MINISTRY OF
FINANCIAL SERVICES AND HOME AFFAIRS
CAYMAN ISLANDS GOVERNMENT

Fiscal 2016/17 Annual Report (1 Jul 2016 – 31 Dec 2017)

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Foreword from the Minister

The remainder of the 2016/17 year after the general election in May appeared to be very short, but productive nevertheless. Some time was spent concluding a number of important projects, but there was significant energy around the development of new plans and activities for 2018 and 2019. I appreciated the comprehensive introductions to the various departments and areas of the Ministry, and the willingness of the hard working teams in the Ministry and in each agency to respond to my push for them to improve their efficiency and effectiveness.

The importance of this Ministry to the economy and the safety and security of our society should not be undervalued and cannot be overstated. Every one of the 420+ individuals in the Ministry and its agencies has an important role to play, and I look forward to even greater success for the 2018 fiscal year.

Foreword from the Chief Officer

The 2016/17 year was a challenge for many reasons. The administrative challenge of changing the fiscal year and the movement of agencies following the general election was compounded by the operational challenges of meeting a demanding work programme. From the financial services perspective, three major international assessments were conducted of the jurisdiction. From the home affairs perspective, an ambitious programme of capital development was determined.

While staffing constraints have hindered progress, dedicated teams across all agencies have diligently pursued their responsibilities with passion and purpose. Tackling long-standing issues and preparing for new challenges has become the norm and all staff are to be commended for their commitment to a world-class civil service.

For the third year in row, and despite the accounting challenges of the restructuring of ministries and agencies, the Ministry has achieved an unqualified opinion on its accounts. Special thanks goes to the Ministry's finance team for the many late nights and long hours that went into achieving this distinction.

About the Ministry

Following the May 2017 General Elections, the organisational structure of the Cayman Islands Government was changed. The agencies that now fall under this Ministry are outlined below. Given that this change was made mid-2017, some data for Home Affairs related entities are not contained in this report.

Ministry Administration **(MFS)**	As the core administration arm of the Ministry of Financial Services and Home Affairs, the MFS is central to the development, articulation, and the multi-agency coordination of policies and legislation that support Ministry strategies and departmental sub-strategies.
Dept. for Financial Services **(DFS)**	The department provides research, policy advice and legislative support to the Ministry on matters relating to competitiveness of the financial services industry and reputation of the jurisdiction. It is the key channel for consultation and interaction with the financial services industry and other key stakeholders.
General Registry **(REG)**	Officially registers and maintains key records of corporate and vital activities and ensures compliance with relevant legislation and policies. Registration activities involve registers for companies, partnerships, trusts, friendly societies, building societies, trade unions, patents, trade marks, births, deaths, marriages, and public records.
Dept. for International Tax Cooperation **(DITC)**	Enables the jurisdiction to meet international obligations in tax cooperation matters, in accordance with international instruments and standards, through the provision of competent authority services for exchange of tax information, collaboration with domestic and foreign stakeholders, and engagement with relevant supranational bodies.
Dept. of Public Safety Communications **(DPSC)**	Operates a public safety answering point (PSAP) and dispatch centre on a 24/7/365 basis to support emergency services response (primarily Law Enforcement and Emergency Medical Services) in the Cayman Islands. Maintains a central point from which the monitoring of electronically-tagged offenders and other deployed technologies can be coordinated with the intent of collecting evidence, preventing crime and enhancing border control of the Cayman Islands.

Hazard Management Cayman Islands **(HMCI)**	The department has overall responsibility for the national hazard management programme, including preparedness, response, mitigation and recovery. The agency deals with all hazards (man-made and natural) and is permanently staffed and ready to go operational at all times.
Her Majesty's Fire Service **(HMFS)**	Provides fire prevention, domestic and aerodrome rescue and firefighting services across all three islands.
Her Majesty's Prison Service **(HMPS)**	Serves the public by keeping in custody those committed by the courts. Our duty is to look after them with humanity and help them lead law abiding and useful lives in custody and after release.
Dept. of Community Rehabilitation **(DCR)**	The Department's primary mission is to assess, manage, supervise and rehabilitate adult offenders in the community, in order to influence positive behavioural change, while reducing adult offending behaviours, promoting victim interest and enhancing public safety in the Cayman Islands.

