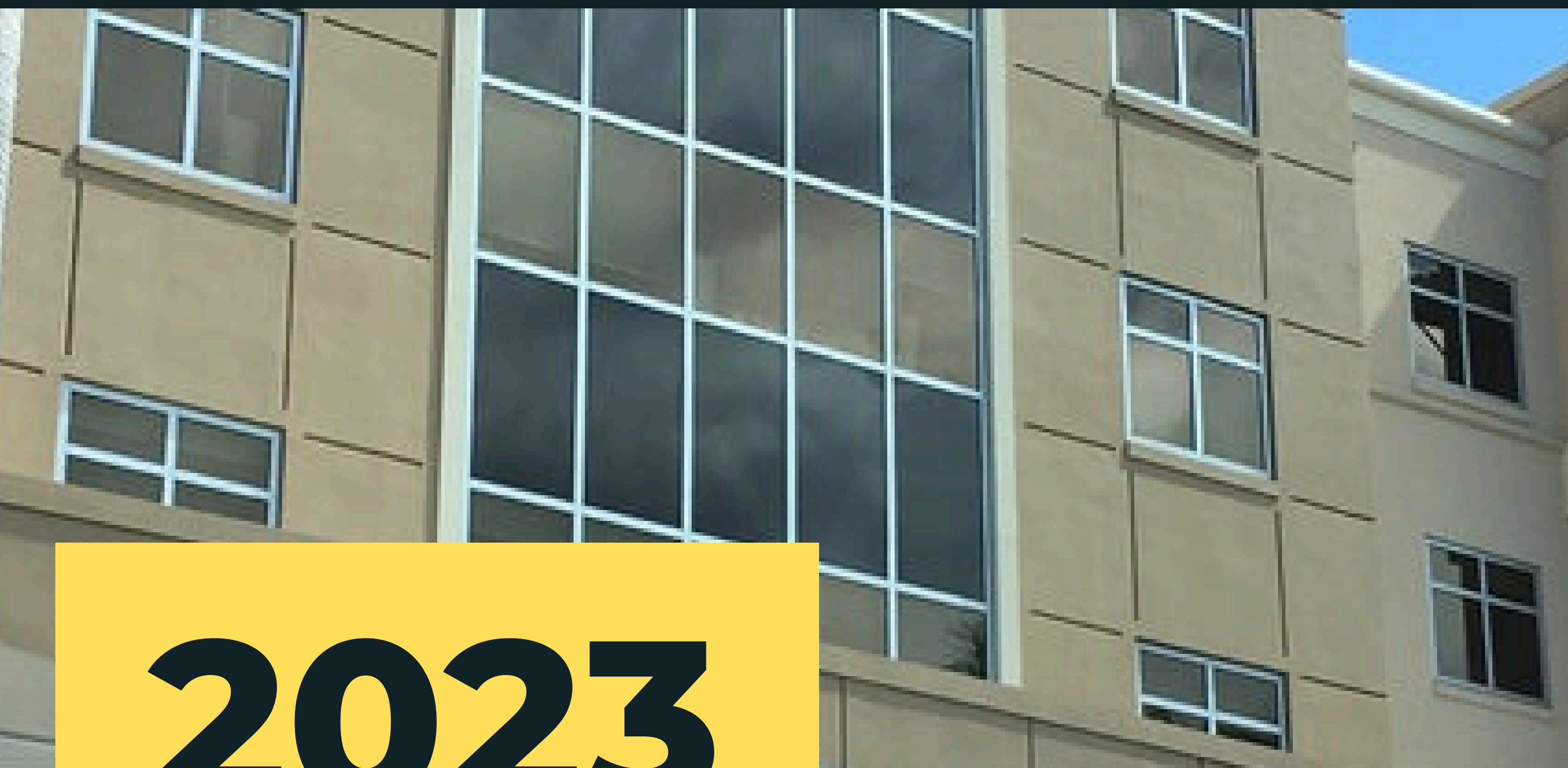
Cayman Islands Government

ANNUAL REPORT

PORTFOLIO OF LEGAL AFFAIRS



2023

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MESSAGE FROM THE HONOURABLE ATTORNEY GENERAL

I am pleased to present the Annual Report for the Portfolio of Legal Affairs for the fiscal year ended 31 December 2023.

The report focuses on the Portfolio's structure, the work undertaken and some of its exceptional achievements during 2023. It also demonstrates how the Portfolio remains committed to playing its constitutional role in supporting the Government to attain its strategic outcomes.

The year 2023 was quite inspirational, and at similar intervals was nevertheless challenging. The country has now made significant improvements in regaining normality as we have experienced a major decline in the COVID-19 pandemic and no other threats have targeted the jurisdiction.

The Solicitor General and her team are once again to be commended for their continued efficacy in the provision of legal advice and representation (inclusive of their conduct of a number of high-level court matters) on behalf of the Attorney General to the Government and public bodies. Moreover, the requests directed to the Solicitor General's Office for the staff's consultative expertise continued to increase significantly throughout 2023.

The Legislative Drafting Department prepared and published over 70 pieces of legislation in 2023 including the Beneficial Ownership Transparency Act, 2023 and the Proceeds of Crime (Amendment) Act, 2023.

The Anti-Money Laundering Unit (AMLU) presented at the CFATF Plenary in May of 2023 the Cayman Islands 4th Enhanced Follow-Up Report. This report highlighted significant progress made by the jurisdiction across all Immediate Outcomes for "Effectiveness" and across all FATF Recommendations all of which were rated as "Compliant" or "Largely Compliant".

In June 2023, during the International Cooperation Review Group process of the Financial Action Task Force (FATF) concluded that the Cayman Islands had substantially completed its action plan and thereby warranted an onsite assessment.

A team from the Americas Joint Group visited the Cayman Islands at the end of August 2023 and met with representatives from all concerned entities to verify whether the jurisdiction's implementation of the anti-money laundering and countering the financing of terrorism reforms had begun and were being sustained. The team was very impressed with the progress. Accordingly, the Cayman Islands was officially removed from the FATF "Grey List" following the FATF Plenary in October 2023.

My many successes as chairman of the Caribbean Financial Action Task Force for the 2022/2023 period was due in large measure to the incredible assistance provided by the AMLU in particular and the Portfolio more generally. I wish to express my heartfelt thanks to the AMLU staff, the Solicitor General, the FRA, my Personal Assistant and the entire Portfolio for the invaluable support.

As it relates to the Portfolio's systematic drive in delivering legal services to our clients, special recognition is again due to the Law Revision Commission for its stellar work in producing impressive numbers of revised legislation in the form of the '2024 Revisions'. By so doing, the Law Revision Commission plays a pivotal role in strengthening the Rule of Law in the Cayman Islands by providing our society with an accessible statute book of legislation that is not only produced in the clearest form, but also incorporates all amendments, and is up-to-date. As a result, the work of the Law Revision Commission serves to facilitate the administration of justice, access to justice, law enforcement, legal education and research, law reform, and the democratic process.

The Law Revision Commissioner continues to refine and maintain the legislation.gov.ky website as well as provide regular training sessions on navigating the legislation website.

The Law Reform Commission continues its stellar work in 2023, including publishing two discussion papers for public consultation in 2023 – "Adverse Possession" and "Settled Land Act". Each paper outlines options for reform of the law of the Cayman Islands based on extensive research, analysis, and deliberation.

The submissions received during the consultation periods will inform the Commission in the preparation of the respective final reports in 2024. These Reports enhance the Government's ability to make informed decisions on important areas of reform.

The Truman Bodden Law School (TBLS) saw another strong enrolment across the undergraduate and postgraduate programmes in September 2022 with the majority of students holding steady at approximately 100 students. It was particularly pleasing to see a carry-over of the trend in recent years of a robust enrolment in the Professional Practice Course. Twenty-five students graduated from all programmes in July 2023, making the graduation ceremony one of the largest ever held at the TBLS.

The Financial Reporting Authority (FRA) received 1,501 cases during 2023, a 5% decrease in the number of cases received compared to 2022 (1,586). The FRA completed the analysis of 1,492 cases and closed 1,133 cases during the period, resulting in 379 disclosures to local law enforcement agencies or competent authorities and 491 disclosures to overseas financial intelligence units. Of the 1,133 cases closed, 579 were included in a disclosure.

The FRA also continued to play an integral role in the ongoing implementation of the unprecedented sanctions imposed by the UK against Russia in response to its invasion of the Ukraine, including the processing of licence applications, publication and circulation of sanctions notices and processing of compliance reporting forms.

Finally, I would like to express my sincere gratitude to my entire team within the Portfolio of Legal Affairs, in particular, the Solicitor General/Chief Officer, for another year of perseverance, duty and devotion. I would also like to take this opportunity to extend congratulations to all members of staff who continue to climb the ladder of success – professionally, academically and otherwise.

Honourable Samuel Bulgin KC, JP
Attorney General
Portfolio of Legal Affairs
July 2024

MESSAGE FROM THE SOLICITOR GENERAL

I am pleased to share the 2023 Annual Report of the Portfolio of Legal Affairs.

The report sets out the work undertaken by the seven departments that comprise the Portfolio of Legal Affairs (POLA) in 2023. This work in large measure supports the initiatives of various other Cayman Islands Government and public sector entities and ultimately, assists them in delivering the Government's 10 broad policy outcomes as established in 2021.

A recurring theme within this report is the continued increase in the demands for the Portfolio's services. By way of illustration, the requests for advice and legal representation to the Solicitor General's Office/Attorney General's Chambers continued its upward trend, consistent with the trajectory over the past 6 years. This was in part attributable to a significant increase in requests for contract reviews and requests for advice under the Children Act (2012 Revision). With respect to litigation, in addition to more matters relating to the welfare of children before the Summary Court, Bill of Rights challenges under the CI Constitution Order 2009 once again featured prominently, and notably, at the level of the Court of Appeal and Privy Council.

The report of the Legislative Drafting Department highlights not only the Department's heavy agenda in drafting various statutory instruments but other work such as its contribution to the National Road Safety Committee, the remit of which is to reduce the number of road deaths, injuries and offences. With an eye on attracting aspiring Caymanian lawyers to a career in legislative drafting, staff continued their ongoing sensitization to students at the Truman Bodden Law School on the work of Legislative Counsel. The team also contributed to other Government initiatives such as that of the Policy Coordination Unit.

The Law Reform Commission's work over 2023 included recommendations for reform in areas such as adverse possession, settled land, consumer protection and abortion. Work on other projects continues into 2024. The Law Revision Commission, in addition to its core mandate of ensuring that all laws are regularly revised and kept up-to-date, was also involved in the compilation and analysis of materials relating to the reception of law in the Cayman Islands.

Throughout 2023, both the Anti-Money Laundering Unit and the Financial Reporting Authority continued to play a critical role in the jurisdiction's tireless efforts to demonstrate progress across the relevant Financial Action Task Force (FATF) standards, working collaboratively with other POLA entities and a range of other stakeholders. Following an arduous process since the jurisdiction's 4th

Round Mutual Evaluation Report, in October 2023 the FATF officially removed Cayman Islands from the Grey List. That victory was celebrated perhaps modestly, with attention immediately turned to the jurisdiction's preparations for the 5th Round Mutual Evaluation.

Turning to legal education, in 2023 the Truman Bodden Law School (TBLS) hosted its affiliate partners, Oxford Brookes University and the University of Liverpool, strengthening the long-standing partnerships with those institutions. Law students participated in the annual American Caribbean Law Initiative Moot held in Fort Lauderdale, showcasing their advocacy skills. And thanks to the School's administrative team, the TBLS' website now includes an online portal through which new applicants may apply; student records have been digitalized; and students now have access to a state-of-the-art learning and legal research platform with an expansive range of resources.

2023 was another year that exemplified the ethos of this small but dynamic Portfolio – commitment, collaboration and results. The successes highlighted in this report, large and small, would not be possible without the individual contribution of every single member of the Portfolio. And so I pay tribute to each and every one of them for their unique part in making the lives of those we serve better in 2023.

In closing, it is only fitting that I recognize the Honourable Attorney General Samuel Bulgin KC not only for his stewardship of the Portfolio but his other responsibilities including his chairmanship of the Caribbean Financial Action Task Force (CFATF) which ended in 2023. That aside, the Attorney General, as Chair of the Cayman Islands Anti-Money Laundering Steering Group, was a pivotal figure in providing strategic coordination and oversight of the Cayman Islands' ongoing work to address the various matters arising from the 4th Round Mutual Evaluation report for the Islands, a daunting task at the best of times. He ably represented the jurisdiction at various international fora including the FATF Plenary and powerfully advocated for the jurisdiction, showcasing its continued progress at every stage of the review process. To him, much is owed for his dedicated contribution within the FATF/CFATF arena and beyond that, his unwavering support to the Chief Officer.

Reshma Sharma KC
Solicitor General/Chief Officer
Portfolio of Legal Affairs
July 2024

THE LEGISLATIVE DRAFTING DEPARTMENT

The Legislative Drafting Department ("the Drafting Department") is headed by the First Legislative Counsel, Ms. Cheryl Neblett Cert. Hon and in 2023 consisted of six other Legislative Counsel who, like the First Legislative Counsel, are all qualified attorneys-at-law with a wealth of legislative drafting experience. An Administrative Assistant provides administrative support for the Drafting Department.

In 2023 the other legal staff of the Legislative Drafting Department were –

- Ms. Maureen Benjamin – Senior Legislative Counsel;
- Ms. Dharlene Smith – Senior Legislative Counsel;
- Mr. Ryan Awai – Legislative Counsel;
- Mrs. Marisa Jogie – Legislative Counsel;
- Ms. Bethea Christian – Legislative Counsel; and
- Ms. Kate Murray – Legislative Counsel.

