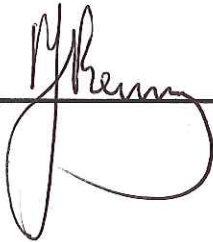
Signed in duplicate at Government Admin Building
This 26th day of June 2019

Signed in duplicate at CBC HQs
This 26TH day of JUNE 2019

For the Financial Reporting Authority (CayFin)
of the Cayman Islands

For Cayman Islands Customs & Border Control
Service

RJ Berry
Director



Charles E. Clifford JP
Director