The Ministry provides policy coordination and support to the following Statutory Authorities and Government-Owned Companies (SAGCs):

- Cayman Islands Monetary Authority
- Maritime Authority of the Cayman Islands
- Auditors Oversight Authority
- Cayman Islands Stock Exchange

Legislative Framework

The legislative items[1] that are the responsibility of the Ministry are as follows:

Financial Services[2]

Accountants Law
Auditors Oversight Law
Banks and Trust Companies Law
Building Societies Law
Companies Law
Companies Management Law
Confidential Information Disclosure Law
Contracts (Rights of Third Parties) Law
Cooperative Societies Law
Directors Registration and Licensing Law
Exempted Limited Partnership Law
Insurance Law
International Interests in Mobile Equipment (Cape Town Convention) Law
Legal Practitioners Law
Limited Liability Companies Law
Monetary Authority Law
Money Services Law
Mutual Funds Law
Partnership Law
Reporting of Savings Income Information (European Union) Law
Securities Investment Business Law
Stock Exchange Company Law
Tax Information Authority Law
Trusts Law

Intellectual Property

Copyright (Cayman Islands) Order 2015
Merchandise Marks Law
Patents and Trademarks Law

Maritime Affairs

Abandoned Wreck Law
Maritime Authority Law
Merchant Shipping (Marine Pollution) Law
Merchant Shipping Law

Home Affairs[3]

Disaster Preparedness and Hazard Management Law
Fire Brigade Law
Fire Code
Prisons Law
Prisons Officers (Discipline) Regulations
Prison Rules
Prisons and Places of Detention Regulations

[1] Legislative items refer to laws, regulations, and orders that have an impact on the policy areas of the Ministry. This does not include public sector laws such as those relating to Public Finance, Public Management, FOI, etc.

[2] Several laws relevant to financial services are not included in this list. For example, the Proceeds of Crime Law, which is a significant part of the financial services framework, is not included as it is under the remit of the Attorney General.

[3] Several laws relating to the work of HMPS and DCR that are not directly under the responsibility of the Ministry include: Bail Law, Conditional Release Law, Conditional Release of Prisoners Regulations, Criminal Records (Spent Convictions) Law

Human Capital

Post-election reorganisation headcount at the end of December 2017 is shown below in

Table 1[4]. A more detailed analysis of staff demographics can be found in the CIG Annual HR Report 2016/17.

Table 1: Ministry of Financial Services & Home Affairs – Headcount

	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17
Core Ministry (MFS)	6	9	11	13	7
Dept. Int'l Tax Cooperation (DITC)	3	3	5	5	8
General Registry (REG)	42	42	41	44	44
Dept. Financial Services (DFS)	6	4	5	5	5
Dept. Public Safety Communications (DPSC)					28
Hazard Management (HMCI)					10
HM Fire Service (HMFS)					133
HM Prison Service (HMPS)					149
Dept. Community Rehabilitation (DCR)					40
TOTAL	93	98	106	116	424

[4] Data on actual headcount has been corrected from the 2014/15 Annual Report for prior years

Departmental Revenue and Expenditure

Table 2 provides a summary of the total recurrent expenditure by agencies under the Ministry.

Table 3 provides a summary of the total capital expenditure by agencies under the Ministry.

Table 4 provides a summary of the amounts spent with external vendors and consultants for amounts greater than $20,000.

Table 5 provides a breakdown of the major revenue items collected by the Ministry as well as revenue collected by the Cayman Islands Monetary Authority (CIMA) on behalf of the Government. Entity revenue is used to offset the operational costs of the associated agencies, whereas executive (coercive) revenue goes to the general revenue of the Government. Revenue projections for the annual budget are made by the Revenue Unit of the Ministry of Finance and Economic Development, based on input provided by the relevant agencies.