The work of the Drafting Department is concentrated in three main categories –

- drafting primary legislation (Bills);
- drafting subordinate legislation (Regulations, Orders, Directions, Rules etc.); and
- providing legal advice to Cabinet and Ministries on proposals for legislation and statutory interpretation.

The primary legislation passed by the Parliament each year is but a part of the quantum of legislation prepared during that year by the Drafting Department. The Drafting Department produces a large amount of primary legislation which eventually may not be needed by Cabinet, and subordinate legislation, most of which is made only by the Cabinet.

In 2023 the Drafting Department was as usual faced with an extremely heavy workload. The Department deals with a wide range of subjects and legislation drafted included legislation relating to financial services, criminal law, anti-corruption law, pensions law, children law, adoption law, animals and plants laws, among many other matters.

National Road Safety Committee and Strategy

The First Legislative counsel was appointed as a member of the National Road Safety Committee which commenced its road safety strategy in September 2023. The goals of the strategy are to reduce the number of road deaths, injuries and offences through engineering, education and enforcement. The First Legislative Counsel focuses mainly on legislation such as the Traffic Act, the CCTV Bill and the Investigatory Powers Bill and how they can be a part of saving lives on the roads of the Cayman Islands.

Legislative Drafting Manual

The Legislative Drafting manual was finalised in 2023 and will be submitted to the Attorney General for his approval.

Standing Orders of the Parliament

In January 2022 the First Legislative Counsel was asked by the Clerk of Parliament to re-draft the Standing Orders of the Parliament. The first draft was finalised in March 2022 and is still being discussed by the Standing Orders Working Group of the Parliament.

Training

Every year, at the beginning of the year, courses are sourced and sent to all of the staff of the Drafting Department. All staff are encouraged to take up the courses or to find courses for themselves in order to assist with their professional development.

Staff undertake courses at a range of institutions including the Civil Service College, the Chamber of Commerce, ACAMS and the Online College of the UK. The Drafting Department also accesses legal webinars and courses from organisations such as the International Bar Association, UK Public Administration International, the Law Association of Trinidad, the International Centre for Parliamentary Studies and the OECS Bar Association, among others.

Counsel gave a presentation in 2023 entitled *"A day in the life of a legislative drafter"* to students and lecturers at the Cayman Islands Law School. Also, Legislative Counsel once again presented a short paper entitled *"The role of the policy practitioner in the legislative process"* in a workshop put on by the Policy Coordination Unit to assist in instructing policy makers on how policy becomes legislation.

Current Work

The Legislative Drafting Department drafted over 150 pieces of legislation in 2023 and the following is a non-exhaustive list of legislation which Legislative Counsel drafted in 2023 and which they are continuing to work on-

- Adoption of Children Bill, 2023
- Airports Authority (Charges) Regulations, 2023
- Amendment to the Perpetuities Act (1999 Revision)
- Animals Bill, 2023
- Animals Regulations
- Anti-Money Laundering (Amendment) Regulations, 2023
- Approved Vaccine Course (Revocation) Notice, 2023
- Arrangement for Placement of Children (General) (Amendment) Regulations, 2023

- Banks and Trust (Licence Applications and Fees) (Amendment) Regulations, 2023
- Banks and Trust Companies (Amendment) Act, 2023
- Banks and Trust Companies (Amendment) Bill, 2024
- Banks and Trust Companies (Amendment) Regulations, 2023
- Banks and Trust Companies (Licence Application and Fees) (Amendment) Regulations
- Beneficial Ownership Transparency (Prohibition from Disclosure) Regulations, 2023
- Beneficial Ownership Transparency (Public Access) Regulations, 2023
- Beneficial Ownership Transparency Act, 2023
- Beneficial Ownership Transparency Regulations, 2023
- Building Societies (Amendment) Bill, 2024
- Building Societies Regulations, 2024
- Cayman Islands Identification Card Regulations, 2023
- Cayman Islands National Attractions Authority Act, 2023
- Cayman Islands National Wealth Fund Bill, 2023
- Children (Allocation of Proceedings) (Amendment) Order, 2023
- Children (Amendment) Bill, 2022
- Children (Secure Accommodation) (Amendment) Regulations, 2023
- Churches Incorporation (Amendment) Bill, 2023
- Civil Proceedings (Closed Material Procedure) Bill, 2023
- Coast Guard Regulations, 2023
- Companies (Amendment of Schedule 4) Order, 2023
- Companies (Amendment of Schedule 5) Order, 2023
- Companies (Amendment) (No. 2) Bill, 2023
- Companies (Amendment) Bill, 2023
- Companies Management (Amendment) Regulations, 2023
- Cooperative Societies (Amendment) Bill
- Cooperative Societies (Amendment) Regulations
- Cooperative Societies (Amendment) Regulations, 2024
- Criminal Procedure (Amendment) Bill, 2023
- Customs (Bonded Warehouses) (Amendment) Regulations, 2022
- Customs and Border Control (Amendment) Bill, 2023
- Customs and Border Control (Amendment) Bill, 2023
- Customs and Border Control (Prohibited Goods) (Amendment) (No. 2) Order, 2023
- Customs and Border Control (Prohibited Goods) (Amendment) Order, 2023
- Customs and Border Control (Visas, Entry and Landing) Regulations, 2019
- Customs Tariff (Amendment of Schedule 2) Order, 2023
- Customs Tariff (Amendment) Bill
- Customs Tariff Bill, 2023
- Design Rights (Amendment) Bill, 2023
- Development and Planning (Amendment) Act, 2023
- Development and Planning (Amendment) Regulations, 2023
- Development and Planning (Section 53(1)) Order, 2023
- Directors Registration and Licensing (Amendment) Act, 2023.
- Exempted Limited Partnership (Amendment) Bill, 2023
- Exempted Limited Partnership (Amendment) Regulations, 2023
- Financial Assistance (Appeals) Regulations, 2023
- Financial Assistance Act, 2022 (Commencement) Order, 2023
- Financial Assistance Regulations, 2023
- Firearms (Amendment) Act, 2023
- Firearms (Amendment) Bill, 2022
- Guardians Ad Litem (Panel) (Amendment) Regulations, 2023
- Health Insurance (Administrative Penalties) Regulations
- Health Insurance (Amendment [and Validation]) Bill

- Health Insurance (Amendment) Regulations
- Health Practice (Designated Health Care Facilities) (Cayman Islands Urgent Care, Ltd.) Order, 2022
- Identification Register Act 2022 (Commencement) Order, 2023
- Identification Register Regulations, 2023
- Immigration (Transition) (Amendment) Bill, 2023
- Immigration (Transition) (Fees) Regulations, 2023
- Immigration (Transition) (Temporary Work Permits and Business Visitors' Permits) (Amendment) Regulations, 2022 (Repeal) Regulations, 2023
- Immigration (Transition) (Work Permit Exemption) Regulations, 2023
- Immigration (Transition) Regulations, 2023
- Immigration (Work Permit) (Repeal) Directions, 2023
- Insurance (Amendment) Act, 2023
- Insurance (Applications and Fees) (Amendment) Regulations, 2023
- International Tax Co-operation (Economic Substance) (Amendment) Regulations, 2023
- International Tax Co-operation (Economic Substance) (Amendment) Bill
- International Tax Co-operation (Economic Substance) (Amendment) Bill, 2023
- Judicature (Amendment) Bill, 2023
- Judicial and Legal Services Commission Bill
- Judicial and Legal Services Commission Bill, 2023
- Labour (Tribunal Members' Remuneration) Regulations, 2023
- Land Acquisition (Amendment) Bill 2023
- Land Holding Companies Share Transfer Tax (Amendment) Bill, 2023
- Land Holding Companies Share Transfer Tax (Amendment) Bill, 2023
- Land Holding Companies Share Transfer Tax (Amendment) Regulations, 2023
- Legal Practitioners (Students) (Amendment) Regulations, 2023
- Legal Services Act Code of Conduct, 2023
- Legal Services Act Complaints Procedure, 2023
- Legal Services Act Continuing Professional Development Rules, 2023
- Limited Liability Companies (Amendment) Bill, 2023
- Limited Liability Partnership (Amendment) Bill, 2023
- Local Companies (Control) (Amendment) Bill, 2023
- Merchant Shipping Bill, 2023
- Misuse of Drugs (Amendment) Bill, 2022
- Monetary Authority (Amendment) (No. 2) Bill, 2023
- Monetary Authority (Amendment) Act, 2023
- Money Services (Amendment) (No.2) Bill, 2023
- Money Services (Amendment) Bill, 2023
- Money Services Business (Amendment) Regulations, 2023
- Mutual Funds (Amendment) Act, 2023
- National Conservation (Coastal Works Fees) Regulations, 2023
- National Conservation (Protected Areas) Order, 2023
- National Pensions (Amendment) Act, 2023
- National Pensions (Amendment) Act, 2023 (Commencement) Order, 2023
- Parental Responsibility Agreement (Amendment) Regulations, 2023
- Parliament (Immunities, Powers and Privileges) Bill
- Partnership (Amendment) Bill, 2023
- Personnel (Amendment) Regulations, 2023
- Personnel (Parental Leave) (Amendment) Regulations, 2023
- Placement of Children with Parents (Amendment) Regulations, 2023
- Plant Protection Act, 2023
- Police (Information and Assistance to International Law Enforcement Agencies) (Amendment) Regulations, 2023
- Police Regulations, 2023
- Port (Amendment) Regulations, 2023
- Port (Amendment) Regulations, 2024
- Port Amendment (No. 2) Regulations, 2023

- Preparation of Warrants and Oaths for appointments to the role of Justice of the Peace
- Private Trust Companies (Amendment) Regulations
- Private Trust Companies (Amendment) Regulations, 2023
- Proceeds of Crime (Amendment) Act, 2023
- Public CCTV Bill, 2023
- Public CCTV Code of Practice
- Public Lands (Amendment and Validation) Act, 2023
- Public Lands (Amendment of Schedule) Regulations, 2023
- Public Passenger Vehicles Bill, 2023
- Public Service Management (Amendment) Bill, 2023
- Public Service Pensions (Ex-Gratia Uplift Payments) (Amendment) Regulations, 2023
- Representation Procedure (Children) (Amendment) Regulations, 2023
- Residential Tenancies (Amendment) Bill, 2023
- Review of Children's Cases (Amendment) Regulations, 2023
- Sovereign Wealth Fund Bill, 2023
- Stamp Duty (Amendment) Bill, 2023
- Standards in Public Life (Amendment) Bill, 2023
- Standards in Public Life (Amendment) Regulations, 2023
- Standing Orders
- Summary Jurisdiction (Amendment) Bill, 2023
- Surveillance Devices Bill, 2023
- Surveillance Devices Regulations, 2023
- Tax Information Authority (Amendment) Bill, 2023
- Tax Information Authority (Fees) Regulations 2023
- Tax Information Authority (Fees) Regulations, 2023
- Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2023
- Tax Information Authority (International Tax Compliance) (CRS) (Amendment) Regulations 2023
- Tax Information Authority (Mandatory Disclosure) Regulations, 2023
- Terminal (Charges) (Validation) Bill, 2023
- The Misuse of Drugs (Amendment) Bill, 2022
- Tourist Accommodation (Taxation) Bill, 2022
- Tourist Accommodation (Taxation) Bill, 2022
- Trade and Business Licensing (Amendment to the Schedule) (Temporary Reduction of Fees), Regulations, 2023
- Traffic (Amendment) Act, 2023
- Traffic (Public Passenger Vehicles) (Amendment) Regulations, 2023
- Trusts (Amendment) Bill, 2023
- Veterinary Bill, 2022
- Virtual Asset (Service Providers) (Amendment) (No. 2) Bill, 2023
- Virtual Assets (Service Providers) (Amendment) (No. 3) Bill, 2023
- Water Sector Regulation (Administrative Penalties) Regulations, 2021
- Water Sector Regulation (Amendment) Bill, 2022
- Water Sector Regulation (Licences and Fees) Regulations, 2022.

THE LAW REFORM COMMISSION

The functions of the Cayman Islands Law Reform Commission ("the Commission") under section 7 of the Law Reform Commission Act (2019 Revision) are to study and keep under constant review the statutory and other laws comprising the law of the Cayman Islands with a view to its systematic development and reform including, in particular, —

- the modification of any branch of the law as far as that is practicable;
- the elimination of anomalies in the law, the repeal of obsolete and unnecessary enactments and the simplification and modernisation of the law;
- the development of new areas in the law with the aim of making them more responsive to the changing needs of the Cayman Islands society;
- the adoption of new or more effective methods for the administration of the law and the dispensation of justice; and
- the codification of the unwritten laws of the Cayman Islands.

The Composition of the Law Reform Commission

The Commission is composed of six Commissioners, a Director and a Senior Legislative Counsel, who are all senior attorneys-at-law. The Commission is also supported by a Paralegal Officer and an Administrative Secretary.

The Law Reform Commissioners are -

- Mr. Hector Robinson, K.C., Chairman, Partner at Mourant;
- Hon. Mr. Justice Alexander Henderson, K.C., (retd.) Senior Counsel at Dentons;
- Mr. Abraham Thoppil, Attorney-at-Law, former Partner at Maples;
- Mr. Vaughan Carter, Attorney-at-Law, Principal at Savannah Law;
- Ms. Reshma Sharma, K.C., Solicitor General; and
- Mr. Simon Davis, Director of Public Prosecutions.

