



Cayman Islands removal from EU AML List to be effective on 7 February 2024

The Cayman Islands was removed from the FATF Grey list in October last year (see related publication here ([Cayman Islands removed from FATF Grey list - Loeb Smith](#))), which was then followed by the UK on 5 December 2023 which removed the Cayman Islands from the UK list of high-risk countries for AML and CTF purposes pursuant to the Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) (No. 2) Regulations 2023.

The European Union followed suit a week later on 12 December 2023 when the EU Commission passed the Commission Delegated Regulation (EU) 2024/163 (the “**Regulation**”) amending Delegated Regulation (EU) 2016/1675 as regards the deletion of the Cayman Islands and Jordan from the table in point I of the Annex, i.e. the EU list of high-risk third countries. The Regulation was finally published on the Official Journal of the European Union on 18 January 2024 (the full copy can be viewed at the following link: [Delegated regulation - EU - 2024/163 - EN - EUR-Lex \(europa.eu\)](#)) and, accordingly, it will become effective 20 days after publication on 7 February 2024.

The Regulation becoming effective in February 2024 means that the Cayman Islands will be removed from the EU list of high-risk third countries and represents the latest of a number of steps towards recognizing the Cayman Islands’ steady progress in the implementation and enforcement of internationally assessed and accepted AML/CTF measures. It is also highly significant for the Cayman Islands’ international reputation, and of particular importance in the structured finance sector as the Cayman Islands will again be a permissible jurisdiction for the establishment of securitisation special purpose entities (or ‘SSPEs’) for the purposes of Article 4 of the EU Securitisation Regulation.

Further Assistance

This publication is not intended to be a substitute for specific legal advice or a legal opinion. If you require further advice relating to the matters discussed in this Legal Update, please contact us. We would be delighted to assist.

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