



# **STRATEGIC PLAN**

# **2024-2026**



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Appendix A

# MESSAGE BY BOARD CHAIRMAN & MANAGING DIRECTOR

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**GARTH MACDONALD**  
**BOARD CHAIRMAN**

The Cayman Islands Monetary Authority (“CIMA”) is pleased to announce the launch of its 2024-2026 Strategic Plan. This Plan signifies a progression in our ongoing journey, building on the substantial achievements since the inception of our 2020-2023 Strategic plan.

Reflecting on the last three years, the 2020-2023 Strategic plan served as a roadmap, guiding us through a period of transformation and development. CIMA demonstrated adaptability, resilience, and dedication, which allowed us to navigate challenges effectively and capitalise on opportunities.

We have made successful strides in implementing key strategic initiatives, strengthened our operational efficiency, and made enhancements to our regulatory framework and supervisory practices. One notable achievement was the successful completion of the Financial Action Task Force’s (FATF) fourth round mutual evaluation process, as FATF removed the Cayman Islands from its anti-money laundering ‘grey list’. This accomplishment underscores our shared commitment to meeting global standards and enhancing our financial services as a prominent industry and economic driver for our islands. An overview of our performance over 2020-2023 can be found in [Appendix A](#).

The successes of the past three years inspire us to set even higher aspirations for the future and continue our journey towards excellence.

Amidst the global landscape of financial services, regulation, and financial risks, the 2024-2026 Strategic Plan is designed to strengthen our operations as well as enhance the Authority’s supervisory regime, enabling us to manage pertinent risks and ensure alignment with international standards and best practices. At the core of the 2024-2026 Strategic Plan lies a shared vision, embodied by our mission statement in protecting and enhancing the integrity of the currency and financial services industry in the Cayman Islands.

The objectives outlined in this plan also aim at enhancing internal capacity and capabilities while fostering a positive work-life balance for our valued staff, thus reinforcing CIMA’s position as an employer of choice. Key objectives to be implemented over the next three years include digital transformation, further establishment of effective financial services regulation, and support for combating financial crime.

Our delivery model, will serve as the foundation for the implementation of our 2024-2026 programme. As we embark on this journey, united in our pursuit of shared goals, we look forward to continued engagement with our stakeholders in achieving our planned objectives over the next three years and beyond.



**CINDY SCOTLAND, OBE**  
**MANAGING DIRECTOR**

# ORGANISATIONAL OVERVIEW

Established on 1 January 1997, CIMA is the primary regulator responsible for the regulation and supervision of financial services entities operating in and from the Cayman Islands.

We also manage the issue and redemption of the Cayman Islands currency and provide assistance to overseas regulatory authorities, including the execution of memoranda of understanding to assist with consolidated supervision.



## PRINCIPAL FUNCTIONS



**Monetary:** Issue and redeem Cayman Islands currency and manage the currency reserves.

**Regulatory:** Supervise and regulate financial service industry, enforce anti-money laundering compliance, issue the regulatory handbook on policies and procedures, and issue rules and statements of principles and guidance.

**Cooperative:** Assist overseas regulatory authorities with consolidated supervision.

**Advisory:** Provide advice to the Cayman Islands Government on monetary, regulatory and cooperative matters.

## STAKEHOLDERS



Our key stakeholders consist of:

- The Cayman Islands Government and domestic competent authorities
- Organisations representing financial services related industries, businesses and other interests
- Users of Cayman's financial services, regulated entities, clients of regulated entities and the general public
- International organisations of which CIMA is a member or to which CIMA contributes
- International regulators, central banks and other relevant competent authorities

# DELIVERY MODEL

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**The delivery model provides information at-a-glance of what we do, what we deliver and the impacts that we have, including the impacts we share within a complex multi-stakeholder accountability relationship. The model is comprised of the following elements:**

- Inputs represent the resources and outputs from other parties that are consumed by our activities.
- Activities describe collections of actions and services that we deliver under our mandate.
- Outputs are the products generated by our activities.
- Direct outcomes are the first level of outcomes – those over which we have the most direct influence with our outputs.
- Intermediate outcomes comprise the second level of outcomes-those over which CIMA has less influence with our outputs and where the influence may be shared with our stakeholders.
- Ultimate outcomes are the highest level outcomes that can be attributed to our outputs and are subject to many influences beyond those of CIMA.

