

## MEMORANDUM

**From:** Clare Guile, Head of CARA

**Date:** 24 May 2023

**To:** Tiffany Ebanks, Chief Financial Officer

**Cc'd:** J. Lemuel Hurlston, Chair of CARA Board

**RE:** Purchase Agreement between CIG and CILPA dated 31 December 2021

1. Under the terms of the Purchase Agreement, the outputs (“measures”) purchased by Cabinet and to be delivered by CILPA (delegated to its sub-committee, CARA) during the fiscal year 2023 are detailed below.

MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
<b>QUANTITY</b>		
<ul style="list-style-type: none"> <li>• Number of applications for registration and cancellations of registration processed</li> <li>• Number of ML/TF/PF/TFS risk assessments conducted</li> <li>• Number of supervisory activities and or enforcement actions applied to supervised firms</li> <li>• Number of outreach events and activities delivered to supervised firms</li> <li>• Number of meetings held, and presentations made to other supervisory authorities, LEAs, and relevant stakeholders</li> <li>• Number of public notices, publications, advisories, press releases and responses to industry queries in which CARA provided technical advice, guidance, information, and support to the legal sector</li> </ul>	<p>2-8</p> <p>50-65</p> <p>30-60</p> <p>2-4</p> <p>12-15</p> <p>5-10</p>	<p>2-8</p> <p>50-65</p> <p>30-60</p> <p>2-4</p> <p>12-15</p> <p>5-10</p>
<b>QUALITY</b>		
<ul style="list-style-type: none"> <li>• Regulatory and supervisory functions carried out in accordance with applicable legislation, CARA Guidance, policies and procedures and Board directives</li> </ul>	95-100%	95-100%
<b>TIMELINESS</b>		
<ul style="list-style-type: none"> <li>• Conduct supervisory and enforcement activity according to established timelines</li> </ul>	85-100%	85-100%

2. The following table details the outputs budgeted per the Purchase Agreement compared to Actual (the sub total) and Projected deliverables (the total).

Purchase Agreement 2022-2023		2023							PROJECTED TOTAL (as at 31 Dec 2023)	
Measurables	QTY	ACTUAL			SUB TOTAL (as at end of Q1)	PROJECTED				
		JAN	FEB	MAR		Q2	Q3	Q4		
1	No. of applications for registration and cancellation of registration processed.	2-8	1	0	1	2	2	2	2	8
2	No. of ML/TF/PF/TFS risk assessments conducted.	50-65	0	0	0	0	57	0	0	57
3	No. of supervisory activities and or enforcement actions applied to supervised firms.	30-60	0	0	6	6	35	5	4	50
4	No. of outreach events and activities delivered to supervised firms.	2-4	0	0	0	0	0	2	1	3
5	No. of meetings held, presentations made to other supervisory authorities, LEAs, and relevant stakeholders.	12-15	1	4	0	5	6	3	3	17
6	No. of public notices, publications, advisories, press releases, and responses to industry enquiries, in which CARA provided technical advice, guidance, information, and support to the legal sector.	5-10	3	3	2	8	10	5	5	28

### 3. Measure #1- Registry

3.1. Actual outputs achieved in Q1 totalled two. During this period one new firm was registered and one firm was de-registered.

3.2. The required output is 2-8 for 2023. With conservative projections for Q2 through to Q4 it is anticipated that this measure will be met.

### 4. Measure #2 - Risk Based Approach

4.1. No outputs in Q1. This measure relates to CARA's annual AML Return exercise in which all firms conducting relevant financial business are required to complete and submit a detailed questionnaire on their ML/TF/PF risks and compliance with the AML Regulations. The data is analysed and used by CARA to update the risk profile of each firm, which in turn drives CARA's risk-based approach to conducting supervisory inspections. The AML Return exercise commenced in May of Q2.

4.2. The required output is 50-65 for 2023. This measure will be met in Q2.

**5. Measure #3 - Supervision and Enforcement**

5.1. Actual outputs achieved in Q1 totalled six.

5.2. The required output is 30-60 for 2023. The outputs against this measure are back on track as of Q2. With conservative projections for Q2 through to Q4 it is anticipated that this measure will be met.

**6. Measurable #4 - Outreach**

6.1. No outputs in Q1.

6.2. The required output is 2-4 for 2023. Projections for Q3 and Q4 anticipate that this measure will be met by year end. Planned future outreach events include the findings of CARA's assessment of firms' compliance with AML Regulations requiring independent audit and financial sanctions policies, procedures, and controls. An outreach event will also be held on CARA's updated Legal Sector Risk Assessment due to be published in Q3.

**7. Measurable #5 - Information and intelligence sharing**

7.1. Actual outputs achieved in Q1 totalled five.

7.2. The required output is 12-15 for 2023. With conservative projections for Q2 through to Q4 it is anticipated that this measure will be exceeded.

**8. Measurable #6 - Guidance and technical assistance**

8.1. Actual outputs achieved in Q1 totalled eight.

8.2. The required output is 5-10 for 2023. With conservative projections for Q2 through to Q4 it is anticipated that this measure will be exceeded.

ENDS.