Table 2: Total Recurrent Expenditure by Agency

	2016/17 Budget	2016/17 Actual	2015/16 Actual
Core Ministry (MFS)	3,217,868	3,013,158	1,911,822
Dept. Int'l Tax Cooperation (DITC)	2,554,798	2,115,712	1,275,779
General Registry (REG)	5,395,550	4,753,417	2,903,983
Dept. Financial Services (DFS)	1,861,108	2,012,382	620,560
Dept. Public Safety Communications (DPSC)	1,065,835	1,387,376	
Hazard Management (HMCI)	858,314	675,471	
Cayman Islands Fire Service (CIFS)	10,179,158	6,748,551	
HM Prison Service (HMPS)	7,656,533	7,975,725	
Dept. Community Rehabilitation (DCR)	2,417,728	1,475,009	
Department of Environment (DOE)	3,179,985	3,179,985	3,239,229
Dept. of Commerce & Investment (DCI)	1,247,511	1,247,511	1,148,001
TOTAL RECURRENT EXPENDITURE	**39,634,388**	**34,584,297**	**11,099,374**

Table 3: Total Capital Expenditure

	Description	2016/17 Budget	2016/17 Actual	2015/16 Actual
DITC	Hardware for AEOI	60,000	9,240	199,538
FSA	Computer equipment	13,070	17,959	4,400
DFS	Computer equipment	1,500	2,320	0
DITC	Computer equipment	3,000	33,222	0
REG	Additions & Upgrades to Online Registration System	135,630	105,046	51,650
REG	Computer equipment	21,500	30,188	23,196
HMCI	Vehicles	66,135	66,135	
HMCI	Emergency Communications	588,000	545,522	
HMCI	Computer equipment	0	14,641	
HMCI	Generator and bunker	0	7,500	
HMPS	Vehicles	121,650	117,441	
HMPS	Upgrades	0	6183	
HMPS	Air Conditioning	0	5,125	
DPSC	Computer Equipment	0	12,327	
CIFS	Vehicles	161,957	161,807	
DCI	Vehicles	30,000	22,520	14,080
DCI	Computer Equipment & AML Systems	72,000	0	5,558
DCI	Website design, development and installation	0	0	4,400
DOE	Office equipment	7,500	10,275	19,615
DOE	Vehicles	121,500	113,500	44,115
DOE	Watercraft & boat engines	70,000	14,785	156,546
DOE	Research equipment	0	0	28,941
DOE	Enforcement equipment	6,000	0	16,107
DOE	Other Equipment	10,300	0	3,335
DOE	Moorings	300,000	20,833	0
DOE	Renovations	50,000	2,711	0
EQUITY INJECTION - MINISTRY ENTITY ASSETS		**1,839,742**	**1,319,279**	**618,061**

Table 4: Professional Services & Consultants for Amounts Greater than CI$20,000

Vendor/Consultant	Fees & Related Costs ($)
BRAC INFORMATIC CENTRE	717,433
HILL & KNOWLTON, INC	619,946
PILLSBURY WINTHROP SHAW PITTMAN LLP	388,136
CARIBBEAN UTILITIES CO LTD	258,484
VAMPT MOTORS LTD	214,626
DELOITTE & TOUCHE	210,217
UNCLE CLEM'S MEAT & GROCERY	190,952
ISLAND SUPPLY CO. LTD.	184,700
THE SECURITY CENTRE LTD.	168,176
KIRK OFFICE	156,167
AFFINITY RECRUITMENT	137,169
HEALTH CITY CAYMAN ISLANDS LTD	134,595
CAYMAN FINANCE LIMITED	134,103
VIZOR LIMITED	127,328
CAYMAN ISLANDS DEVELOPMENT BANK [CIDB]	119,941
PROGRESSIVE DISTRIBUTORS	107,067
ROSSEAU LTD	105,901
FINANCIAL TRANSPARENCY ADVISORS	94,495
BCQS PROPERTY MANAGEMENT LTD.	91,902
CABLE & WIRELESS (C.I.) LTD	89,015
INNOVATIVE IMAGING & SERVICES	85,856
PRICEWATERHOUSECOOPERS	79,149
LIME	76,245
ADVANCE AUTOMOTIVE	71,946
ASHURST LLP	71,848
CAYMAN NEURO SURGEONS	64,758
A L THOMPSON'S HOME DEPOT	62,199
BLACKSTONE CHAMBERS	61,632
OECD	57,517
UBW LTD.	56,480
UNIVERSITY OF LIVERPOOL	55,209
DIGICEL [CAYMAN] LTD	52,069
CAYMAN POWER SPORTS & MARINE LTD	50,613
GULF AND CARIBBEAN FISHERIES INSTITUTE	50,000
DRAKE CONSULTING	48,400
NCB PROPERTY SERVICES LTD	47,429
DATALINK, LTD	45,000
PINNACLE MEDIA GROUP	40,570
SPRINGSTREET COMMUNICATIONS INC.	40,000
MELTWATER NEWS	39,604
CREATIVE TECH LTD.	39,435
AUTOMOTIVE ART	36,763
PETER WIGHT HOLDINGS LTD	32,547
BARAUD INTERNATIONAL RECRUITMENT CONSULTANTS LTD	32,264
FLOWERS BOTTLED WATER	29,336