# DELIVERY MODEL

|                              |   |   |
|------------------------------|---|---|
| <b>INPUTS</b>                | <ul style="list-style-type: none"> <li>Human resources, financial resources, internal services (training, consulting and career development), information systems, infrastructure, government policy, laws, international standards and policies, requests for assistance (international and domestic), industry feedback, and industry data</li> </ul>   |   |
| <b>ACTIVITIES</b>            | <ul style="list-style-type: none"> <li>Licensing and registration</li> <li>Oversight and regulation, surveillance, risk assessment and ongoing monitoring (on-site and off-site)</li> <li>Enforcement</li> <li>Currency management</li> </ul>   | <ul style="list-style-type: none"> <li>Advising government</li> <li>Education and outreach</li> <li>Domestic and international policy-making and cooperative engagement</li> <li>Fee collection</li> <li>Data analysis</li> </ul>   |
| <b>OUTPUTS</b>               | <ul style="list-style-type: none"> <li>Rules for industry to follow</li> <li>Statements of Guidance and Policy</li> <li>Inspection reports</li> <li>Responses to requests for assistance</li> <li>Sanctions/fitness and propriety assessments</li> </ul>  | <ul style="list-style-type: none"> <li>Information and advice</li> <li>Entity and sectoral risk assessments</li> <li>Issued and destroyed currency</li> <li>Sale and redemption of numismatic coins</li> <li>Statistical reports</li> </ul>   |
| <b>DIRECT OUTCOMES</b>       | <ul style="list-style-type: none"> <li>Stakeholders have the information they need to develop a comprehensive understanding of the risks in operating their businesses</li> <li>Those operating in the industry understand their regulatory responsibilities and the consequences of non-compliance</li> </ul>  | <ul style="list-style-type: none"> <li>Non-compliance in the Cayman financial services industry is identified and deterred</li> <li>Decision-makers are well informed on all matters that impact the Cayman Islands financial services sectors</li> </ul>   |
| <b>INTERMEDIATE OUTCOMES</b> | <ul style="list-style-type: none"> <li>Stakeholders operating within and from the jurisdiction have confidence in its financial system</li> <li>Those operating in the industry fulfil their regulatory responsibilities consistently, regularly and appropriately</li> <li>Financial institutions and TCSPs adequately apply prudential AML/CFT/CFP preventive measures commensurate with their risks, and report suspicious transactions</li> </ul> | <ul style="list-style-type: none"> <li>Decision-makers make informed decisions on financial services that impact the Cayman Islands financial system</li> <li>Financial institutions and TCSPs have effective governance and risk management practices that keep pace with existing and emerging risks and support the early detection of issues</li> <li>Bad actors are deterred from raising, moving and using funds, and from abusing the financial services sector</li> </ul> |
| <b>ULTIMATE OUTCOMES</b>     | <ul style="list-style-type: none"> <li>The reputation of the Cayman Islands as a financial centre is protected and enhanced</li> <li>A sound Cayman Islands financial system that meets applicable international standards and supports sustainable growth, development and resilience</li> </ul>   | <ul style="list-style-type: none"> <li>The public has trust in the safety and soundness of financial institutions</li> <li>A thriving financial services market in the Cayman Islands</li> </ul>  |

# OUR MISSION, VISION AND VALUES

This strategic plan contains our mission and values statements that represent how we collectively wish to conduct ourselves in delivering on our objectives. We have also reflected on our vision for the future and validated it for this strategic plan.

The CIMA mission statement describes the fundamental purpose of our organisation and reminds us of the overall goal we have come together to pursue. Our values reflect what is truly important to our Board, management team and staff in terms of the attitude, behaviours and character we display and how we wish to be seen by our stakeholders. Our vision statement expresses what we are committed to accomplishing in the mid- to long-term.



