

**Statement
by Premier of the Cayman Islands
Hon. McKeeva Bush, OBE, JP
On the Cayman Islands' Rating by the Financial Stability Board**

**Delivered in the Legislative Assembly
Cayman Islands
Wednesday, 16 November 2011**

Thank you Madam Speaker.

I rise to make a statement on the excellent rating that the Cayman Islands recently received from the Financial Stability Board, for international cooperation and information exchange on matters relating to financial regulation and supervision.

It is a testament to the foresight and wisdom found in these Islands that we continue to gain recognition as a compliant jurisdiction in these very important areas. Therefore, it is my pleasure to highlight this jurisdiction's achievement.

Following an assessment of 61 jurisdictions, the Financial Stability Board (or FSB) included the Cayman Islands among 41 jurisdictions that "demonstrate sufficiently strong adherence" to regulatory and supervisory standards on international cooperation and information exchange.

Madam Speaker, this is a most welcome endorsement for the Cayman Islands. It demonstrates that Cayman is on par with the giant economies of G7 and G20 countries such as the United Kingdom, United States, Brazil, Canada and France. In fact, as the report shows, some of the FSB's own member jurisdictions were not rated as having "sufficiently strong adherence".

As background to this achievement, the FSB's evaluation is part of an initiative to encourage adherence to internationally agreed information exchange and cooperation standards in the areas of banking supervision, insurance supervision and securities regulation.

These standards are contained in:

- the *Core Principles for Effective Banking Supervision*, developed by the Basel Committee on Banking Supervision;
- the *Insurance Core Principles*, developed by the International Association of Insurance Supervisors (or IAIS), and
- the *Objectives and Principles of Securities Regulation*, developed by the International Organisation of Securities Commissions (IOSCO).

The Financial Stability Board has rightly recognised Cayman's level of compliance with these standards. We can add this to the high compliance rating we have received recently from the Global Forum with regard to information exchange and cooperation on tax matters, as well as the high compliance rating on anti-money laundering and anti-terrorism standards from the Caribbean Financial Action Task Force.

It was not long ago that this organisation, formerly known as the Financial Stability Forum, had categorized the Cayman Islands in its third tier. This was the lowest rating possible regarding international compliance. Since then, review upon review has indicated that we have made significant progress and this recognition by the FSB is another example.

It is apparent that through the ongoing efforts in this jurisdiction, the Financial Stability Board has come to a greater acceptance of the Cayman Islands. This is seen not only in the recent assessment. It is also evidenced in the fact that our jurisdiction was chosen as a member of the FSB Regional Consultative Group of the Americas, set up to provide input to the board on financial stability issues.

Consultative group representatives from Cayman are the Financial Secretary, Kenneth Jefferson; and the Managing Director of the Cayman Islands Monetary Authority Mrs. Cindy Scotland. This FSB Regional Consultative Group will hold its