The Legal and Administrative Staff of the Commission are -

- Mr. José Griffith, Attorney-at-Law – Director;
- Ms. Catriona Steele, Attorney-at-Law – Senior Legislative Counsel;
- Ms. Felicia Connor – Paralegal Officer; and
- Ms. Milicia Bodden – Administrative Secretary.

During the 2023 reporting period, the Commission continued its review of a range of legal areas, all of which impact the administration of justice in the Cayman Islands.

Current Projects/Research Areas

Adverse Possession

On 26th July, 2023, the Commission published for public consultation a Discussion Paper titled "Adverse Possession". The Discussion Paper aims to determine whether the doctrine of adverse possession should be abolished in the Cayman Islands or retained in a modified form. Adverse possession is the process by which a person can obtain title to land belonging to someone else by continuously occupying the land in a way that is inconsistent with the rights of the owner.

The Discussion Paper outlines the history and existing law of adverse possession, assesses the justifications for the doctrine, and examines the law and recent reforms in other common law jurisdictions. The Discussion Paper proposes two options for reform in the Cayman Islands – abolishing adverse possession entirely, or amending the law to restrict the circumstances in which title to registered land can be acquired by adverse possession.

The consultation period expired on 27th October, 2023. The Commission is considering the responses received and formulating a Final Report containing recommendations for submission to the Honourable Attorney General in 2024.

Settled Land Act

On 1st September, 2023, the Commission published for public consultation a Discussion Paper titled "Settled Land Act". The Discussion Paper aims to determine whether the Settled Land Act (1998 Revision) should be repealed. The Act provides a mechanism for creating successive interests in land that is rarely used today. However, the continued operation of the Act has implications for the modern system of land trusts and land registration in the Cayman Islands.

The Discussion Paper explains the historical origins of the Act, outlines the existing Cayman Islands legislative regime relevant to settled land and trusts, and identifies the difficulties with the current system. The Paper presents two options for reform for consideration.

The consultation period expired on 1st December, 2023. The Commission is considering the responses received and formulating a Final Report containing recommendations for submission to the Honourable Attorney General in 2024.

Other projects

The other current projects forming part of the Commission's work during 2023 that will continue into 2024 are as follows -

- abortion;
- consumer protection;
- reform of the Defamation Act (1995 Revision);
- severance of joint tenancies;
- reform of the Succession Act (2021 Revision);
- cremation;
- jury trial;
- menstrual leave;
- the common law forfeiture rule; and
- hate crimes.

Legislative Drafting Services Provided by the Commission

In addition to drafting legislation that supports Commission recommendations, the staff of the Commission are required to work collaboratively with the Legislative Drafting Department when requested by the Attorney General, the Solicitor General or the First Legislative Counsel. As such, during the period, the Commission assisted in drafting the following legislation –

- Plant Protection Act, 2023;
- Pharmacy Bill, 2023;
- Sexual Harassment Bill, 2023;
- Registered Land (Amendment) Bill, 2023; and
- Animals (Exemption for Purposes of Conservation) Order, 2023.

Articled Clerks in the Commission

The Commission was delighted to continue its participation in the Portfolio of Legal Affairs Articled Clerkship training programme in 2023.

The aim of Articled Clerkship training within the Commission is to expose the Articled Clerks to the several facets of the law reform process that lead to law reform being accountable, participatory and responsive. The training involves a journey from policy to legislation with the necessary stops in between.

Accordingly, the Articled Clerkship training focused on policy formulation, research and consultation methods, legislative drafting, final reports, Cabinet Papers, speaking notes, minute taking, proof reading and editing, presentation, and Commission procedures and systems.

THE LAW REVISION COMMISSION

The Law Revision Commission operates under the authority of the Law Revision Act (2020 Revision).

The overarching aim of law revision is to present statute-based law in effect in the Cayman Islands in its clearest form and thereby to facilitate the administration of justice, access to justice, law enforcement, legal education, research, law reform, and the efficient use of the law. It is generally accepted that access to legislation and the legislative process affords citizens an opportunity to effectively monitor and engage in an informed dialogue regarding governmental decision-making. Specifically, access to legislation allows citizens to hold their government to account and in this context, the Law Revision Commission has a pivotal role.

The Law Revision Commissioner is also the senior legal policy advisor to the Hon. Attorney General on domestic and international matters.

Structure

The Law Revision Commission is headed by the Law Revision Commissioner, Dr. Camille Stoll-Davey who is assisted by the Legislative Editor.

Activities of the Law Revision Commission

The activities of the Law Revision Commission include the following:

- Ensuring that the statute-book of several thousand pieces of legislation of the Cayman Islands are regularly revised, and that an up-to date status of the legislation of the Cayman Islands is produced annually and made accessible to the public;
- The Law Revision Commission introduced, and maintains, the legislation history on all revised legislation. The legislation history provides the stakeholder with an overview of all the legislation,

including the commencement date and the relevant gazette publication, that has been incorporated and consolidated into that particular revision.

- Preparing and publishing an annual consolidated index of laws of the Cayman Islands which includes a compendium of related laws, including legislation enacted in the United Kingdom, in order to ensure easy accessibility of and reference to the laws;
- Managing the database of the revised laws by continuously updating the consolidated index as new laws are made and brought into effect;
- The Law Revision Commission was instrumental in introducing the iLAWS software which has streamlined the pathway from policy to legislation and by so doing provided the user with legislation that is accessible with more white space, and readily searchable in a user-friendly manner. The introduction of the Cayman Islands crest on each page of all legislation provides a heightened degree of security and imprimatur of legitimacy. The iLAWS software also provides a ready link between the Parliament and the Portfolio which in turn streamlines the edits generated at the Committee stage of the legislative process.
- Continuously reviewing and analysing decisions of superior courts, particularly in the area of human rights, in order to ascertain their effect on legislation and making proposals for review of the affected laws.

Achievements of the Law Revision Commission

The Law Revision Commission celebrated the following achievements in the 2023 reporting period:

- The continued refinement of the point-in-time searchable database and online portal to all Cayman Islands legislation via Legislation.gov.ky;
- The ongoing provision of training sessions in relation to navigating the legislation.gov.ky website and the statute law revision process;
- The revision of the laws of the Cayman Islands (2023 Revision), including the Grand Court Rules which is comprised of almost 1,000 pages of legislation that prior to the 2023 revision had not been revised for more than thirty years;
- The ongoing introduction of gender-neutral language in all revised legislation;
- The revision of the Consolidated Index of the Laws of the Cayman Islands as at 31st January 2023; and
- The continued refinement of the Legislation edition of the Official Gazette and maintenance of an operational manual establishing work-flow processes as well as robust systems of document management and version control of legislation.

Ongoing Projects of the Law Revision Commission

The following are Law Revision Commission projects which are ongoing:

- The further development and expansion of the Commission's online presence;
- Compilation and analysis of materials relating to the reception of law in the Cayman Islands;
- The continuous refinement of legislative software to facilitate the revision process; and
- The continued research of legislation and bench-mark cases to further refine the point-in-time searchable database for access to laws of the Cayman Islands.

The Law Revision Commissioner continues to provide legal and policy advice to the Hon. Attorney General on a number of domestic and international matters.

Contacting the Law Revision Commission

The Law Revision Commission welcomes comments from the legal profession on any errors, omissions or inconsistencies observed in the law of the Cayman Islands.

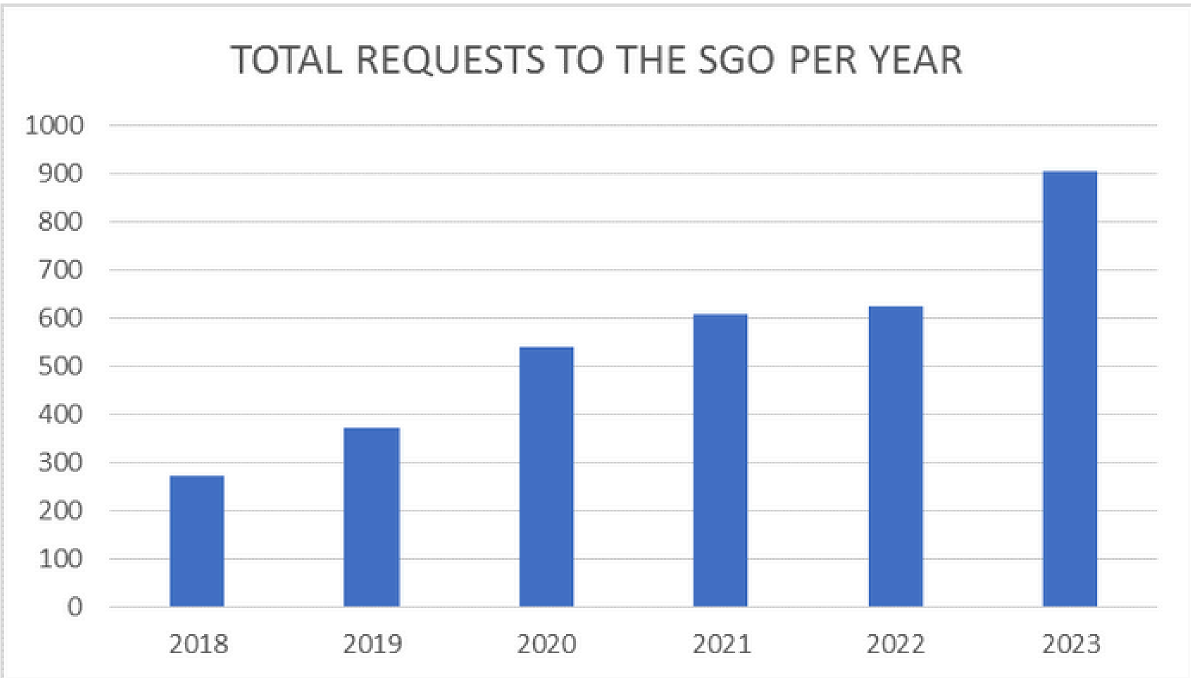
THE SOLICITOR GENERAL'S OFFICE

The Solicitor General's Office ("the SGO") provides civil legal advice and representation to Ministries, Portfolios, Government Departments, statutory boards and other public authorities.

In 2023, the SGO was comprised of a Crown Counsel II, four Crown Counsel, two Senior Crown Counsel, three Deputy Solicitors General and the Solicitor General. The core legal team was supported by two administrative staff.

The SGO provided legal advice and representation in response to approximately 906 requests from various Government and public entities. This figures continues the upward trend in the number of requests for advice and representation received by the SGO over at least the last six years. The approximately 45% increase year on year from 2022 to 2023 was due to a combination of factors including significant increases in requests for advice in relation to contracts and under the Children Act (2012 Revision).

These statistics do not reflect matters falling within the remit of other departments in respect of which members of the SGO team might be called upon to provide input or other requests for legal support made on an *ad hoc* basis. Accordingly, the scope of legal work delivered by the SGO team is greater than the figures might suggest.



Over 2023, the requests for legal assistance continued to encompass a wide range of subject matter and areas of law including immigration, human rights, constitutional law, children and family matters, employment, data protection, pensions, registered land, Public Authorities Act, company law and contracts.

In June 2022, the Deputy Governor, in collaboration with the Attorney General's Chambers, issued a *Governance and Management Circular 2 of 2022* setting out the circumstances in which legal advice should be sought in relation to contracts. Throughout 2023 the SGO continued to see a rise in the number of contracts upon which advice was being sought, resulting in a total of 332 requests for review or drafting of a contract. This was an increase of approximately 128% year on year since 2022. Contracts related to a wide variety of areas including capital projects and the procurement of services. Over 30 contracts reviewed or drafted were for procurement in relation to IT projects.

The SGO provided legal representation to Government and other public entities in approximately 83 new litigation matters in 2023. In addition, the SGO continued to represent entities in a number of ongoing litigation matters.

Litigation was conducted before statutory bodies such as the Planning Appeals Tribunal, Refugee Protection Appeals Tribunal, Civil Service Appeals Commission and the Health Appeals Tribunal. In addition the SGO appeared in all tiers of the Courts of the Islands – the Summary Court, Grand Court, Court of Appeal and the Privy Council.

Notable litigation in 2023 included the following:

- An appeal to the Court of Appeal in relation to a challenge to the compatibility of the permanent residence points system in relation to certain rights under the Bill of Rights in the Cayman Islands Constitution Order 2009;
- A claim made in the Grand Court of discriminatory treatment of a non-profit organisation employee under the Labour Act and the appeal of the matter to the Court of Appeal; and
- The re-hearing in the Grand Court (following various earlier hearings including an appeal to the Privy Council) of a claim that the transfer of prisoners from the Cayman Islands to the United Kingdom was contrary to their right to private and family life under the Bill of Rights.

Crown Counsel continued to provide their usual support to various statutory boards/entities including the Adoption Board, Conditional Release Board, and the Medical and Dental Council. Crown Counsel also continue to serve as members of various statutory bodies such as the Health Practice Commission, Child Safeguarding Board and Expungement Board.

The SGO's work also continued to expand as a result of matters arising under the Russia (Sanctions) (Overseas Territories) Order, 2020 which extended to the Cayman Islands the United Kingdom's sanctions regime. Certain members of the SGO team worked closely with the Financial Reporting Authority and Governor's Office in relation to approximately 10 licence applications, and advising on a range of issues arising under the Order.

Having regard to an increase in the number of matters arising under the Children Act (2012 Revision), some of which were more contentious in nature, the SGO delivered training to the Department of Children and Family Services in relation to court proceedings under the Act.