WEST END TEXACO	28,351
COMPASS MARINE LTD	28,039
PRICED RIGHT	25,475
MARRIOTT RESORT GRAND CAYMAN	24,801
ANCHOR MARINE & INDUSTRIAL SUPPLY INC.	24,795
AVIATION COMMUNICATION LTD	24,025
GLOBAL LIFE ASSURANCE CO LTD	23,371
OFFICE SUPPLY LTD	22,812
PRESTIGE MOTORS LTD	22,600
BROWN'S MOBILE FUELING	21,257
STEPPING STONES RECRUITMENT LTD	20,927
HOME GAS LTD	20,863
CAYMAN BRAC POWER & LIGHT CO	20,470

Table 5: Total Revenue to Central Government

	2016/17 Budget	2016/17 Actual	2015/16 Actual
Entity Revenue	**6,332,920**	**3,759,110**	**2,048,668**
Licensing Admin Fees (DCI)	538,155	627,906	484,097
Private Sector Computing Fees (REG)	5,392,045	2,346,675	1,381,274
Other Company Admin Fees (REG)	225,942	304,215	163,954
Miscellaneous Receipts (DCI, REG, DOE)	0	303,536	19,343
Tower Licence & Radio Fees (HMCI)	91,672	91,672	0
Prison Craft & Canteen Sales (HMPS)	85,106	85,106	0
Executive Revenue	**305,789,897**	**304,299,555**	**258,401,354**
Business Licences (DCI)	8,596,000	7,910,097	6,617,415
Company Fees (REG)	125,380,625	126,502,676	102,257,325
Partnership Fees (REG)	52,361,441	51,492,905	40,728,617
Trust Registration Fees (REG)	985,451	992,617	942,994
Patents & Trademarks (REG)	2,166,763	2,436,154	1,885,864
Non-Profit Organization (REG)	0	25	0
Limited Liability Companies (REG)	2,401,336	1,387,133	0
Fees relating to Vital Records (REG)	870,280	1,063,325	750,179
Royalties & Dredging (FSA)	0	187,738	163,953
Environmental Protection Fund Fees (FSA)	0	146,875	74,565
Spear Gun Licences (DOE)	9,000	3,150	3,200
W.I.Z. Boat Licences (DOE)	4,500	15,574	7,577
Fisheries Licences (DOE)	0	70	160
Bank & Trust Licences (CIMA)	31,241,973	30,073,895	31,592,216
Insurance Licences (CIMA)	10,115,750	9,628,555	8,931,060
Mutual Fund Administrators (CIMA)	47,615,100	49,213,024	44,543,701
Money Service Licences (CIMA)	40,000	66,833	68,000
Security Investment Business Licences (CIMA)	17,632,000	15,785,438	14,377,769
Local Company & Corporate Mgmt Fees (CIMA)	2,626,678	3,239,758	2,932,663
Money Transfer Fees (CIMA)	3,743,000	4,153,713	2,524,096
TOTAL REVENUE	**312,122,817**	**308,058,665**	**260,450,022**

The Contribution of Financial Services to Cayman's Economic Growth

In 2016, an estimated 40.5% of Cayman's GDP (see Table 6), as well as 8.7% of overall employment (see Table 7), was generated by the financial and insurance industries[5]. The legal and accounting professions together add a further 10.9% to Cayman's GDP and 6.1% to employment. The GDP figures measure direct impact only. However, research has shown that the indirect and induced impacts account for a further 5 – 10% contribution to GDP.[6] Indirect impacts occur when financial services firms purchase goods and services from suppliers in areas such as real estate, transportation, and the retail trade. Induced impacts arise from the spending by persons employed in the financial services industry and its supply chain.

