

Portfolio of Legal Affairs
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**CAYMAN ISLANDS
GOVERNMENT**

MEMORANDUM
Portfolio of Legal Affairs

To: Accountant General, Treasury Department
From: Chief Financial Officer, Portfolio of Legal Affairs
Date: October 20, 2021
Org Type: Executive
Description: CILPA 2021 3rd Quarter funding

Please effect immediately Cabinet Funding from Executive bank account [REDACTED] as set out below:

Appropriation Details

NGS 89 – Cayman Islands Legal Practitioners Association Ltd.

CI \$303,000.00

Regards,

Honourable Attorney General
Samuel Bulgin, QC

Solicitor General
Reshma Sharma, QC

MEMORANDUM

From: Clare Guile, Head of CARA

Date: 18 October 2021

To: Tiffany Ebanks, Chief Financial Officer

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

RE: Purchase Agreement between CIG and CILPA dated 8 November 2020

1. Under the terms of the Purchase Agreement, the outputs purchased by Cabinet and to be delivered by CILPA (delegated to its sub-committee, CARA) during the financial year 2021 is as follows -

1.1. **1 Jan – 31 Dec 2021: 40-60 on-site¹ and off-site² inspections of firms of attorneys-at-law³ and enforcement⁴.**

2. Table 1.0 below shows outputs delivered to date by CARA in the period 1 January to 30 September.

Table 1.0:

Measures	Q1 (Jan – Mar 2021)	Q2 (Apr – Jun 2021)	Q3 (Jul- Sept 2021)
No. of On-site inspections	4	0	0
No. of Off-site inspections	1	5	21
No. of Enforcement actions	3	1	2
Cumulative Total	8	14	37

¹ On-site is defined as inspections physically carried out at the firm's premises.

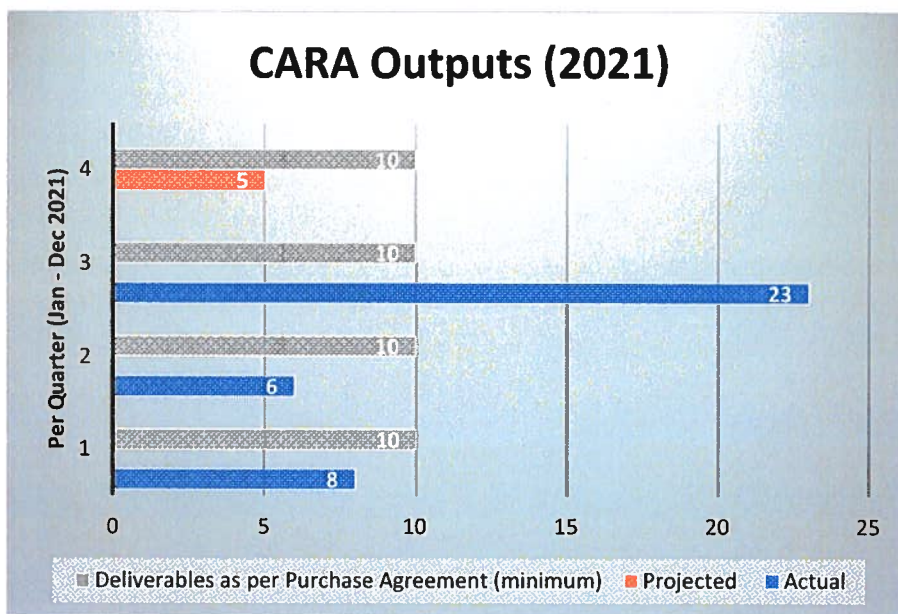
² Off-site is defined as 'Desk Based Reviews' and 'Follow Up inspections' of firms carried out by CARA remotely.

³ Conducting 'relevant financial business'

⁴ Enforcement is defined as any and all enforcement actions carried out by CARA in accordance with its supervisory powers detailed in the AML Regulations (2020 Revision)

3. Table 2.0 below shows outputs/deliverables budgeted per the Purchase Agreement compared to actual and projected deliverables to year end.

Table 2.0:



4. During Q1 and presently, CARA has several vacancies and is operating with reduced staff. Whilst this has adversely impacted the number of new on-site inspections and desk-based reviews which can be commenced, CARA has been able to maintain proactive supervisory engagement by way of off-site inspections reflected in Q3's figures. These follow up inspections relate to firms currently subject to remediation. Follow up inspections take place monthly until a firm has completed its remedial action plan in full to the required standard set by CARA. For the majority of firms their remedial action plans commenced in June and July 2021 hence the high figure in Q3.
5. In Q4, CARA has commenced a thematic review (this is not captured by the current measurables and is a supervisory tool) on Business Risk Assessments ("BRA") which involves assessing every supervised firm's BRA and ensuring the requirements of the AMLRs are met in this area. CARA will be issuing a report of its findings and will provide further outreach and guidance on applying a risk-based approach.

ENDS.