In response to the Deputy Governor's requirement for contracts to be reviewed by the SGO, training was provided by way of a joint effort of the SGO and the Central Procurement Office to assist civil servants who have day to day responsibility for contracts to understand the requirement for legal advice and how to efficiently and effectively receive such advice.

The SGO team continued its internal training and development through presentations from staff on litigation, current judgments and legal issues relevant to the work of the SGO, as well as presentations from across the entire Portfolio under the Chambers Engagement Morning initiative. In the non-legal arena, senior members attended the various leadership events hosted by the Civil Service. Other staff continued to take full advantage of a diverse range of courses available to the Civil Service via LinkedIn Learning.

THE ANTI-MONEY LAUNDERING UNIT

The Anti-Money Laundering Unit ("the AMLU") is the secretariat for the Anti-Money Laundering Steering Group ("the AMLSG"), which is the policy-making body for the Cayman Islands with respect to anti-money laundering (AML) and combating the financing of terrorism (CFT), as provided for under section 5(2) of the Proceeds of Crime Act (2020 Revision) ("the POCA").

The Head of the AMLU is also the chair of the Inter-Agency Coordination Committee ("the IACC"), which is a committee appointed by the AMLSG with responsibilities under section 5(3B) of the POCA for:

- implementing the policies of the AMLSG;
- facilitating coordination and cooperation among statutory authorities, departments of government or agencies tasked with regulation of AML/CFT, and counter proliferation financing (CFP); and
- assessing the risks to the Cayman Islands related to money laundering, terrorism financing, and proliferation financing (ML/TF/PF).

Background

Following the adoption of its CFATF Mutual Evaluation Report in November 2018, the Cayman Islands was placed in the Observation Period by the Financial Action Task Force (FATF) in February 2019 for monitoring by its International Cooperation Review Group (ICRG). This was on account of having "low" and "moderate" levels of effectiveness in all 11 Immediate Outcomes for effectiveness and having financial assets in excess of the threshold of US$5 billion. The jurisdiction was given a year to correct its strategic deficiencies by addressing the 63 Recommended Actions (RAs), which was extended due to the COVID-19 Pandemic.

The Post Observation Period Report, presented at the FATF Plenary in February 2021, revealed that the Cayman Islands had successfully addressed 60 of the 63 RAs. A public statement was then issued by the FATF indicating that the Cayman Islands had made a high-level political commitment to strengthen the effectiveness of its AML/CFT regime and to address the remaining three RAs. These included (1) applying sanctions that are effective, proportionate and dissuasive, and taking administrative penalties and enforcement actions against obliged entities to ensure that breaches are remediated effectively and in a timely manner; (2) imposing adequate and effective sanctions in cases where relevant parties (including legal persons) do not file accurate, adequate and up to date beneficial ownership information; and (3) demonstrating that they are prosecuting all types of money laundering in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions.

Key Developments in 2023

Caribbean Financial Action Task Force ("CFATF") 4th Follow-Up Report (FUR)

The Cayman Islands' 4th Enhanced Follow-Up Report was presented at the CFATF Plenary in May of 2023, for information purposes only. It highlighted the significant progress made by the jurisdiction across all 11 Immediate Outcomes (IOs) for "Effectiveness" and across the 40 FATF Recommendations, all of which were rated as either "Compliant" (C) or "Largely Compliant" (LC).

AML/CFT Related Legislation

The AMLU drove the process of seeking amendments to the Proceeds of Crime Act (2020 Revision). The Proceeds of Crime (Amendment) Act, 2023 was passed by Parliament on 20th September 2023 and was published in the Gazette on 6th October 2023. The amendments 1) provide protection to self-regulatory bodies ("SRBs") from liability in the execution of their anti-money laundering and counter financing of terrorism ("AML/CFT") supervisory functions; and 2) updates the Act to be consistent with international best practices in the areas of intelligence gathering and sharing, investigation, and prosecution.

Removal of the FATF "Grey List"

In June of 2023, the FATF made the initial determination that the Cayman Islands had substantially completed its action plan and thereby warranted an onsite assessment. A team from the Americas Joint Group, a sub-working group of the ICRG, visited the Cayman Islands on 31st August and 1st September 2024, to meet with representatives from both the public and private sectors to verify if the jurisdiction's implementation of the AML/CFT reforms had begun and were being sustained, and that the necessary high-level political commitment remained in place to sustain implementation in the future.

The Americas Joint Group was very satisfied with the progress made by the Cayman Islands and was grateful for the logistical arrangements made on its behalf. The Cayman Islands was officially removed from the FATF "Grey List" following the FATF Plenary in October 2023.

Cayman Islands' Chairmanship of the CFATF

The Chairmanship of the CFATF fell to the Hon. Attorney General, Samuel Bulgin, during the year 2022/2023. Among his significant achievements during that period was the establishment of a Ministerial Sub-Committee, which recommended a salary increase for CFATF Secretariat staff after many years, as well as a tiered increase in annual contributions for member jurisdictions in preparation for the 5th Round of mutual evaluations. The Hon. Attorney General was supported by staff at the AMLU throughout the year, including during monthly Steering Group meetings. Staff from different competent authorities within the Cayman Islands were also appointed to provide support to working groups and sub-working groups of the CFATF.

With the transition of the chairmanship from the Cayman Islands to Aruba at the November/December 2023 Plenary, the Honourable Attorney General thanked the CFATF members, as well as persons from the relevant competent authorities within the Cayman Islands, for their support during his chairmanship. Several jurisdictions took the opportunity to express their sincere appreciation for the AG's stewardship, particularly his collaborative leadership and diplomacy.

Response to FATF and CFATF Surveys and Questionnaires

In February of 2023, the AMLU coordinated the jurisdiction's response to the CFATF with respect to its ML/TF technical assistance and training needs. In February and August of 2023, it updated the FATF on actions taken domestically with respect to "High Risk Jurisdictions Subject to a Call for Action", as well as "Jurisdictions Under Increased Monitoring".

In September of 2023, the AMLU responded to a CFATF De-Risking Survey, with input from the Cayman Islands Monetary Authority. Also in September of 2023, the jurisdiction provided feedback on draft revisions to the FATF 5th Round Mutual Evaluation Template, particularly with respect to Recommendation 24 (Transparency of Beneficial Ownership of Legal Persons) and Recommendation 25 (Transparency of Beneficial Ownership of Legal Arrangements). This was based on input from the Ministry of Financial Services and Commerce.

THE FINANCIAL REPORTING AUTHORITY

A primary role of the Financial Reporting Authority (FRA) is to receive, analyse, request and disseminate disclosures of financial information, concerning the proceeds of criminal conduct, suspected proceeds of criminal conduct, money laundering, suspected money laundering, or the financing of terrorism which is derived from any criminal offence committed in these islands.

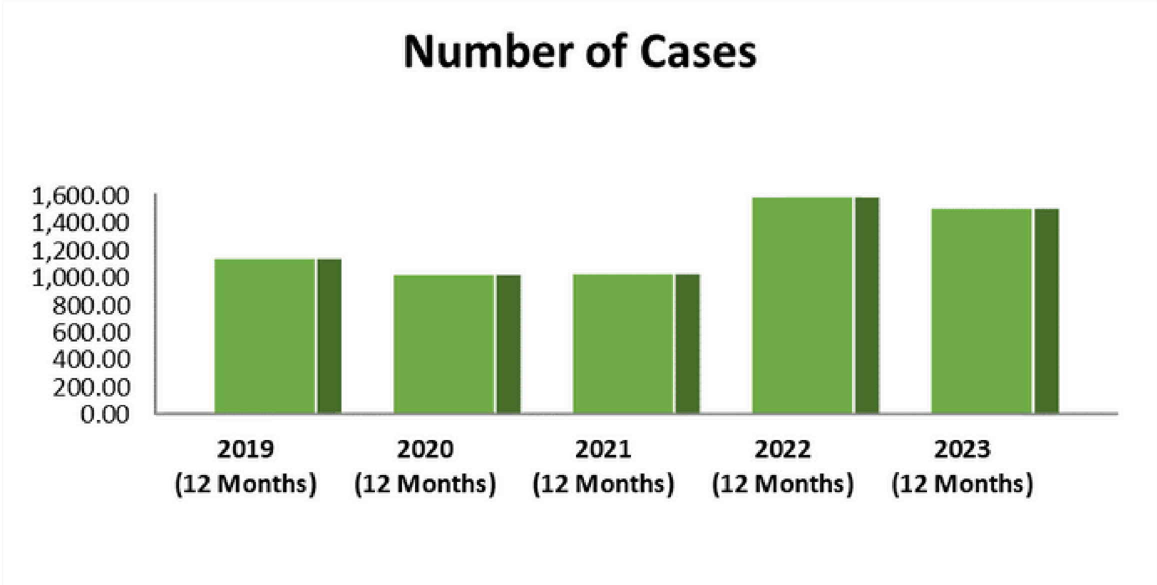
The FRA is also responsible for ensuring the implementation of targeted financial sanctions with respect to terrorism, terrorism financing, proliferation, proliferation financing, and other restrictive measures related to anti-money laundering (AML) and combatting the financing of terrorism (CFT) and proliferation (CFP) from and within the Cayman Islands. The Governor has also delegated specified functions and powers to the Director of the FRA under the Russia Sanctions Regime. The Sanctions Coordinator plays a critical role in the implementation and enforcement of these targeted financial sanctions and other restrictive measures, and in developing and enhancing the jurisdiction's AML/CFT regime, while ensuring ongoing compliance with international standards and best practices.

The following is a synopsis of the activities for the 12 month period January 1, 2023 to December 31, 2023 (the Reporting Period).

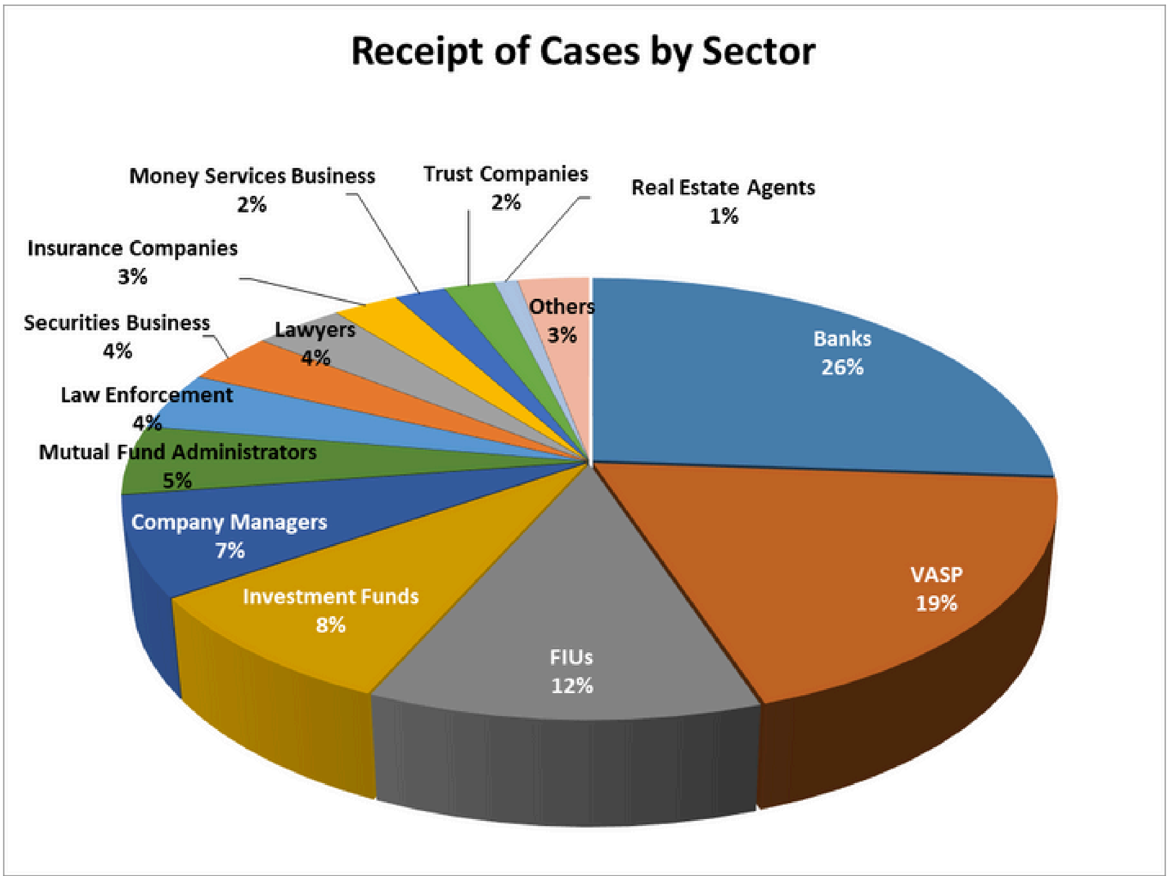
Receipt of Suspicious Activity Reports

The FRA received 1,501 cases during the Reporting Period, comprising 1,290 Suspicious Activity Reports (SARs) from 292 Reporting Entities; 129 Requests for Information and 47 Voluntary Disclosures from 47 overseas Financial Intelligence Units (OFIUs); and 35 Requests for Information from Local Law Enforcement Agencies (LEAs). This reporting period saw a 5% decrease in the number of cases received compared to the same period in 2022 (1,501 vs 1, 586).