Table 6: GDP Breakdown for the Financial Services Industry (CI$000)

	2012	2013	2014[R]	2015[R]	2016
Cayman Islands GDP (at Basic Prices)	**2,458,229**	**2,494,625**	**2,551,188**	**2,627,808**	**2,708,079**
***Financial and Insurance Activities, of which*:**					
Banking	*568,838*	*572,639*	*575,966*	*586,063*	*592,042*
Insurance	*213,422*	*213,697*	*216,048*	*225,802*	*234,495*
Trust, Securities, Other Financial	*256,188*	*256,237*	*260,603*	*265,208*	*270,399*
***Professional, Scientific & Technical Activities, of which*:**					
Legal Activities	*140,011*	*140,492*	*147,877*	*152,877*	*159,069*
Accounting & Auditing Services	*115,428*	*121,036*	*123,736*	*130,526*	*137,318*
Total direct contribution of financial, legal and accounting services	***1,293,887***	***1,304,102***	***1,324,228***	***1,360,477***	***1,393,323***
% contribution	***52.6%***	***52.3%***	***51.9%***	***51.8%***	***51.5%***

[5] Economics & Statistics Office; Financial services industry: banking, insurance, legal services, estate & trust, company management, fund administration, accountancy, and related regulation and support (including CIMA, the Cayman Stock Exchange, the Cayman Islands Development Bank, and the Cayman Islands National Insurance Company).

[6] Oxford Economics, *Economic Benefits of the Financial Services Industry in the Cayman Islands,* February 2009.

Table 7: Employment in the Financial Services Industry

Industry	2012	2013	2014	2015	2016	2017
Total Employment	**36,401**	**36,070**	**37,723**	**39,138**	**40,411**	**40,856**
Financial Services	3,229	3,540	3,763	3,536	3,521	3,356
% of Total Employment	*8.9%*	*9.8%*	*10.0%*	*9.0%*	*8.7%*	*8.2%*
Legal Services	1,198	1,364	1,409	1,590	1,321	2,051
% of Total Employment	*3.3%*	*3.8%*	*3.7%*	*4.1%*	*3.3%*	5.0%
Accounting Services	739	841	869	981	1129	1,437
% of Total Employment	*2.0%*	*2.3%*	*2.3%*	*2.5%*	*2.8%*	3.5%
Total Employment in Financial, Legal and Accounting Services	***5,166***	***5,745***	***6,041***	***6,107***	***5,971***	**6,844**
% of Total Employment	***14.2%***	***15.9%***	***16.0%***	***15.6%***	***14.8%***	***16.8%***

Note: Estimates of employment in legal and accounting services were derived from applying the percentage share of legal and accounting services to the industry total from the Census 2010 data, and applying it to the Labour Force Survey total employment data for scientific, legal and technical activities.

Estimates further indicate that the number of Caymanians employed in the financial services industry in 2016 was 62% of the industry total or 9.1% of total employment.

Direct fees from the financial services sector account for roughly 35.7% of Government revenue (see Table 8 below). The two main revenue areas are regulatory fees collected by the Cayman Islands Monetary Authority and registration fees collected by the General Registry. Additionally, trade and business licence fees for accounting firms are collected by the Department of Commerce and Investment. In addition to these revenue areas, a sizeable portion of Immigration-related fees is attributable to financial services employment.

In addition to these direct fees, other revenue areas are influenced by financial services. In particular, a significant proportion of import and stamp duty collection is driven by individuals within this industry. For instance, in 2012, it was estimated that approximately CI$1.0 million per year in stamp duties was related to financial transactions. The financial sector also contributes to tourism, with significant numbers of visitors to Cayman coming as financial services clients, vendors, or conference participants.