## OUR MISSION

To protect and enhance the integrity of the financial services industry of the Cayman Islands.



## OUR VISION

A thriving, innovative and well-regulated Cayman Islands Financial Services system and currency that meets applicable international standards and provides value to stakeholders.

## OUR VALUES

- **Teamwork:** We empower each other to work at our productive best
- **Accountability:** We hold ourselves and each other accountable for our responsibilities and commitments
- **Excellence:** We aspire to the highest standards of performance
- **Collaboration:** We achieve common goals through successful working relationships
- **Integrity:** We encourage and expect honest and ethical behaviour by our employees
- **Respect:** We honour the public's trust by showing respect for those with whom we interact, considering differing points of view and ensuring people are treated the way we would like to be treated

# OUR STRATEGIC OBJECTIVES



In support of our mission over the next three years, and to continue the work previously undertaken, this plan commits to six strategic objectives:

1. Improve our technological/digital capability for enhanced productivity, and to support efficient and effective regulation of the financial services industry
2. Provide support for improving effectiveness in combating financial crime and a positive assessment on the FATF 5<sup>th</sup> Round Review of the Cayman Islands
3. Establish proactive, sustainable, and effective financial services regulation to promote new products/models and enable the existing business products/models to thrive
4. Be recognised as an employer of choice
5. Improve the integrity and quality of the Cayman Islands currency
6. Increase public outreach and education

In the next section of this plan, we describe what each of these objectives entails and how we will address them over the period of this plan, through the execution of various key initiatives that have been assessed for impact and feasibility.

Our operational plans to achieve the set objectives will be developed based upon an assessment of each initiative against the following criteria:

- strategic fit
- potential impact
- time to implement
- total cost to implement
- implementation capacity
- risks to implementation
- depth and breadth of change

The implementation of these plans will be closely monitored and reviewed on a quarterly and annual basis to ensure the degree to which each initiative is on time, on budget and within scope. They will also seek to strike an appropriate balance between the human and financial resources directed at implementing an agenda for change, and the resources needed for ongoing successful delivery of the activities and outputs outlined in the delivery model.



# IMPROVE OUR TECHNOLOGICAL CAPABILITY

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It is essential for CIMA to be better equipped with innovative technology for proactive and effective supervision.

CIMA will therefore, continue its efforts in augmenting its technological capabilities to support its human resources through automation.

Assessing our technological needs and deploying suitable tools helps to improve productivity, enhances our operational and supervisory processes, and improves user experience for all.

## HOW WE WILL ACHIEVE THIS OBJECTIVE

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We will undertake the following initiatives to achieve this objective:

1. Identify the necessary technological solutions to improve operational efficiencies.
2. Deploy identified suitable technological solutions.
3. Provide adequate training to internal and external users.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

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We will see success through the following outcomes:

- Suitable tools to support data integration and analysis in conducting risk-based supervision and improve operational efficiencies
- Improved productivity due to automation saving man hours on manual processes to engage where human judgment is needed, and completing tasks in a timely manner
- Improved operational and supervisory efficiencies
- Improved user experiences for industry in regulatory reporting and outreach

# IMPROVE EFFECTIVENESS IN COMBATING FINANCIAL CRIME

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As the primary regulator of a leading international financial centre, CIMA stands committed to playing a key role in the fight against financial crime.

CIMA will therefore, continue its efforts in better understanding the evolving ML/TF and financial crime related risks while strengthening and implementing its AML/CFT supervisory regime.

With the knowledge and expertise gained over the years, and the lessons learned from the recent FATF assessment, CIMA will work with relevant stakeholders, including the industry participants, to achieve a positive outcome in the upcoming 5<sup>th</sup> round of the FATF Mutual Evaluation.