Banks were the largest source of cases (392 cases: 26%), followed by: Virtual Asset Service Providers (VASPs) (282 cases: 19%); OFIUs (176 cases: 12%); Investment Funds (130 cases: 12%); Company Managers / Corporate Services providers (110 cases: 7%); Mutual Fund Administrators (76 cases: 5%); Law Enforcement and Competent Authorities (64 cases: 4%); Securities Businesses (56 cases: 4%), Lawyers (55 cases: 3%); Insurance Companies (40 cases: 3%); Money Service Business (31 cases: 2%); Trust Companies (31 cases: 2%); and Real Estate Agents (14 Cases: 1%).



	2019 (12 Months)	2020 (12 Months)	2021 (12 Months)	2022 (12 Months)	2023 (12 Months)
Number of Cases	1,138	1,021	1,025	1,586	1,501



For the 1,501 cases received in 2023, 2,668 reasons for suspicion were recorded[**1**]. The five most common reasons for cases received were: (i) Suspicious Activity (1,005 occasions: 67%); (ii) Fraud (720 occasions: 48%); (iii) Money Laundering (235 occasions: 16%); (iv) Sanctions Matters (121 occasions: 8%); and (v) Declined Business (81 occasions: 5%).

In an effort to provide a more detailed breakdown of what types of activities were deemed suspicious by SAR filers, the FRA has broken down the 1,005 occasions of 'Suspicious Activity' by the following sub-categories:

- Unusual conditions or circumstances: 522 occasions
- Inadequate and / or inconsistent information: 201 occasions
- Activities that appear to lack economic purpose: 119 occasions
- Inconsistent with client profile: 107 occasions
- Transactions that appear to be structured to avoid reporting thresholds: 31 occasions
- High volume transactions: 25 occasions

Analysis of Cases

The FRA completed the analysis of 1,492 cases during the Reporting period, comprising: 1,145 of the 1,501 new cases received during the Reporting Period, 206 of the cases carried over from 2022, 44 of the cases carried forward from 2021, 14 of the cases carried forward from 2020, 24 of the cases carried forward from 2019, 29 of the cases carried forward from 2018, 11 of the cases carried forward from 2017, 9 of the cases carried forward from 2016/17 and 10 of the cases carried forward from 2015/16.

[**1**] Multiple reasons for suspicion can be recorded for each case.

Closure and Dissemination of Cases

The FRA closed 1,133 cases during the Reporting Period, comprising: 857 of the 1,501 new cases received during the Reporting Period, 210 of the cases carried forward from 2022, 21 of the cases carried forward from 2021, 10 of the cases carried forward from 2020, 4 of the cases carried forward from 2019, 23 of the cases carried forward from 2018, 2 of the cases carried forward from 2017, 3 of the cases carried forward from 2016/17 and 3 of the cases carried forward from 2015/16. Of the 1,133 cases closed, 567 were included in a disclosure[**2**], 313 were filed as intelligence, 71 were deemed to require no further immediate action, 157[**3**] were replies to requests from OFIUs and 25 were replies to requests from LEAs and CA.

Financial Sanctions

During the Reporting Period the FRA published 128 (2022: 193) Financial Sanctions Notices on its website. The FRA subscribes to the Email Alert provided by the Office of Financial Sanctions Implementation ("OFSI) within UK HM Treasury, advising of any changes to United Nations, European Union and UK financial sanctions in effect. The FRA forwards these notices automatically to local law enforcement agencies and competent authorities, converts it to a Cayman Notice and publishes the Cayman Financial Sanctions Notice on its website. The average turn-around time for converting these notices, distributing them via e-mail and posting them to the FRA's website is between 1-3 hours.

[**2**] Total number of cases included in a disclosure to local law enforcement agencies, the competent authorities and overseas financial intelligence units.
[**3**] 15 of these cases were also disclosed to LEAs / CA.

Russia Sanctions

We continued to see a number of sanctions being imposed by the United Kingdom (and other countries) in 2023 in response to the Russian invasion of Ukraine on 24 February 2022, in terms of size, scale and complexity. As a result, it has been another challenging year for sanctions implementation due to continued increased demands on the FRA.

For the period February 2022 to December 2023, there have been 22 amendments with 1 revocation (2023:5, 2022:17), covering various measures to the UK's Russia (Sanctions) (EU Exit) Regulations. Of these, 18 amendments (2023:4, 2022:14) have been extended to the Cayman Islands reflected in the 6 amendments (2023:2, 2022:4) to Russia (Sanctions) (Overseas Territories) Order to December 2023.

OFSI has published an unprecedented number of new designations under the Russia sanctions regime, with over 1,600 new listings since the invasion of Ukraine. The FRA published all of these without delay, and sent emails to over 1,200 subscribers, detailing the changes to the Consolidated List. In addition, the nature and volume of the FRA's engagement with industry stakeholders, other competent authorities, external UK Partners (primarily the Foreign, Commonwealth & Development Office, OFSI, Department for Transport), increased to meet the new challenges posed by the Russia Sanctions regime. The Sanctions Coordinator participated in / presented at four (4) domestic outreach sessions.

Relevant Firms continued to submit information concerning funds or economic resources belonging to, owned, held or controlled by a designated person. During 2023, a total of 237 Compliance Reporting Forms (CRFs) were received by the FRA related to the Russia Sanctions regime.

As of 31 December 2023 a total of approximately USD$ 8.32 billion and EUR€230 million held by or on behalf of persons designated under the Russia Sanctions regime were reported as being frozen.

The FRA continues to process licence applications and respond to queries received under the Russia Sanction regime. During the year ending December 2023, 13 (2022:22) formal application have been received.

The Joint Task Force on Russia, comprising representatives from eleven Ministries/Offices/Portfolios/Agencies, continued to meet regularly during 2023.

The following General Licences, which allow multiple parties to undertake specified activities without applicants needing to submit a specific licence request to the FRA, were issued or amended by the Governor with the consent of the UK Secretary of State in 2023.

- Originally issued on October 4 2022 and amended on April 5 2023 and on October 6 2023: **General Licence GL/2022/0001** allows a Relevant Investment Fund or Fund Manager to redeem, withdraw or otherwise deal with an Investment Interest and make payments for basic needs, routine holding and maintenance and legal fees from frozen accounts. This is due to expire on October 6 2024.
- Originally issued on December 15 2022 and amended on March 1 2023: **General Licence GL/2022/0002** implements the Oil Price Cap which came into force on December 15 2022. This measure will deprive Russia of access to excess oil revenues by constraining its ability to sell at global market prices, while still enabling Russian oil to flow to the third countries that need it. This licence is of an indefinite duration.

- **General License GL/2023/0001** was issued on March 21 2023. General License GL/2023/0001 permits any activity (subject to the conditions) that may be undertaken by a Person necessary to terminate an arrangement between them and a Designated Person for that Person to provide Trust Services. This expired June 20 2023.
- **General licence GL/2023/0002** originally issued on April 14 2023 and replaced on November 15 2023 with GL/2023/0003: General License GL/2023/0003 permits an Attorney or Law Firm, subject to certain conditions, who has provided legal advice to a person designated under the Russia or Belarus regime to received payment from that designated person. This is due to expire on May 15 2024.

These General Licenses were posted along with the publication notice on the FRA's website and disseminated to subscribers.

Receipt of Threshold Reports from Money Service Businesses and Banks

On 1 March 2022, the Anti-Money Laundering (Class A and Class B Bank Threshold Reporting) Regulations, 2022 was approved by Cabinet. The Regulations required that a monthly report of threshold transactions carried out by a bank or a nil report in case a bank does not carry out a threshold transfer within the reporting period be submitted to the Financial Reporting Authority.

For the 12 month period ended 31 December 2023, the combined value of bank threshold transfers was approximately US$767 billion for outgoing transfers (97,053 transactions) and US$329 billion for incoming transfers (13,463 transactions).

This is the third year that money services businesses have been submitting threshold transactions on a quarterly basis to the Financial Reporting Authority. The combined value of MSB threshold transactions for the Reporting Period was approximately US$25.7 million for outgoing remittances (21,974 transactions) and US$674 thousand for incoming remittances (350 transactions).

These additional information is assessed when analysing cases, and has helped amplify the analysis for a handful of cases. The information received from threshold reporting will be also be used in future strategic analysis projects where relevant.

Other Key Initiatives

Information Technology

During the Reporting Period, the FRA continued to update its information technology. The FRA launched a new website with a modern, clean and simplified look that conforms to the Cayman Islands Government brand. The new website features easy to find information on key functions of the FRA as well as a dedicated page for Financial Sanctions. It showcases a suite of new features which include fraud alerts, a quick link to forms and documents and how to file a SAR. In the coming months, the site will be updated to offer user controlled subscription to financial sanctions notices and provide statistics on Suspicious Activity Reports.

In October 2023 the FRA successfully migrated to using the new Egmont Secure Web (ESW) launched by the Egmont Group. The ESW is a secure platform provided by the Egmont Group that allows FIUs to exchange expertise and financial intelligence securely. The new platform enables online collaboration, document creation, email management and virtual meetings.

Minor changes were made to the FRA's AMLive Reporting Portal. There are currently 393 active registered users from 201 Reporting Entities; 954 SARs (63%) were filed using AMLive.

The FRA made minor revisions to its disclosure templates and improvements to i2 charts that are provided to recipients of financial intelligence. The i2 charts not only enhance financial analysis but also visually show linkages and relationships, resulting in a better appreciation of the information contained in the disclosures. The FRA has also been utilising the real-time case management and performance metrics capabilities of iBase to enhance the management of cases and improve the timeliness of analysis and disclosures.

Outreach Events / Training / Representing the FRA

In July of 2023 the Director was elected to a two year term as Regional Representative for the Americas Region of the Egmont Group. Regional Representatives liaise between the members in their region and the Egmont Committee and the Egmont Group, and act as advocates for their region. This includes acting as the main contacts for the HoFIU and Egmont Committee on regional issues, mediation of members' issues in the region, and for facilitating training and technical assistance.

A FRA staff member volunteered to be a Regional Support Officer for the Americas Region in relation to the Egmont Group's transition to the new ESW. This role involved assisting other FIUs to set up their Egmont user accounts, providing introduction and guidance on new ESW processes and functionalities, and serving as first level support on troubleshooting any IT issues encountered. The staff member continues to provide support as requested.

The Director was also the Chair of the CFATF Heads of FIUs Forum for the period November 2022 to November 2023.

In addition to the two in-person meetings during the CFATF Plenary and Working Group meetings, the Director also introduced and chaired two virtual CFATF Heads of FIUs Forums in 2023.

Outreach: Staff of the FRA engaged in the following Outreach events covering one or more of the following topics: functions of the FRA, SAR statistics, SAR reporting obligations, and obligations regarding targeted financial sanctions related to terrorist financing and proliferation financing:

- Five (5) presentations at international and domestic industry association events, or other international events.
- Five (5) presentations at private sector organised events, to private entities or to public entities.
- Two (2) 1-on-1 meetings with Money Laundering Reporting Officers (MLROs).
- Two (2) meetings with MLROs to demonstrate AMLive Reporting Portal functionalities.

Training: Staff of the FRA attended numerous training events during the Reporting Period, including:

- ACAMS Anti-Financial Crime/CFT Symposium – Grand Cayman 2023 (6 staff attended)
- Overseas Territories Countering the Financing of Terrorism Forums (1 staff attended)
- Staff completed a number of online training provided by the Egmont Group and the Egmont Center for FIU Excellence and Leadership (ECOFEL) and attended other seminars presented by several training providers on a variety of topics, including:
    - Modern Slavery
    - Corporate Vehicles and Financial Products
    - Financial Instruments used in Money Laundering

    - Virtual Asset Analysis
    - Designated Non-Financial Businesses and Professions
    - FIU – LEA Cooperation
    - Financial Sanctions
    - Cyber Security Awareness

Representing the FRA: Staff members represented the FRA at the following events:

- Egmont Group Head of FIUs, Working Group and Regional Group Meetings – The Director attended face-to-face Working Group meetings in Dakar, Senegal and the 29th Egmont Plenary in Abu Dhabi, United Arab Emirates.
- 56th and 57th CFATF Plenary and Working Group Meetings – 2 members of staff attended various working group meetings for the 56th Plenary and 3 members of staff attended various face-to-face working group meetings for the 57th Plenary hosted by Aruba.
- CFATF Heads of FIUs Virtual Forums – The Director organised the agendas and chaired the virtual meetings.
- The Director attended and presented at an Illicit Finance Forum attended by senior officials from the United Kingdom and the British Overseas Territories.
- The Sanctions Coordinator represented the FRA at the 2023 Sanctions Forum attended by senior officials from the United Kingdom, Crown Dependencies and British Overseas Territories.
- A member of staff represented the FRA at Counter Terrorist Finance Forums attended by senior officials from the United Kingdom and British Overseas Territories.
- Ten (10) meetings with Competent Authorities and Self-Regulatory Bodies.

PLG 21	**Financial Intelligence Services**
DESCRIPTION Provision of financial intelligence services to the Attorney General including: • Receipt of Suspicious Activity Reports (SARs) under the Proceeds of Crime Act (POCA); • Processing requests for information (RFIs)from overseas Financial Intelligence Units (OFIUs); • Processing RFIs from local Law Enforcement Agencies (LLEAs) and Competent Authorities (CAs); • Appropriately disseminate financial intelligence in a timely manner pursuant to the requirements of POCA; • Conduct Industry Outreach events and issue typologies to combat money laundering, terrorist financing and proliferation financing; • Produce periodic statistical reports and an Annual Report relating to financial intelligence services for the Anti-Money Laundering Steering Group (AMLSG); and • Represent the Cayman Islands in the Egmont Group, CFATF and other international forums.	