In relation to the decrease in the percentage contribution from 2015/16 to 2016/17, it should be noted that financial services revenue is mainly collected in the first quarter of every year. Considering that other sources of revenue are collected throughout the year, this impacted the relative proportion of revenue over the 18-month period for 2016/17.

Table 8: Financial Services-Related Revenue

	2016/17		2015/16		2014/15	
Regulatory Licences and Fees	112,161,216	11.0%	104,969,505	14.7%	102,679,559	15.6%
Legal Entity Registration	182,922,896	17.9%	145,474,164	20.4%	139,452,194	21.1%
Trade & Business Licences	4,000,000	0.4%	2,014,000	0.3%	1,700,000	0.3%
Immigration Fees from Financial Services	51,850,815	5.1%	33,622,051	4.7%	32,234,886	4.9%
Tax & Trust Undertakings	14,248,002	1.4%	9,578,975	1.3%	10,420,600	1.6%
Proceeds of Liquidated Entities	n.a.		n.a.		n.a.	
Stamp Duty	n.a.		n.a.		n.a.	
Customs Duty	n.a.		n.a.		n.a.	
Total Financial Services Revenue	**365,182,929**	**35.7%**	**295,658,695**	**41.5%**	**286,487,239**	**43.4%**
Total Government Revenue	**1,022,800,000**		**712,421,000**		**659,639,000**	

Note: Data based on information provided by relevant department or ministry. Some data relevant to financial services is not readily available but entries have been retained to indicate other areas of consideration.

2016/17 Key Activities

Financial Services

Overview

The Cayman Islands maintained its largely compliant rating from the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, following an on-site assessment in January 2017.

Over 23 laws and regulations were developed and passed during the period, largely as part of the preparation for the jurisdiction's on-site inspection by the CFATF against international AML/CFT standards in December 2017.

Finally, the Government successfully demonstrated the jurisdiction's level of transparency and international cooperation in response to concerns raised within the European Union, and avoided being placed on a 'black-list' of non-cooperative jurisdictions.

Legislation

For the fiscal year ended December 2017, the Ministry held industry and/or public consultations, prepared legislative drafting instructions, and advised Cabinet and the Minister on the following legislative matters relating to financial services, all of which were approved in the Legislative Assembly.

- Companies (Amendment) Law, 2016
- Companies Management (Amendment) Law, 2016
- Insurance (Capital and Solvency) (Classes B, C & D Insurers) (Amendment) Regulations, 2016
- Accountants Law, 2016
- Accountants (Disciplinary) Regulations, 2016
- Accountants (Application for Membership) Regulations, 2016
- Accountants (Quality Assurance) Regulations, 2016
- Confidential Information Disclosure Law, 2016
- Tax Information Authority (Amendment) Law, 2016
- Tax Information Authority (Tax Information Agreements) Order, 2016
- Limited Liabilities Companies Law, 2016
- Trusts (Amendment) Law, 2016
- Property (Miscellaneous Provisions) (Amendment) Law, 2016
- Monetary Authority (Amendment) Law, 2016
- Auditors Oversight (Amendment) Law, 2016
- Securities Investment Business (EU Connected Fund (AIFMD)) Regulations, 2016
- Mutual Funds (EU Connected Fund (AIFMD)) Regulations, 2016
- Patents and Trade Marks (Amendment) Law, 2016
- Design Rights Registration Law, 2016
- Mutual Funds (Annual Returns) (Amendment) Regulations, 2016
- Non-Profit Organisations Law, 2017
- Non-Profit (Registration Application) Regulations, 2017
- Limited Liability Partnership Law, 2017

