

# **PURCHASE AGREEMENT**

**BETWEEN THE  
CAYMAN ISLANDS GOVERNMENT**

**AND**

**CAYMAN ISLANDS LEGAL PRACTITIONERS  
ASSOCIATION LTD.**

**FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024  
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025**

PREPARED IN ACCORDANCE WITH SECTION 30 OF THE PUBLIC MANAGEMENT AND FINANCE ACT  
(2020 REVISION)

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## CONTENT

1. Purpose and Content
2. Outputs to be Delivered in 2024 and 2025
3. Payment Arrangements

## **1. PURPOSE AND CONTENT**

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This Purchase Agreement details the outputs that the Cabinet of the Cayman Islands Government have agreed that the Cayman Islands Legal Practitioners Association Ltd. in its capacity as a Supervisory Authority – Cayman Attorneys Regulation Authority (CARA) will deliver, and the Cabinet will purchase, during the 2024 and 2025 financial years.

The purpose of the document is to ensure that the performance expected of CARA is clearly understood and agreed by both parties.

Section 2 of the Agreement documents the outputs to be purchased by the Cabinet and delivered by CARA during the 2024 and 2025 financial years. Its purpose is to ensure that the outputs are clearly specified and delivered consistent with the performance measures (quality, quantity, timeliness, location and cost) established for each output.

Section 3 establishes the payment arrangements for the outputs specified in Section 2.

The formal Agreement outlines the procedures to be applied if either party makes any changes during the 2024 and 2025 financial years.

## 2. OUTPUTS TO BE DELIVERED IN 2024 AND 2025

The outputs to be purchased by Cabinet and delivered by Cayman Islands Legal Practitioners Association Ltd. during the 2024 and 2025 financial years are documented below.

NGS 89	Cayman Islands Legal Practitioners Association Ltd.		
<b>DESCRIPTION</b>			
<ul style="list-style-type: none"> <li>To regulate, supervise and monitor firms of attorneys-at-law (including sole practitioners) conducting relevant financial business for compliance with the Anti-Money Laundering Regulations (“AMLRs”).</li> <li>To create and maintain a high quality and effective AML/CFT/CPF/TFS regulatory environment by working with supervised firms to help strengthen public confidence and trust in the legal profession, both locally and internationally. Ensuring supervised firms have effective AML processes, procedures and systems and controls in place to prevent the legal and financial systems being used to facilitate money laundering, terrorist financing or proliferation financing.</li> <li>To maintain a registry of supervised firms.</li> <li>To apply a risk-based approach to supervision.</li> <li>To collect and analyze information for understanding the inherent ML, TF, and PF risks in the supervised population.</li> <li>To conduct on-site inspections, desk-based reviews, follow up inspections/ monitoring remediation and thematic reviews.</li> <li>To monitor supervised firms’ compliance with the applicable AML/CFT/CPF/TFS obligations.</li> <li>To impose administrative fines and enforcement action as necessary.</li> <li>To provide the necessary guidance and procedures to be followed by supervised firms to assist them in complying with the applicable AML/CFT/CPF/TFS obligations.</li> <li>To deliver outreach to supervised firms to assist them in understanding the ML/TF/PF risks, emerging threats and trends and applicable obligations.</li> <li>To provide internal staff training and development in anti-money laundering, combating terrorism and proliferation financing and targeted financial sanctions.</li> </ul>			
<b>MEASURES</b>	<b>2024 1 Jan to 31 Dec 2024</b>	<b>2025 1 Jan to 31 Dec 2025</b>	<b>2023 12-Month Forecast</b>
<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> <li>Number of internal staff training and awareness events delivered/ attended</li> </ul>	2-8 50-65 30-60 2-4 12-15 5-10 4-8	2-8 50-65 30-60 2-4 12-15 5-10 4-8	2-8 50-65 30-60 2-4 12-15 5-10 N/A
<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%	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%	85-100%
<b>LOCATION</b> <ul style="list-style-type: none"> <li>Grand Cayman</li> </ul>	100%	100%	N/A
<b>COST</b>	<b>\$800,000</b>	<b>\$800,000</b>	<b>\$909,000</b>
<b>RELATED BROAD OUTCOME:</b> <ul style="list-style-type: none"> <li>Enhance our Competitiveness while Meeting International Standards</li> </ul>			

### 3. PAYMENT ARRANGEMENTS

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Cabinet will pay CARA for delivery of the outputs described in Section 2 of this Agreement.