MEASURES	2023 (12 Months)		
	Budget	Actual	Variance
QUANTITY			
• Total number of cases (SARs, requests from OFIUs and requests from LLEAs and CAs):			
1. SARs	1,260-1,443	1,290	
2. RFIs from OFIUs	151-165	129	(22 - 36)
3. Disclosures from OFIUs	27-41	47	20 - 6
4. RFIs from LLEAs and CAs	25-29	35	10 - 6
Total	1,467 - 1,675	1,501	
• Total number of cases analysed	1,325 - 1,714	1,492	
• Total number of cases closed	1,108 - 1,365	1,133	
• Number of Industry Outreach events	28-44	12	(16 - 32)
• Produce Annual Report pursuant to Section 11(b) of POCA	1	1	-
• Produce Strategic Analysis Report(s) pursuant to Section 4 (1A) (b) of POCA	1	-	(1)
• Number of days spent on representation activities	75-95	80	
QUANTITY			
• Perform the FRA's functions in compliance with the requirements of POCA, including:			
1. Maintaining the confidentiality of information submitted to the FRA, pursuant to Section 10 of POCA	100%	100%	-
2. Ensuring that all disclosures made by the FRA comply with Section 138 of POCA.	100%	100%	-
3. Collect and compile statistical information relating to disclosures made to the FRA under POCA and the onward disclosures of the information made by the FRA (Section 4(2)(f) of POCA	100%	100%	-
• Performing high-quality analysis as prescribed by its operating procedures in order to generate high-quality financial intelligence that is useful to LLEAs, CAs and OFIUs	100%	100%	-
• Produce high quality responses for CFATF Mutual Evaluation process	100%	100%	
• Continuation of high-quality solutions implemented to address CFATF Recommended Actions	100%	100%	-
TIMELINESS			
• Cases to Director for initial review within 2 days of receipt by the FRA	95 - 97%	95%	-
• Cases acknowledged within four days of receipt	97 - 98%	99%	1%
• Priority 1 cases closed within 35 days of receipt	40 - 60%	46%	-
• Priority 2 cases closed within 60 days of receipt	35 - 55%	22%	(12 - 33%)
• Priority 3 cases closed within 80 days of receipt	40 - 60%	14%	(26 - 46%)
• Priority 4 cases closed within 90 days of receipt	40 - 60%	20%	(20 - 40%)
• Annual Report produced on or before the 31st March as per Section 11(b) of POCA	100%	100%	-
• Strategic Analysis Report produced by specified date	100%	0%	(100%)
• Meet deadlines set for CFATF Mutual Evaluation process	80-100%	100%	-

THE TRUMAN BODDEN LAW SCHOOL

TRUMAN BODDEN LAW SCHOOL
CAYMAN ISLANDS

The Truman Bodden Law School ("the Law School") exists pursuant to section 20 of the Legal Practitioners Act (2022 Revision), which provides for the establishment of a local system of legal education.

The Law School has been in operation since 1982, and is an internationally recognised institution, affiliated to the University of Liverpool in the United Kingdom, which validates and awards the undergraduate Bachelor of Laws degree ("the LLB") which is offered on a full and part time basis. The Law School is also affiliated with Oxford Brookes University in the United Kingdom which validates and awards the postgraduate Diploma in Legal Practice, following successful completion of the Professional Practice Course ("the PPC"). Islands.

Thereafter, following the completion of 18 months Articles of Clerkship, trainees will be called to the Cayman Islands Bar as an Attorney-at-Law of the Cayman

Our Mission

The aim of the Law School, in partnership with Liverpool and Oxford Brookes universities in the provision of its undergraduate and postgraduate programmes, is to provide students with a standard of tertiary level legal education equivalent to that prevailing in the United Kingdom and at other recognized providers of legal education across the common law world. In doing so, the Law School aims to provide an environment for its students that encourages and enables them to achieve their full potential in the pursuit of knowledge and academic excellence.

The Law School seeks to promote awareness of the legal, ethical, and moral issues relevant in the development of legal rules and in the practise of law.

The courses offered by the Law School are intended to be of benefit not only to those students who wish to enter the legal profession, but also to those having a variety of other professional career aspirations.

As ever, the last academic year has been a busy one for Law School staff and they continue to engage fully with teaching, learning and assessing the students, as well as undertaking research and offering a range of extra curricula activities.

The 2022/23 Academic Year

In September 2022, TBLS student enrollment was at a similar to the previous academic year, with 100 students enrolling on all programmes. This figure also reflects the continuing trend of strong enrolment on the Professional Practice Course, with 12 new students enrolling on the postgraduate course. The great majority of students enrolled on the LL.B programmes continued to be either Caymanian, married to a Caymanian or long term residents.

July 2023 saw another large number of graduating students, with 25 students graduating in total from all programmes at the annual TBLS Graduation Ceremony. Of the LL.B cohort, six graduates were admitted to the degree with First Class Honours or with Honours at Class II, Division I. Of the 12 students to graduate from the Professional Practice Course, four achieved Distinctions. These results, which were all subject to moderation by our UK partner institutions, are once again a positive indicator of excellence in teaching and student achievement.

The Cayman Islands Legal Assistance Clinic

CILAC continued its valuable contribution to social justice in 2023 and worked in accordance with its mandate to provide greater access to justice for eligible members of the community through the provision of pro bono legal advice and assistance as a complement to the provision of legal services by the local bar and the formal legal aid system. Students at the Truman Bodden Law School have also continued to benefit from undertaking hands-on legal work for the benefit of the wider Cayman Islands community. CILAC's activities in 2023 continued to be coordinated by Law School Assistant Director Andrew Perkins with assistance from the Department of Legal Aid at Judicial Administration. CILAC could not continue to do its work without the valuable input of the 15 participating attorneys and 30 PPC students spanning the cohorts of 2022-2023 and 2023-2024. Throughout 2023 CILAC operated from January through to May and again from September through to December. During 2023 CILAC dealt with 84 cases spanning family, civil, immigration, landlord and tenant, company and employment issues. The intention is to extend participation in the Clinic to final year LL.B students from 2024.

Extra Curricula Activities

TBLS Students Take Part in The Caribbean Law Clinic in Florida

In November 2023 three Truman Bodden Law School students travelled with Truman Bodden Law School Assistant Director Andrew Perkins to Nova South Eastern University in Fort Lauderdale to take part in the American Caribbean Law Initiative Moot. The attending TBLS students earned this opportunity by participating successfully in the TBLS internal mooting competition in 2022.

The American Caribbean Law Initiative facilitates a collaborative relationship between Law School in the Caribbean and the United States and seeks to strengthen and develop legal relationships and give law students the opportunity to work collaboratively on legal problems. The TBLS students worked with students from the Hugh Wooding, Norman Manley, Eugene Dupuch, Nova Southeastern and Florida International University Schools of Law before presenting arguments to Justices and Members of the Florida Bar. Andrew Perkins noted that the TBLS students were praised by the Justices and Attorneys for their thoughtful, well-reasoned and accurate submissions.

TBLS Facilities

The physical space of TBLS at circa 10,000 square feet continues to provide students with facilities which are adequate to support the teaching and study needs of the existing student population. The Law School's central George Town location is readily accessible for staff and students and is regularly the subject of positive comment in student feedback.

All University of Liverpool registered TBLS students (and TBLS academic staff) continue to benefit from state-of-the-art learning and legal research platforms, provided as a result of the law school's partnership with the University. The Law School's website continues to go from strength to strength and now includes an online portal through which new applicants must now apply. With an immense effort by the TBLS administration team, led by Victor Villarin, all current student records have now been converted into digital format and the task is underway to also convert archived student records into electronic form.

TBLS Staffing

For the first time in nearly two years, with the appointment of two new members of academic staff, 2023 witnessed the School being restored to its full complement of nine full time teaching staff. 2023 also saw the appointments of an Information Services Specialist and front office Executive Officer, restoring the complement of full-time support staff to three.

UK Partner Official Visits

2023 witnessed TBLS host representatives of both our UK affiliate partners, with an official visit from Oxford Brookes University taking place in March and the University of Liverpool in August, the latter visit being timed to coincide with the TBLS annual Graduation Ceremony. Both visits were very successful and served to further strengthen the relationships with our undergraduate and postgraduate affiliate partners.

Law School Research Activities

While teaching students is our primary responsibility at the Law School, the importance of staff being research active is recognised to ensure that they remain at the forefront of legal developments in their areas of specialism. Colleagues continue to publish in a wide range of peer-reviewed and highly respected academic journals, as well as present at conferences on subjects such as property law, banking law, crypto currency, environmental law, anti-money laundering provisions and public procurement. Notably, two members of academic staff attended the annual Society of Legal Scholars Conference in Oxford in June 2023.

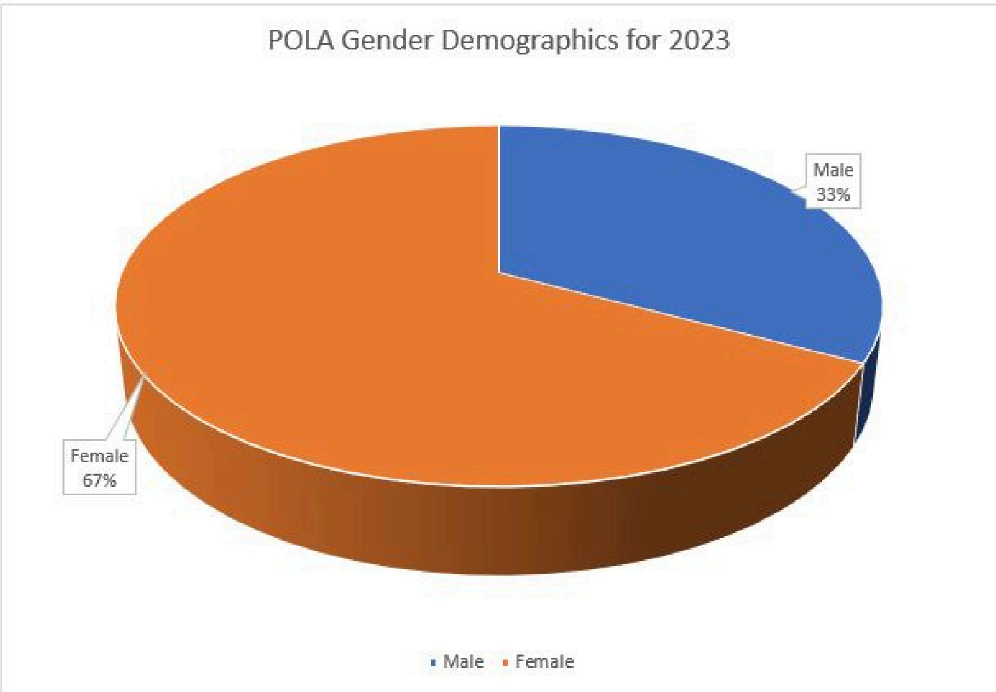
HUMAN RESOURCES MANAGEMENT DEPARTMENT

2023 was another very active year for the Human Resources Team supporting the Portfolio of Legal Affairs. We were able to recruit a Law Lecturer, a Senior Law Lecturer and an Information Services Specialist for the Truman Bodden Law School, a Crown Counsel (Civil) and a Crown Counsel II, and four Office Support Assistants (Summer Interns) for the Solicitor General's Office, as well as a Legislative Counsel for the Legislative Drafting Department and a Human Resources Officer. These were mostly replacement recruitments for the seven departing team members who left the Cayman Islands Government employment in 2023.

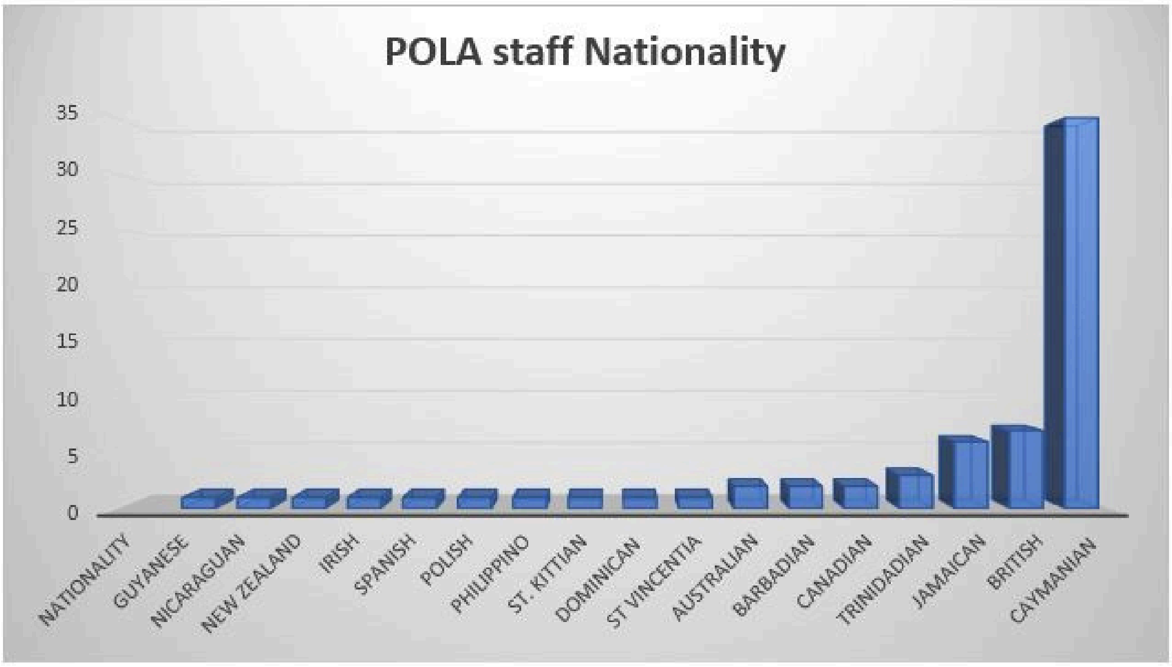
Additionally, the Portfolio saw two promotions amongst our Caymanian team members, one within the Attorney General's Chambers and the other with our Internal Finance team, as well as three transfers into the Portfolio from other Cayman Islands Government entities and two departing transfers, who remain civil servants with other Cayman Islands Government entities.