- Trade and Business Licensing (Amendment) Law, 2017
- Tax Concessions (Amendment) Law, 2017
- Limited Liability Companies (Amendment) (No. 2) Law, 2017
- Exempted Limited Partnership (Amendment) Law, 2017
- Exempted Limited Partnership (Amendment) Regulations, 2017
- Trusts (Amendment) Law, 2017
- Foundation Companies Law, 2017
- Foundation Companies (Fee) Regulations, 2017
- Trade Marks (Transitional Provisions) Regulations, 2017
- Patents and Trade Marks (Amendment) Regulations, 2017
- Patents Publication Fees Order, 2017
- Design Rights Registration Regulations, 2017
- Design Rights Publication Fees Order, 2017
- Trade Marks Regulations, 2017
- Anti-Money Laundering Regulations, 2017
- Anti-Money Laundering (Amendment) Regulations, 2017
- Companies (Amendment) Law, 2017
- Limited Liability Companies (Amendment) Law, 2017
- Beneficial Ownership (Companies) Regulations, 2017
- Beneficial Ownership (Limited Liability Companies) Regulations, 2017
- Companies (Amendment) (No. 2) Law, 2017
- Limited Liability Companies (Amendment) (No. 3) Law, 2017
- Companies Management (Amendment) (No. 2) Law, 2017
- Banks and Trust Companies (Amendment) Law, 2017
- Insurance (Amendment) Law, 2017
- Companies Management (Amendment) Law, 2017
- Tax Information Authority (International Tax Compliance) (Country-By-Country Reporting) Regulations, 2017
- Monetary Authority (Administrative Fines) Regulations, 2017

International Engagement

In mid-September 2016, the Minister and representatives from the Ministry and the Cayman Islands Monetary Authority (CIMA) had a first round of meetings with key US lawmakers, regulators and stakeholders about bank de-risking from the Caribbean perspective.

In December 2016 representatives from the Ministry and CIMA had their second round of meetings with key US Congressional staff, regulators and stakeholders about bank de-risking.

December 2016 also saw a delegation representing the Ministry and CIMA in Nassau, Bahamas attending the Financial Stability Board's Regional Consultative Group for the Americas meeting, which focused on the impact of reductions in correspondent banking relationships in the Americas.

In January and February 2017, the Minister and a Ministry delegation travelled to London and Brussels to speak with senior European Union officials – such as European Commissioner Pierre Moscovici and

Director General of the EC's Taxation and Customs Union Valere Moutarlier – on the strength of the Cayman Islands' tax transparency regime. The Minister also participated in a leading European think tank's panel discussion on global corporate taxation.

In July 2017, the Minister travelled to London and addressed UK officials and industry leaders on Brexit, beneficial ownership, and the EU screening process regarding non-cooperative jurisdictions.

In September 2017 the Minister joined a Cayman Islands Government lead by the Premier for meetings in Brussels with key EU decision makers to discuss the EU's preparations for a list of non-cooperative tax jurisdictions.

September 2017 also saw a Ministry delegation meet with US officials on US tax and financial services reform in Washington, DC.

Registration Statistics

Table 9: New Companies Registered

	2017	2016/17	2015/16	2014/15	2013/14
July	1,109	758	1,042	981	785
August	922	940	896	897	747
September	1,127	933	902	995	784
October	925	1036	897	962	837
November	1,178	999	903	909	817
December	1,111	710	802	794	650
January	1,042	1,109	1,087	1,141	985
February	1,107	922	926	864	772
March	1,105	1,127	902	1,161	967
April	1,265	925	930	1,100	962
May	1,210	1,178	971	994	892
June	945	1,111	982	1,173	894
TOTAL	**13,046**	**11,748**	**11,240**	**11,971**	**10,092**

Table 10: New Partnerships Registered

	2017	2016/17	2015/16	2014/15	2013/14
July	286	213	300	246	219
August	270	270	219	240	160
September	363	286	265	207	196
October	289	265	292	311	202
November	314	309	268	284	235
December	362	303	280	258	232
January	264	286	296	231	214
February	351	270	312	295	191
March	322	363	285	295	241
April	337	289	295	303	235
May	378	314	254	296	235
June	336	362	268	333	231
TOTAL	**3,872**	**3,530**	**3,334**	**3,299**	**2,591**

Home Affairs

Probation Officer's caseloads at The Department of Community Rehabilitation continued to grow as the demands increase for all services offered. A Service Level Agreement (SLA) was signed in late March 2017 between the Department of Community Rehabilitation and Her Majesty's Cayman Islands Prison Service. As of September 2017, all sentenced prisoners have been assigned to a Probation Officer in the prison. The average number of prisoners held in secure custody was 216 for the year. A total of 14 prisoners were involved in the Release on Temporary Licence scheme, two of which have been discharged and are in employment at the location they participated in ROTL.