Payments will be made on the basis of an invoice provided quarterly to the Portfolio of Legal Affairs by CARA. The invoice will contain sufficient evidence of the outputs delivered for the Attorney General to be able to satisfy himself that the outputs have in fact been delivered.

Invoice will be paid within 20 days following the invoice date.

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### **IN SIGNING THIS AGREEMENT**

The Cayman Islands Legal Practitioners Association Ltd. in its capacity as a Supervisory Authority – Cayman Attorneys Regulation Authority undertakes to deliver the agreed outputs as set out in Section 2 to the best of its ability; and provided that the outputs as specified are delivered, the Cabinet agrees to pay for those outputs in accordance with the payment schedule set out in Section 3.

### **RIGHT TO AUDIT**

The Grantee Cayman Islands Legal Practitioners Association Ltd. in its Capacity as a Supervisory Authority – Cayman Attorneys Regulation Authority shall establish and maintain a reasonable accounting system that enables the Grantor Portfolio of Legal Affairs to readily identify the use of the grant. The CI Government shall have the right to audit, examine and to make copies of or extracts from all financial and related records relating to or pertaining to this Purchase Agreement. Such records shall include, but not be limited to, accounting records, written policies and procedures, subcontract files, all paid vouchers including those for out-of-pocket expenses, other reimbursement supported by invoices, ledgers, cancelled checks, deposit slips, bank statements, journals, original estimates, estimating work sheets, payroll documents, timesheets, memoranda and correspondence.

The Grantee shall, at all times, during the term of the Purchase Agreement and for a period of 5 years after the end of the Purchase Agreement, keep and maintain such records, together with supporting or underlying documents and materials. All records shall be maintained in accordance with generally accepted accounting principles. The Grantee shall at any time requested by the CI Government, whether during or after the end of the Purchase Agreement, and at the Grantee's own expense make such records available for inspection and audit by the CI Government at all reasonable times and without prior notice.

The obligations of this Section shall be explicitly included in any sub-contracts or agreements formed between the Grantee and any subcontractors or supplier of goods or services to the extent that those subcontracts or agreements relate to the fulfilment of the Grantee's obligations to the CI Government.

If the audit discovers substantive findings related to fraud, misrepresentation, or non-performance, CI Government will deal with the matter appropriately. It could potentially have an effect on future grants decision to the Grantee.

### **PROCEDURES FOR CHANGING THIS AGREEMENT**

Changes to this Agreement may be made during the period only with the express and explicit agreement of both parties to the Agreement.

**CHANGES WILL BE MADE AS FOLLOWS:**

If either party wishes to change this Agreement, they must notify the other in writing describing the changes that they wish to make.

The party will take no more than fifteen (15) working days to consider the proposed amendments, or such other time as the two parties may agree.

The parties will then sign the amended Agreement (where consensus has been reached).

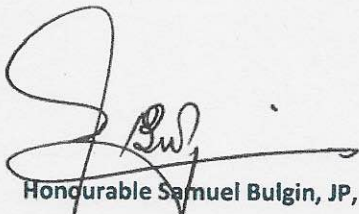
The amended Agreement will be attached to, and form part of this Agreement.

**TERMINATION:**

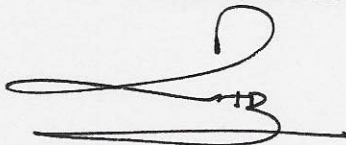
This Agreement will automatically terminate when alternative arrangements for the issuance of practising certificates by a regulatory body come into effect under an intended Legal Services Act (or any similar legislation that provides for same).

**AGREEMENT**

We jointly agree that this Purchase Agreement accurately documents the outputs that the Cabinet has agreed with the Portfolio of Legal Affairs will be delivered for the 2024 and 2025 financial years.



Honourable Samuel Bulgin, JP, KC  
Attorney General  
On behalf of Cabinet



President  
Cayman Islands Legal Practitioners  
Association Ltd.

30/1/24

31 December 2023