The Portfolio numbered 67 full time employees at the close of the fiscal year, with staff demographics being shown below.

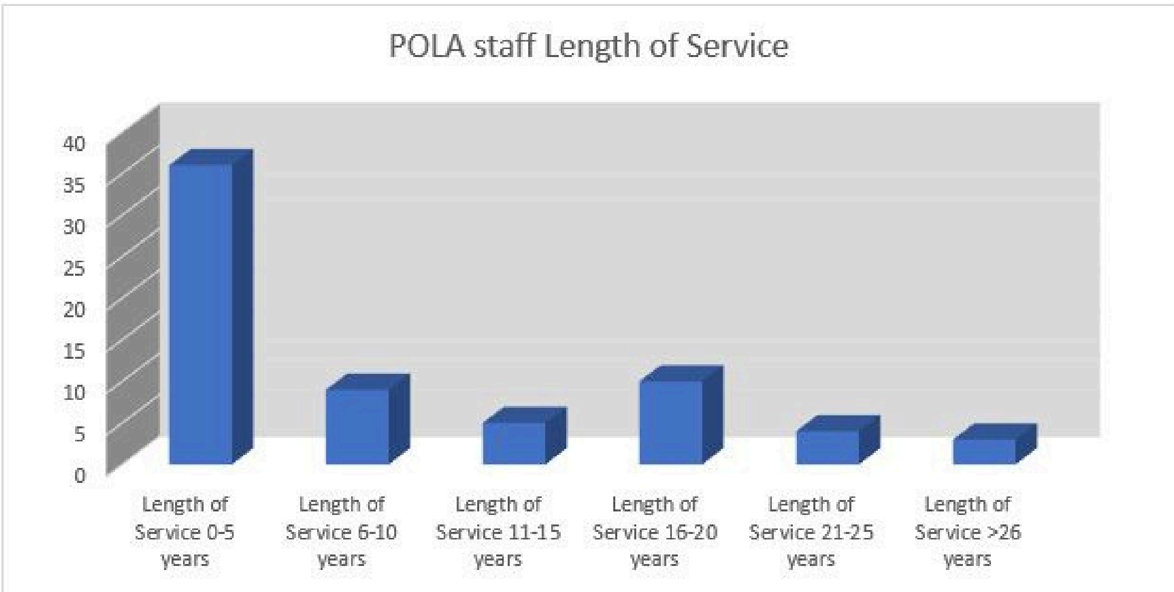
***Gender** (31st December 2023)*



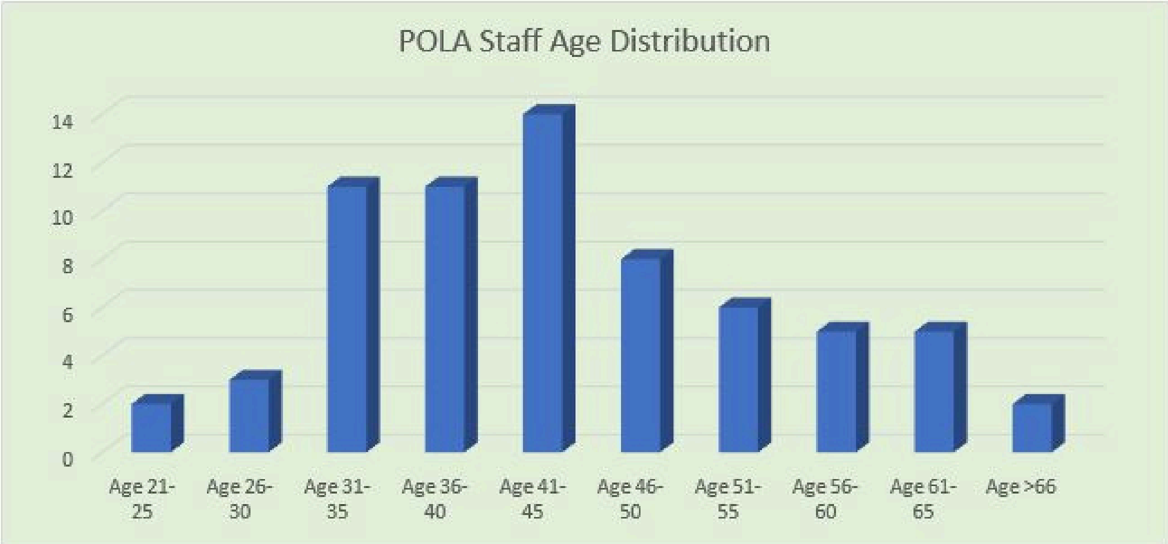
Nationality Breakdown *(31st December 2023)*



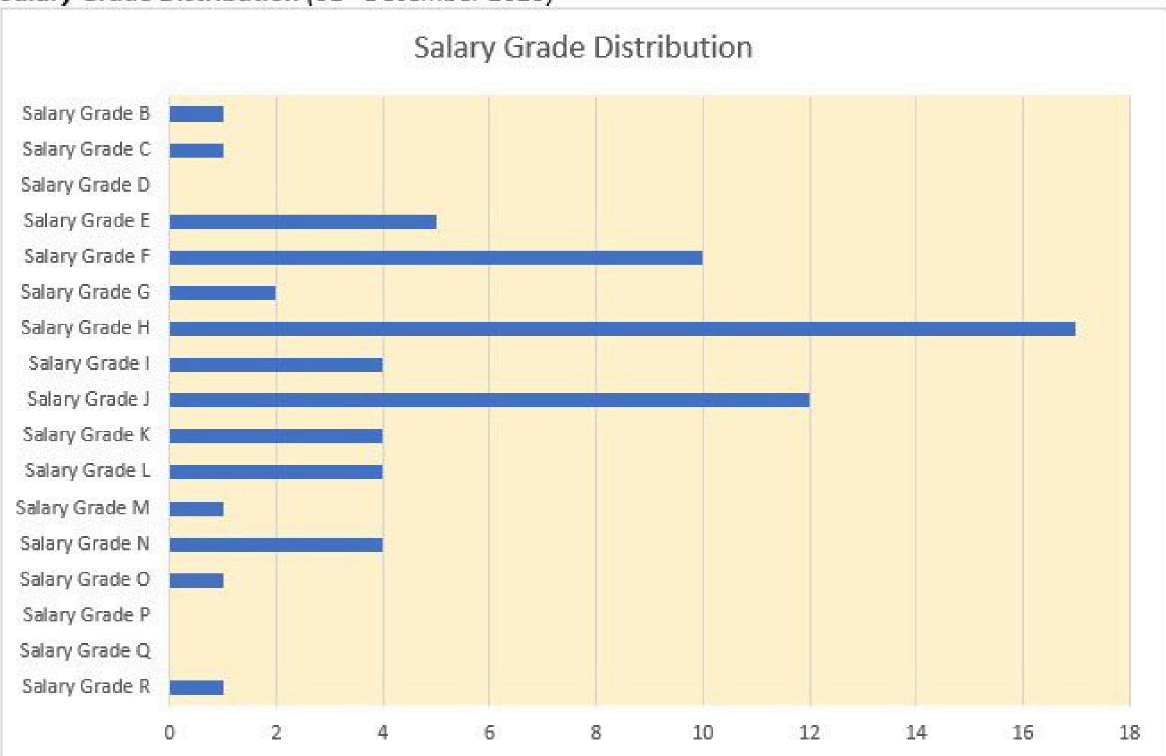
Employee Service Length *(31st December 2023)*



Age Distribution *(31st December 2023)*



Salary Grade Distribution *(31st December 2023)*



Staff Training and Learning

The Portfolio of Legal Affairs continued its' characteristic competitive nature in 2023, which carried over into focused and competitive learning as an organisation with members of the Portfolio again embracing the LinkedIn Learning Challenges that were held amongst the entire civil service in the 2023. This competitive nature also channelled and presented itself in the Cayman Islands Civil Service Quiz Night held in December 2023, where the 'POLA Bears' team came in second place out of 16 teams, flexing their breadth of knowledge in this fun format.

Additionally, there was continuing financial and study leave support provided on an individual basis for several members of the staff of the Portfolio of Legal Affairs. This included study leave for a Caymanian Human Resources Officer pursuing her undergraduate degree as well as further sponsorship for her attendance at the SHRM 75th Annual International Conference in June 2023 and similar professional development support for the Human Resource Manager for her leadership of the Cayman delegation in attending the SHRM Talent Conference in April 2023.

The Caymanian Records Officer was provided with support for her continued pursuit of her undergraduate degree locally, while two Caymanian Articled Clerks were continually hosted by the Portfolio of Legal Affairs during 2023, providing the essential practical legal training required for their future call to the Caymanian Bar anticipated in Q1 of 2024. The Portfolio of Legal Affairs also provided support for one of our Office Support Assistants for her undergraduate studies.

POLA also provided support for professional memberships for staff, such as with the Chartered Institute of Library and Information Professionals, the Society of Human Resources Managers and the Cayman Islands Society of Human Resources Professionals to name a few. The Portfolio also supported the continuing professional education requirements for team members who have earned their professional qualifications (i.e. ACCA, SHRM- SCP and SPHR), while other members of staff pursued their professional qualifications and undergraduate and post-graduate degrees with several successes celebrated during the past year.

The ability of the Portfolio team members to transfer within the POLA also provided career growth opportunities for two team members, which helped in both continuity of operations and retention of varied skill sets, as well as opportunities for cross training within the Portfolio in a continued effort to break down silos of the existing Departments.

ARTICLES OF CLERKSHIP

Articles of Clerkship training is a compulsory and vital stage of a trainee attorney's preparation for a career in law in the Cayman Islands and takes place during a period of recognised training under the supervision of a qualified attorney-at-law pursuant to the Legal Practitioners Act (2022 Revision).

The Portfolio was delighted to enrol two (2) Articled Clerks – Felicia Connor and Colleen Cummings in the 2023 reporting period. The Articled Clerks are expected to complete their seats in the first quarter of 2024.

Articled Clerkship is intended to provide Articled Clerks with practical experience in various areas of law, thereby developing the skills that will be required as future legal practitioners. The Portfolio's Clerkship Program exposes Articled Clerks to the core legal work of the Solicitor General's Office, Legislative Drafting Department and Law Reform Commission.

Articled Clerks are also afforded the opportunity to undertake seats with the Office of the Director of Public Prosecutions for experience with criminal law practice and procedure, and the Department of Lands and Survey, which enables them to develop a sound understanding of the practice and procedure of the sections within that Department such as Land Registry, Valuation Office and Office of the Chief Surveyor. At a Clerk's request, the Portfolio could facilitate a seat with a private sector law firm of the Clerk's choice.

Felicia Connor
Articled Clerk

Colleen Cummings
Articled Clerk

With respect to the Solicitor General's Office, the Articled Clerks were exposed to the full range of civil law matters that fall within the Office's daily operations, thereby gaining invaluable insight into contentious and non-contentious matters. This included providing draft legal advice, contract reviews, preparation of court documents and hearing bundles and attending client meetings with their supervisors. The Clerks were also involved in all aspects of litigation, including court attendance with Crown Counsel and strategic meetings with external counsel.

The training with the Law Reform Commission provided Clerks with a deeper understanding of the various stages of the law reform process, namely, policy formulation; research and consultation methods; legislative drafting; preparation of final reports and Cabinet Papers; speaking notes; minute-taking; proof reading and editing; and presentation.

The seat with the Legislative Drafting Department involved a combination of academic learning and practical experience.

The Articled Clerks were taught the role of the legislative drafter; the stages of the drafting process; statutory interpretation and the importance of the Cayman Islands Constitution Order in drafting legislation; and the rules relating to the style of legislation. They also learned how to use the Department's legislation template and carry out research for legislative precedents.

At the Office of the Director of Public Prosecutions, the Articled Clerks' training included matters such as bail applications, mentions, trials before the Summary and Grand Courts, sentencing, and appeals. In addition, the Articled Clerks were exposed to matters relating to international cooperation including how to process requests from other jurisdictions for mutual legal assistance under applicable statutes such as the Criminal Justice (International Cooperation) Act (2021 Revision).

The stint with the Lands and Survey Department provided the Articled Clerks with comprehensive, hands-on training in the operation of the Cayman Islands Land Registry from completing official searches, filing stays of registration and removing charges.

COMMUNITY SERVICE OUTREACH

Over the years, the Portfolio has demonstrated its commitment to supporting the local community through acts of service. 2023 was no different, as the Portfolio participated in various community projects.

In April, members of the Portfolio teamed up to remove garbage and debris from the Prospect Point Road area during the Earth Day Cleanup.

Later in April, members of the Portfolio also participated in the annual Deputy Governor's 5K (DG5K) walk/run, proceeds of which were donated to: **LOUD Silent Voices**, to support families struggling with mental health; **United Against Bullying Foundation**, as they work to achieve a bully-free Cayman; and the **Cayman Islands Red Cross**, which helps the vulnerable in crisis.