The number of incidents responded to by the Fire Service was at a record 2,707 for the period. There were 17 new recruits in 2017 as well as a number of improvements to facilities and purchases of new equipment and vehicles.

There were 57,189 calls to 9-1-1 with 98% of calls being answered within 10 seconds. The Electronic Monitoring Centre monitored an average of 38 separate offenders during each month in FY16/17.

The 2017 Atlantic hurricane season was an extremely active season featuring 17 named storms, 6 of which became major hurricanes (Category 3 or above), however once again, the Cayman Islands was spared from significant impacts. The Director, HMCI and one of the Deputies were deployed to Anguilla and BVI respectively to provide much needed on-the-ground expertise in disaster response/ recovery. A contract for the islands' new radio telecommunications system was signed in December 2017.

Good Governance

Filing of Reports in the LA

Of the five annual reports and audited financial statements that are produced by entities under the Ministry, the following reports were tabled in the Legislative Assembly. Only the 2016 Annual Report for the Cayman Islands Monetary Authority remained outstanding at the end of the year.

- Annual Financial Statements of the Auditors Oversight Authority for the Year Ended 30 June 2016
- Annual Report of the National Conservation Council for the Year Ended June 2016
- Annual Report of the Maritime Authority of the Cayman Islands for the Year Ended 30 June 2016
- Annual Report of the Cayman Islands Development Bank for the Year Ended 30 June 2015
- Annual Report of the Cayman Islands Development Bank for the Year Ended 30 June 2016
- Annual Report and Audited Financial Statements of the Ministry of Financial Services, Commerce and Environment for the Year Ended 30 June 2015
- Annual Report of the Cayman Islands Stock Exchange Limited for the Year Ended 30 June 2015
- Audited Financial Statements of the Cayman Islands Stock Exchange Limited for the Year Ended 30 June 2016
- Annual Report of the Cayman Islands Stock Exchange Limited for the Year Ended 30 June 2016
- Annual Report of the Cayman Islands Monetary Authority for the Year Ended 30 June 2015

Freedom of Information

A total of 63 Freedom of Information requests were received by the Ministry and its entities in 2016/17, as shown in Table 11. Of these requests, 16 were responded to outside of the statutory deadlines.

Table 11: Freedom of Information Requests

	Requests 2016/17	Closed 2016/17	Requests 2015/16	Requests 2014/15
Ministry (FSA, DITC, DFS)	6	6	1	10
General Registry (REG)	5	5	4	5
CI Fire Service (CIFS)	35	28		
CI Prison Service (CIPS)	1	1		
Hazard Management (HMCI)	0	0		
Dept. Public Safety Comms (DPSC)	5	3		
Dept. Community Rehabilitation (DCR)	0	0		
Cayman Islands Stock Exchange	1	1		
Cayman Islands Monetary Authority	8	8		
Auditors Oversight Authority	0	0		
Maritime Authority Cayman Islands	3	2		

Audit Matters

The Internal Audit Service finalised two reports in 2016/17.

The first was an unannounced cash audit of the Department of Commerce and Investment (DCI) and the General Registry. No variances or reportable findings were presented in relation to DCI. Two findings related to General Registry were noted, both of which were subsequently addressed.

The second was a financial management audit of the Department of Environment, which yielded no findings or deficiencies requiring corrective action.



Industry members packed Regal Cinemas for the Ministry presentation on the new beneficial ownership platform on 4 May 2017


Minister Tara Rivers tours the General Registry on 7 June 2017 alongside Chief Officer Dr Dax Basdeo



Minister Rivers, foreground, offers feedback to Jude Scott and Cayman Finance board members at her Cayman Finance briefing on 14 June 2017



The Management team at the Cayman Islands Monetary Authority met with Minister Rivers on 16 June 2017



Minister Rivers, left, joins Ministry staff at a presentation put on by Hazard Management of the Cayman Islands on 21 June 2017



Deputy Governor Franz Manderson (front, fourth from left) joined General Registry staff in celebrating World Intellectual Property Day on 26 April 2017



Ministry staff celebrate Earth Day by dressing down in their National Trust shirts on 28 April 2017