

Alert

Industry Update for Single Family Offices Conducting Securities Investment Business

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On 30 June 2020, the Cayman Islands Ministry of Financial Services & Home Affairs issued an [industry update](#) to advise that following three rounds of industry consultation, discussions with the Cayman Islands Monetary Authority (CIMA) and consideration of the Financial Action Task Force (FATF) recommendations with regards to securities investment business, single family offices (SFOs) conducting securities investment business will now be brought within the scope of regulation pursuant to the Securities Investment Business Law (SIBL).

Currently a SFO would fall within Schedule 2A of SIBL as a “non-registrable person” meaning that they are exempt from prudential oversight by CIMA. However, given the supervisory requirements outlined by the FATF in respect of securities investment business, it was concluded that it is necessary to assess the fitness and propriety of SFOs and their members and for CIMA to have the power of inspection in order to achieve effective supervision. Accordingly the Schedule 2A exemption will be removed and SFOs will be required to be regulated under SIBL if they are conducting securities investment business.

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