SEPTEMBER 2026

TRIDENT TRUST

CAYMAN ISLANDS
REGULATORY UPDATE

THE CAYMAN ISLANDS MONETARY AUTHORITY (CIMA) HAS ISSUED TWO NEW RULES: THE RULE ON EFFECTIVE COMPLIANCE PROGRAMMES FOR THE PREVENTION AND DETECTION OF MONEY LAUNDERING (ML), TERRORIST FINANCING (TF) AND PROLIFERATION FINANCING (PF) FOR FINANCIAL SERVICES PROVIDERS (AML/CFT/CPF RULE) AND THE RULE ON COMPLIANCE WITH FINANCIAL SANCTIONS AND TARGETED FINANCIAL SANCTIONS (SANCTIONS RULE).

Collectively, the Rules apply to all CIMA-regulated financial services providers, including private funds, mutual funds and all other CIMA registered and licensed entities. Both Rules will take effect on **18 September 2026**.

AML/CFT/CPF RULE

REQUIREMENT	DETAILS
GOVERNANCE & COMPLIANCE FRAMEWORK	Establish and maintain an effective governance and compliance framework, clearly documenting roles, responsibilities and accountability, supported by annual AMLCO reporting and periodic reviews of the Compliance Programme.
DOCUMENTED FUND-SPECIFIC RISK ASSESSMENTS AND DUE DILIGENCE	Conduct and document a risk-based ML/TF/PF risk assessment, including identification and assessment of inherent and residual risks, the rationale for risk ratings, consideration of mitigating factors, and oversight of outsourced AML functions to ensure fund-specific risks are appropriately reflected. Risk assessments must be updated without delay upon trigger events. The basis for applying Simplified Due Diligence (SDD) must be documented and periodically reassessed.
POLICIES, PROCEDURES AND CONTROLS	Maintenance of documented policies, procedures and controls proportionate to their risk profile.
REINFORCED OVERSIGHT OF OUTSOURCED ARRANGEMENTS	Outsourced AML activities must be kept under effective oversight to ensure that: responsibilities are clearly documented; appropriate reporting arrangements are in place; performance is monitored; and compliance obligations continue to be met.
INDEPENDENT AML AUDIT REQUIREMENTS	Conduct independent testing of the AML/CFT/CPF Compliance Programme at a frequency commensurate with the fund’s risk profile, ensuring no more than two consecutive audit cycles are performed internally before an external audit is undertaken. Audit findings and remediation measures must be documented, and audit reports submitted to the CIMA .
APPOINTMENT OF AMLCO, MLRO AND DMLRO	Designate suitably qualified AML Officers, including the Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer, with sufficient authority, expertise, independence, objectivity and access to information to effectively discharge their statutory responsibilities and maintain compliance with applicable regulatory requirements.
ONGOING COMPLIANCE TRAINING	Implement an ongoing AML/CFT/CPF training programme tailored to the entity’s business activities and risk profile, with annual training for directors, officers, agents and other

REQUIREMENT	DETAILS
	relevant persons. A documented training plan and training records must be maintained and made available to CIMA upon request.

Next Steps

- > Conduct a gap analysis against the new Rules
- > Review existing AML/CFT/CPF frameworks
- > Assess if current risk assessments remain appropriate
- > Evaluate the need for fund-specific policies, procedures and risk assessments
- > Review outsourced AML arrangements and oversight mechanisms
- > Ensure directors and key service providers understand the new requirements
- > Review independent audit schedules

SANCTIONS RULE

REQUIREMENTS
Screen all applicants, customers, investors, beneficial owners, transactions, service providers and connected parties against applicable sanctions lists
Monitor transactions for sanctions concerns
Freeze accounts, other funds or Economic Resources of a Designated Person without delay
Report to the appropriate Cayman authorities without delay
Maintain clear records of all true hits and sanctions-related reviews, decisions, actions taken and the rationale supporting those decisions

HOW WE CAN HELP

Trident Trust is currently assisting clients in assessing the impact of the new Rules and can provide support in relation to:

- > Providing suitable persons as AML Officers appointments
- > Review AML/CFT/CPF risk assessments where Trident delegates serve as AML Officers
- > Compliance programme reviews
- > Sanctions compliance reviews
- > Independent AML audit planning and coordination

CONTACT

To learn more about the new CIMA Rules or discuss their application to your fund structure, contact your primary Trident Trust representative or Jessica Hislop-Whiteman, Head of Regulatory Services of our Cayman office.