## HOW WE WILL ACHIEVE THIS OBJECTIVE

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We will undertake the following initiatives to achieve this objective:

1. Identify and address gaps to strengthen CIMA's AML/CFT supervisory framework and comply with FATF standards.

2. Ensure systems are in place to gather, maintain, analyse, and report relevant data that is required for the FATF Mutual evaluation process.
3. Support and collaborate with relevant authorities in the jurisdiction, as necessary, to establish effectiveness in combatting financial crime for a positive outcome of the 5th round FATF mutual evaluation.
4. Provide clear and comprehensive guidance and support with regard to the relevant legislative obligations of regulated entities.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

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We will see success through the following outcomes:

- Preparation for the 5<sup>th</sup> round FATF assessment, which includes having improved technological capability, adequate and appropriate AML/CFT expertise in place
- Greater clarity in legislative provisions and guidance to the regulated sectors
- Improved effectiveness in combatting financial crime in collaboration with relevant stakeholders

# ESTABLISH PROACTIVE, SUSTAINABLE AND EFFECTIVE REGULATION

In our efforts to maintain Cayman's reputation as a leading financial centre, and to efficiently deliver its mandate, CIMA persistently works to adopt supervisory best practices recommended by the relevant international standard setting bodies.

Working with relevant stakeholders and engaging the necessary resources, CIMA will develop, improve and maintain robust supervisory regimes for the regulated sectors under its remit, while considering the relevant emerging risks and evolving international standards.

## HOW WE WILL ACHIEVE THIS OBJECTIVE

We will undertake the following initiatives to achieve this objective:

1. Promote harmonisation of legislative and regulatory obligations.
2. Develop supervisory framework in collaboration with relevant stakeholders for Reinsurance, Basel III, licensing and sandbox regimes for VASPs, and addressing ESG and related risks.
3. Enhance supervisory regimes for Credit Unions and Development Bank.
4. Engage necessary resources for the development and implementation of new and enhanced supervisory frameworks.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

We will see success through the following outcomes:

- Better streamlined legislative framework removing gaps and inconsistencies in regulatory laws
- Bespoke supervisory framework and dedicated resources for the supervision of the Reinsurance business
- Comprehensive supervisory framework for VASPs and Sandbox (implementation of Phase II of VASP Act)
- Enhanced supervisory framework for Credit Unions and Development Bank complying with the relevant international standards
- A supervisory framework along with necessary resources for addressing ESG and related risks
- Development of Basel III framework

# RECOGNISED AS AN EMPLOYER OF CHOICE

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At CIMA, our staff is our most valuable asset. We continually invest in our people by providing well-rounded personal and professional development opportunities through career advancement, training, and staff recognition, while promoting work-life balance and a positive working environment.

Taking into consideration the increasing regulatory landscape, and the risks and gaps identified with its current operational structure, CIMA will also make the necessary changes to better streamline its supervisory processes and increase efficiencies.

## HOW WE WILL ACHIEVE THIS OBJECTIVE

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We will undertake the following initiatives to achieve this objective:

1. Streamline CIMA's operational structure to improve efficiencies by removing redundancies and gaps in processes.
2. Build human resource capacity in line with increased regulatory landscape for a robust supervision also allowing work-life balance for staff.
3. Provide opportunities for staff advancements through training and development.
4. Ensure that CIMA's working environment continues to be secure, safe, clean and promotes sustainability.
5. Transition to new building to allow CIMA staff to work together in one physical location.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

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We will see success through the following outcomes:

- A more streamlined operational structure and adequate staff with relevant experience and expertise
  - Increased opportunities for staff development, advancements and well-being
  - Improved human capital accommodations allowing for better harmonisation among teams
  - Environmentally cautious and hurricane-proof facility to ensure business continuity in a secure manner
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# IMPROVE THE INTEGRITY AND QUALITY OF THE CAYMAN ISLANDS CURRENCY

To ensure the stability and management of the Cayman Islands currency, CIMA will relentlessly work to preserve and improve the quality of the Cayman Islands banknotes. Following the passing of Her Majesty Queen Elizabeth II and the current reign of His Majesty King Charles III, CIMA will take steps to design and print new banknotes that reflect this change. This will also include an educational campaign that will seek to raise awareness about the history and unique features of our local currency.

