



MAY 2016

Regulatory Policy

Recognised Overseas Regulatory Authorities – Securities Investment Business Law

1. Statement of Objectives

- 1.1 For transparency and consistency, this policy sets out criteria to determine which overseas regulatory authorities should receive “recognised” status for the purposes of the Securities Investment Business Law (“SIBL”).

2. Scope of Application

- 2.1 This policy applies to SIBL, which contemplates that the Authority will recognise overseas regulatory authorities for various purposes.
- 2.2 The SIBL defines a “recognised overseas regulatory authority” as a regulatory authority which, in a country or territory outside the Cayman Islands, exercises one or more functions corresponding to the Authority’s under SIBL and which the Authority has declared by notice published in the Gazette to be recognised for the purposes of SIBL.

3. Criteria for Approval

- 3.1 Subject to section 5 below, in order for an overseas regulatory authority to be recognised by the Authority for purposes of SIBL, the regulatory authority must be one that is:
- a) A signatory to the International Organisation of Securities Commission’s (IOSCO) Multilateral Memorandum of Understanding; or
 - b) An ordinary member of IOSCO with which the Authority has signed a Memorandum of Understanding; or
 - c) Any other overseas regulatory authority approved by the Authority under section 4 of this Policy.



4. Approval of Other Regulatory Authorities

- 4.1 Upon request by an interested party and subject to section 5 below, the Authority may recognise an overseas regulatory authority that does not meet the criteria outlined in section 3a or -b above. The requestor should demonstrate that the regulatory authority:
- a) is considered to operate in accordance with the IOSCO principles; and
 - b) that a Memorandum of Understanding exists between the overseas regulatory authority and the Authority; and
 - c) it is not against the public interest to add the overseas regulatory authority.
- 4.2 After it has received all supporting documentation, the Authority will assess the application. The Authority will submit its recommendation for approval of the regulatory authority to the Authority's Management Committee. Upon decision of the Management Committee, the Authority will inform the applicant of the decision and, if applicable, will publish the name of the newly recognised regulatory authority in the Gazette and on the Authority's website.

5. Refusal to Approve

- 5.1 The Authority may refuse to approve an overseas regulatory authority, or indicate that a regulatory authority is no longer approved, if the approval or continued approval of the regulatory authority is not in the public interest. This could be the case if, for example, a regulatory authority is located in a country that is subject to international sanctions. The Authority will publish the names of the regulatory authorities affected by this section in the Gazette and on its website.