

**MEMORANDUM**

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

**Date:** 8 July 2022

**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 purchased by Cabinet and to be delivered by CILPA (delegated to its sub-committee, CARA) during the fiscal year 2022 is as follows –

<b>MEASURES</b>	<b>2022 1 Jan to 31 Dec 2022</b>
<b>QUANTITY</b>	
<ul style="list-style-type: none"> <li>• Number of applications for registration and cancellations of registration processed</li> </ul>	2-8
<ul style="list-style-type: none"> <li>• Number of ML/TF/PF/TFS risk assessments conducted</li> </ul>	50-65
<ul style="list-style-type: none"> <li>• Number of supervisory activities and or enforcement actions applied to supervised firms</li> </ul>	30-60
<ul style="list-style-type: none"> <li>• Number of outreach events and activities delivered to supervised firms</li> </ul>	2-4
<ul style="list-style-type: none"> <li>• Number of meetings held, and presentations made to other supervisory authorities, LEAs, and relevant stakeholders</li> </ul>	12-15
<ul style="list-style-type: none"> <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>	5-10
<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%
<b>TIMELINESS</b>	
<ul style="list-style-type: none"> <li>• Conduct supervisory and enforcement activity according to established timelines</li> </ul>	85-100%

2. The following table shows outputs/ deliverables budgeted per the Purchase Agreement (column 3 - Qty) compared to actual (column 6 – Sub Total) and projected deliverables (column 9 – Total).

Purchase Agreement 2022-2025		2022										
Measurables	QTY	ACTUAL			ACTUAL			SUB TOTAL	PROJECTED		TOTAL	
		Q1			Q2				Q3	Q4		
		JAN	FEB	MAR	APR	MAY	JUN					
1	No. of applications for registration and cancellation of registration processed.	2-8	2	0	0	4	0	2	8	1	1	10
2	No. of ML/TF/PF/TFS risk assessments conducted.	50-65	0	0	0	0	47	6	53	0	0	53
3	No. of supervisory activities and or enforcement actions applied to supervised firms.	30-60	0	1	0	6	6	10	23	10	8	41
4	No. of outreach events and activities delivered to supervised firms.	2-4	0	0	1	0	0	0	1	1	1	3
5	No. of meetings held, presentations made to other supervisory authorities, LEAs, and relevant stakeholders.	12-15	3	4	2	0	4	2	15	3	3	21
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	1	1	4	2	4	1	13	2	1	16

### 3. Measurable #1

3.1. Actual outputs achieved in Q1 and Q2 totaled eight. During this period five new firms were onboarded and registered, and three firms were de-registered. Reasons for de-registration included firm closure/ cease to practice and no longer providing relevant financial business (“RFB”).

3.2. The required output is 2-8 for 2022. This measurable has therefore been achieved in full at the mid-year point. With conservative projections for Q3 and Q4 it is anticipated that this measurable will be exceeded by year end.

### 4. Measurable #2

4.1. Actual outputs achieved in Q1 and Q2 totaled 53. This measurable relates to CARA’s annual AML Return exercise in which all firms conducting RFB are required to complete and submit a detailed questionnaire on their ML/TF/PF risks and compliance with the

AMLRs. The data is used by CARA to risk profile each firm which in turn drives CARA's risk-based approach to supervision.

4.2. The required output is 50-65 for 2022. This measurable has therefore been achieved in full at the mid-year point. There are no projected figures for Q3 & four as the AML Return exercise has been completed for this year.

#### **5. Measurable #3**

5.1. Actual outputs achieved in Q1 and Q2 totaled 23. During this period CARA has conducted 21 supervisory activities (e.g., information requests sent to firms, follow up enquiries, firm visits, dealing with MMOU and POCA production order requests received) and two enforcement activities (e.g., supervision referrals and enforcement investigations).

5.2. The required output is 30-60 for 2022. The outputs against this measurable are currently on track. With conservative projections for Q3 and Q4 it is anticipated that this measurable will be met by year end.

#### **6. Measurable #4**

6.1. Actual outputs achieved in Q1 and Q2 totaled one. In March, CARA delivered sectoral outreach on the Cayman Islands NRA, 2021.

6.2. The required output is 2-4 for 2022. Projections for Q3 and Q4 anticipate that this measurable will be met by year end. Planned outreach events include the findings of CARA's thematic review of firms' business risk assessments to be published in July, and CARA's updated Legal Sector Risk Assessment due to be published in October.

#### **7. Measurable #5**

7.1. Actual outputs achieved in Q1 and Q2 totaled 15. Includes for example, attendance at regular FRA, CIBFI, AMLSF and AMLRs Working Group meetings.

7.2. The required output is 12-15 for 2022. This measurable has therefore been achieved in full at the mid-year point. With conservative projections for Q3 and Q4 it is anticipated that this measurable will be exceeded by year end.

## **8. Measurable #6**

- 8.1. Actual outputs achieved in Q1 and Q2 totaled 13. Includes for example CARA advisories on o the NRA 2021, Russia Sanctions regime and CARA's AML Annual Report. Also dealing with AML technical queries received from firms and other relevant parties.
- 8.2. The required output is 5-10 for 2022. This measurable has therefore been achieved in full at the mid-year point. With conservative projections for Q3 and Q4 it is anticipated that this measurable will be exceeded by year end.

ENDS.

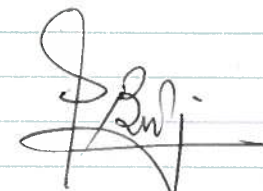
Cayman Attorneys Regulation Authority  
(345) 749-2272 | info@cara.ky | [www.cara.ky](http://www.cara.ky)

**INVOICE # 7**  
**DATE** 8 July 2022

**FAO**  
Hon. Attorney General  
Cayman Islands Government  
Government Administration Building  
133 Elgin Ave, George Town  
Cayman Islands

**FOR** AML/CFT/CPF/TFS Supervision

Description	Amount
For <b>Q1/2022</b> and <b>Q2/2022</b> (1 Jan – 30 Jun 2022) – Supervision, monitoring, and regulation of firms of attorneys-at-law (including sole practitioners) conducting relevant financial business.	CI \$ 606,000.00



**CERTIFIED CORRECT**  
*R. Sharma*  
**DATE** 11/7/2022

<b>Total</b>	CI \$ 606,000.00
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If you have any questions concerning this invoice, please contact Clare Guile | (345)-749-2276 | [clare.guile@cara.ky](mailto:clare.guile@cara.ky)