In line with these efforts, CIMA will continue to coordinate with relevant stakeholders to develop outreach programmes to increase public awareness regarding counterfeit currency and other related crimes.

## HOW WE WILL ACHIEVE THIS OBJECTIVE

We will undertake the following initiatives to achieve this objective:

1. Improve the quality of the currency banknotes.
2. Assess the redemption of banknotes and print banknotes that reflect the change in Monarchy.
3. Increase public education/awareness programmes in collaboration with law enforcement agencies and industry partners.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

We will see success through the following outcomes:

- Currency that is more durable and reflects the change in Monarchy
- Increased awareness of counterfeiting among the general public
- Increased collaboration with industry partners and relevant stakeholders

# INCREASE PUBLIC OUTREACH AND EDUCATION

CIMA will work closely with industry participants to develop and implement robust supervisory regimes, including consumer protection measures, for each regulated sector. CIMA will also continue to issue relevant guidance to assist stakeholders to better understand their compliance obligations.

We will also develop outreach programmes to enhance public awareness about the financial services industry and the importance of its regulation. These programmes will help the public better understand the consumer protection measures currently in place and the need for taking steps to combat financial crime and ensure financial stability.



## HOW WE WILL ACHIEVE THIS OBJECTIVE

We will undertake the following initiatives to achieve this objective:

1. Increase stakeholder engagement efforts and conduct more awareness programmes to educate public regarding financial services regulation, CIMA's mandate, values and operations.

## HOW WE WILL KNOW WE WERE SUCCESSFUL

We will see success through the following outcomes:

- Increased awareness of financial services, its regulation and consumer protection measures
- CIMA's mandate, values and operations are well understood by the general public and relevant stakeholders

# APPENDIX A

## A reflection of CIMA's performance against the 2020 - 2023 Strategic Plan

In developing the 2020 plan, the Board of Directors identified four strategic objectives for management and CIMA staff to undertake during the life of the plan. Key achievements were reported on as part of our 2021 and 2022 annual reports. Please see summary below:

### Strategic Objective 1:

#### Strengthen our capacity and capabilities for the successful delivery of our principal functions

- Identified challenges in attracting, retaining, and developing staff
- Developed an action plan for the implementation of new approaches for the attraction and retention of competent and experienced staff with transferable skills
- Identified certain areas where external resources could be engaged, including automation requirements
- Identified enhancement needs to the current procurement processes for expediting the commencement of services by external parties/deployment of technological solutions
- Developed wholesome and sustainable employee benefit programmes to promote work-life balance of its employees

### Strategic Objective 2:

#### Enhance the regulatory response to innovations in business models and technologies

- Conducted a comprehensive internal survey to understand divisional needs and assess the adequacy and effectiveness of current IT systems
- Maintained a steady progression of addressing automation needs with a plan to further improve technological resources
- Developed a framework for the identification and evaluation of emerging technological trends and issues, and to respond in a timely manner and as necessary

### Strategic Objective 3:

#### Reform and retool operational structures and supervisory approaches to better implement a risk-based approach

- Conducted research, with assistance from external experts, to assess the strengths and weaknesses of existing operational workflows and structure to improve internal efficiencies
- Determined an operational framework tailored for CIMA, designed to address existing gaps and weaknesses, while enhancing efficiencies in the execution of CIMA's functions in a more consistent, effective, and cost-efficient manner

### Strategic Objective 4:

#### Develop and implement a renewed framework for effective stakeholder engagement

- Conducted a comprehensive internal survey to assess the adequacy and effectiveness of current stakeholder engagement practices
- Conducted research on stakeholder engagement best practices among other regulatory bodies
- Developed a formal stakeholder engagement framework document along with an accompanying guidance manual to improve communication and engagement with its external stakeholders







# STRATEGIC PLAN 2024 - 2026



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