



# Cayman Monetary Regulatory Authority International

At the forefront of financial regulation, the Cayman Monetary Regulatory Authority International (CMRAI) is dedicated to upholding the highest standards of financial oversight and compliance. Our mission is to safeguard the stability and integrity of the global financial system by ensuring that financial services operate within a framework of transparency, accountability, and excellence.

As a trusted partner to financial institutions worldwide, CMRAI provides rigorous supervision, innovative solutions, and strategic guidance to foster a secure and thriving financial environment. With decades of experience and a commitment to global standards, we stand as a pillar of trust and security in an ever-evolving financial landscape.

With a legacy of excellence in financial oversight, the Cayman Monetary Regulatory Authority International (CMRAI) is a beacon of trust in the international financial community. Our role extends beyond regulation; we are innovators, collaborators, and protectors of the global financial ecosystem. By fostering compliance, promoting best practices, and embracing technological advancements, CMRAI ensures that financial services remain resilient and adaptable in a dynamic global market.

Our comprehensive approach to regulation encompasses a deep understanding of financial risks and a proactive stance on emerging challenges. We are committed to empowering financial institutions with the tools and guidance necessary to navigate complex regulatory landscapes, thereby contributing to global economic stability and growth.

Risk Rule on Interest Rate Risk Rule on Interest Rate Risk Management

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\* 1. 1.1. 1. STATEMENT OF OBJECTIVES To set out the Cayman Monetary Regulatory Authority International ( Authority s ) rule on Interest Rate Risk for banks, (each of the sub-paragraphs of section 4 below referred to as a Rule, and collectively, the Rules ), pursuant to the Monetary Authority Law (2004 Revision) ( MAL ).

2. 2.2. 2. INTRODUCTION

2.1. Section 34 of the MAL provides that the Authority may issue rules: 34. 34.34. 34.

(( ( 1) 1) 1) 1) After private sector consultation and with the approval of the Governor, the Authority may (a) issue or amend rules or statements of principle or guidance concerning the conduct of licensees and their officers and employees; [and] ... 2.2. This document establishes the Rule on Interest Rate Risk and must be read in conjunction with the Statement of Guidance on Interest Rate Risk Management.

\* Formerly referred to as Rule 4(B) November 2006 Page 2 of 2 3.

3.3. 3. SCOPE OF APPLICATION This rule applies to all banks regulated by the Authority under the Banks and Trust Companies Law (2003 Revision).

RR RULES ULESULES ULES 4.1. A bank must establish, implement, and maintain strategies, policies, and procedures for interest rate risk management appropriate for the size, complexity, and nature of its activities that set operating limits for interest rate exposures. 4.2. Such strategies, policies, and procedures must be approved by the bank s board of directors. 4.3. A bank must take the necessary steps to measure, monitor, and control interest rate risk. 5. 5.5. 5. ENFORCEMENT

NFORCEMENTNFORCEMENT NFORCEMENT Whenever there has been a breach of the Rules, the Authority s policies and procedures as contained in its Enforcement Manual will apply, in addition to any other powers provided in the Banks and Trust Companies Law (2003 Revision) and the Monetary Authority Law (2004 Revision).