In December, the Portfolio's annual Christmas Charity Donation benefitted three organizations:

- Special Needs Unit of the Department of Children and Family Services;
- Acts of Random Kindness (ARK);
- Cayman Islands Human Society

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APPENDIX A - FINANCIAL STATEMENTS

GOVERNMENT OF THE CAYMAN ISLANDS

Portfolio of Legal Affairs

AUDITED FINANCIAL STATEMENTS
31 December 2023

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Attorney General's Chambers

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133 Elgin Avenue
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Grand Cayman
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George Town
P.O. Box 104
Grand Cayman
Cayman Islands

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Portfolio of Legal Affairs in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As Solicitor General I am responsible for establishing, and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorized by Act, and properly record the financial transactions of the Portfolio of Legal Affairs.

As Solicitor General and Chief Financial Officer, we are responsible for the preparation of the Portfolio of Legal Affairs' financial statements, representation and judgments made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows for the year ended 31 December 2023.

To the best of our knowledge, we represent that these financial statements:

(a) Completely and reliably reflect the financial transactions of the Portfolio of Legal Affairs for the year ended 31 December 2023;

(b) fairly reflect the financial position as at 31 December 2023 and performance for the year ended 31 December 2023;

(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Solicitor General	Chief Financial Officer
Date: 20 April 2024	Date: 20 April 2024

Office of the Auditor General
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AUDITOR GENERAL'S REPORT

To the Members of the Parliament and the Financial Secretary and Chief Officer of the Portfolio of Legal Affairs

Opinion

I have audited the financial statements of the Portfolio of Legal Affairs (the "Portfolio"), which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net assets/equity and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 34.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Portfolio as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Portfolio in accordance with the International Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Portfolio or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Portfolio's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR GENERAL'S REPORT (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Portfolio's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Portfolio to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the Public Management and Finance Act (2020 revision). I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sue Winspear, CPFA
Auditor General

20 April 2024
Cayman Islands

PORTFOLIO OF LEGAL AFFAIRS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000			CI$000	CI$000	CI$000
	Current Assets				
1,425	Cash and cash equivalents	**2**	1,508	1,572	64
965	Receivables from exchange transactions	**3,16,17**	1,005	942	(63)
10	Other receivables	**3**	6	7	1
89	Prepayments	**16**	89	110	21
2,489	**Total Current Assets**		2,608	2,631	23
	Non-Current Assets				
529	Property and equipment	**4,16**	458	581	123
120	Intangible assets	**5,16**	80	65	(15)
649	**Total Non-Current Assets**		538	646	108
3,138	**Total Assets**		3,146	3,277	131
	Current Liabilities				
13	Trade payables	**6,16**	-	18	18
102	Accruals and other liabilities	**6,16,17**	133	185	52
36	Unearned revenue	**7, 16**	34	20	(14)
269	Employee entitlements	**8, 16**	231	175	(56)
420	**Total Current Liabilities**		398	398	-
420	**Total Liabilities**		398	398	-
2,718	**Net Assets**		2,748	2,879	131
	Net Equity				
2,718	Contributed capital	**16**	2,748	2,879	131
2,718	**Total Equity**		**2,748**	**2,879**	**131**

The accounting policies and notes on pages 9-34 form part of these financial statements.

PORTFOLIO OF LEGAL AFFAIRS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
	Revenue				
7,600	Sale of outputs to Cabinet	10,16,17,19	8,248	9,307	1,059
100	Sale of outputs to other Government Agencies	10,16,17,19	-	-	-
746	Sale of outputs to others	10,16,19	741	514	(227)
8,446	**Total Revenue**		**8,989**	**9,821**	**832**
	Expenses				
6,654	Personnel costs	11,16,19	7,399	7,762	363
1,372	Supplies and consumables	12,16	1,203	1,266	63
202	Depreciation and amortisation	4,5,16	179	231	52
7	Revisions to loss allowance	3	11	5	(6)
-	Debts written off	3	2	6	4
208	Litigation costs	13,16	196	550	354
3	Loss/(gain) on foreign exchange transactions		(1)	1	2
8,446	**Total Expenses**		**8,989**	**9,821**	**832**
-	**Surplus for the year**		-	-	-

The accounting policies and notes on pages 9-34 form part of these financial statements.

PORTFOLIO OF LEGAL AFFAIRS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Cayman Islands Dollars)

	Note	Contributed Capital	Accumulated Surpluses	Total Net Assets/Equity	Approved Budget	Variance (Budget vs. Actual)
		CI$000	CI$000	CI$000	CI$000	CI$000
Balance at 1 January 2022		**2,686**	**-**	**2,686**	**2,690**	**4**
Equity investment from Cabinet		32	-	32	147	115
Balance at 31 December 2022		**2,718**	**-**	**2,718**	**2,837**	**119**
Balance at 1 January 2023		**2,718**	**-**	**2,718**	**2,837**	**119**
Equity investment from Cabinet		30	-	30	42	12
Balance at 31 December 2023		**2,748**	**-**	**2,748**	**2,879**	**131**

The accounting policies and notes on pages 9-34 form part of these financial statements

PORTFOLIO OF LEGAL AFFAIRS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI $'000			CI $'000	CI $'000	CI $'000
	Cash flows managed on behalf of Cabinet				
	Operating Activities				
	Cash received				
734	Sale of goods and services - third party		733	500	(233)
96	Sale of goods and services to other government agencies		-	-	-
8,333	Sales to Cabinet		8,208	9,298	1,090
-	Other receipts		-	14	14
	Cash used				
(6,633)	Personnel costs		(7,437)	(7,762)	(325)
(1,596)	Supplies and consumables		(1,383)	(1,829)	(446)
934	Net cash flows from operating activities	**14**	121	221	100
	Investing activities				
	Cash used				
(62)	Purchase of property and equipment	**4**	(65)	(112)	(47)
(9)	Purchase of intangible assets	**5**	(3)	-	3
(71)	Net cash flow used in investing activities		(68)	(112)	(44)
	Financing activities				
	Cash received				
32	Equity injections from Cabinet		30	42	12
	Cash used				
(4,171)	Repayment of surplus		-	-	-
(4,139)	Net cash flows (used in)/from financing activities		30	42	12
(3,276)	Net (decrease)/increase in cash and cash equivalents held		83	151	68
4,701	Cash and cash equivalents at beginning of year		1,425	1,421	(4)
1,425	Cash and cash equivalents at the end of the year		**1,508**	**1,572**	**64**

The accounting policies and notes on pages 9-34 form part of these financial statements.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Description and principal activities

The Portfolio of Legal Affairs (the "Entity") is a Government-owned entity as defined by section 2 of *the Public Management and Finance Act (2020 Revision)* and is domiciled in the Cayman Islands.

The Entity provides a wide range of legal services including legal advice and representation in litigation to the Government and its affiliated entities. It is responsible for the provision of other legal services such as legislative drafting, law reform and law revision. It provides financial intelligence services and support to Government and other stakeholders in anti-money laundering initiatives via the Financial Reporting Authority and the Anti-Money Laundering Unit. Legal education and training are provided by the Truman Bodden Law School. The Entity is headed by the Hon. Attorney General. Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Cabinet as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the year ended 31 December 2023.

The principal address of the Entity is located on the 4th Floor of the Government Administration Building, 133 Elgin Avenue, George Town, Grand Cayman. As of 31 December 2023, the Entity had 66 employees (2022: 64).

Note 1: Significant accounting policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board are used.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the year ended 31 December 2023 other than the assessment of loss allowance on financial instruments which is now based on expected credit losses.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Significant accounting policies (continued)

New accounting standards issued and applicable

The Entity has adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Entity's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.

- Financial instruments and risk management - The policy has been updated to reflect:
  - the new measurement classification categories; and
  - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

The tables below outline the classification of financial assets and liabilities under IPSAS 41 and IPSAS 29 on the date of initial application of IPSAS 41.

Measurement classification		
Financial assets	**IPSAS 29**	**IPSAS 41**
Cash and cash equivalents	Loans & Receivables	Amortised cost
Term Deposits	Loans & Receivables	Amortised cost
Trade and other receivables	Loans & Receivables	Amortised cost
Financial Liabilities	**IPSAS 29**	**IPSAS 41**
Accounts Payable	Amortised Cost	Amortised Cost

IPSAS 41 has had an immaterial impact on the Entity's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Significant accounting policies (continued)

New accounting standards issued and applicable (continued)

IPSAS 42, Social Benefits (effective for period beginning on or after January 1, 2023) defines social benefits and determines when expenses and liabilities for social benefits are recognised and how they are measured. During the financial year it was assessed that IPSAS 42, Social Benefits doesn't have any significant impact on the Entity's financial statements.

New and revised accounting standards issued that are not yet effective and are not early adopted

Certain new accounting standards have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted by the Entity. The Entity's assessment of the impact of these new standards is set out below.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after January 1, 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 45, Property, Plant, And Equipment (effective for periods beginning on or after January 1, 2025) replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognised and measured. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

IPSAS 46, Measurement (effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

IPSAS 47, Revenue (effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

Note 1: Significant accounting policies (continued)

New and revised accounting standards issued that are not yet effective and are not early adopted (continued)

IPSAS 48, Transfer Expenses (effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (effective for periods beginning on or after January 1, 2026) establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. The new pronouncement will bring increased transparency and accountability to these public sector entities, ensuring they can fulfill their obligations to employees and other eligible participants who are members of the retirement benefit plan. The impact on the Entity's financial statements will be assessed closer to the effective date of adoption.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

(b) Reporting Period

The current reporting period is for the year ended 31 December 2023.

(c) Budget amounts

The 2023 budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2023 budget was presented in the 2022-2023 Budget Statement of the Government of the Cayman Islands and approved by the Parliament on 08 December 2021.

Section 9(5) of the Public Management and Finance Act (2020 Revision) states "except to the extent otherwise provided by a law, an appropriation lapses at the end of the budget period to which the law by which the appropriation is granted relates." The budget period is defined as a period of appropriation covering two financial years. The 2022-2023 Budget Statement covers the two financial years commencing 1 January 2022 to 31 December 2023.

During the budget period funds can be utilized between the two financial years. The 2022-2023 appropriations will lapse at the end of the budget period ending 31 December 2023.

Note 1: Significant accounting policies (continued)

(d) Judgments and estimates

The preparation of financial statements in accordance with IPSAS requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The account balances that require judgement are receivables from exchange transactions, intangible assets and property and equipment. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period that is affected by those revisions.

(e) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is deferred as a liability until it is earned.

The Entity derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(f) Expenses

Expenses are recognised when incurred on the accrual basis of accounting. In addition, an expense is recognised for the consumption of the estimated fair value of contributed goods and services received, when an estimate can realistically be made.

(g) Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months at the date of acquisition which are subject to an insignificant risk of changes in value. Although cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

Note 1: Significant accounting policies (continued)

(i) Trade Receivables

Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables and balances due from third parties.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses.

(j) Prepayments

The portion of amounts paid for goods and services in advance of receiving goods and services has been recognised as a prepayment.

(k) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognised initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates stipulated below to allocate the cost or valuation of an item of property and equipment, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Asset type	***Estimated useful life***
• Computer hardware and software	3 – 10 years
• Office equipment and furniture	3 – 10 years
• Motor vehicles	3 – 10 years
• Other equipment	5 – 10 years
• Leasehold improvements	Over the term of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year end. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use in service.

Note 1: Significant accounting policies (continued)

(k) Property and equipment (continued)

Disposals

Gains and losses on disposals of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset on disposal. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

(l) Intangible assets

Acquired computer software licenses lasting over a year are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. Amortisation charge for each period is recognised in the statement of financial performance.

(m) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid. Pension contributions for employees of the Entity are paid to the Public Service Pension Fund (the "Fund") and administered by the Public Service Pensions Board. Contributions of 12% on basic salary (employer 6% and employee 6%) are made to the Fund by the Entity. Contributions of 12% on acting and duty allowances (employer 6% and employee 6%) are made to the Fund by the Entity.

Note 1: Significant accounting policies (continued)

(n) Financial instruments

Financial assets and financial liabilities are recognised in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Initial Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Entity assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortised cost using the effective interest method less any impairment.

Derecognition

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Entity has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

Note 1: Significant accounting policies (continued)

(o) Provisions and contingencies

Provisions are recognised when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Foreign currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the statement of financial performance.

At the end of the reporting year the following exchange rates are to be used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year-end date.
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(q) Revenue from non-exchange transactions

The Entity receives various services from other Government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. Refer to note 9 for further disclosures on non-exchange transactions.

(r) Impairment

An asset is impaired when its carrying amount exceeds its recoverable amount. If there is any indication of impairment present, the Entity is required to make a formal estimate of recoverable amount.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2: Cash and cash equivalents

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
1,220	Operational Current Account - KYD	1,382	1,349	(33)
2	Payroll Current Account - KYD	12	16	4
203	Operational Current Account - USD	114	207	93
1,425	**Cash and cash equivalents**	**1,508**	**1,572**	**64**

Note 3: Receivables from exchange transactions and other receivables

As at 31 December 2023 and 2022, receivables from exchange transactions are composed of:

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI $'000		CI $'000	CI$'000	CI$'000
790	Sale of outputs to Cabinet	774	776	2
78	Outputs to other government agencies	27	-	(27)
160	Sale of goods and service	276	218	(58)
1,028	**Total Receivables**	**1,077**	**994**	**(83)**
(63)	Less: Expected credit losses	(72)	(52)	20
965	**Net Total Receivables**	**1,005**	**942**	**(63)**

As at 31 December 2023 and 2022, other receivables are composed of:

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
6	Advances	2	4	2
4	Salary Receivables	4	3	(1)
10	**Total Other Receivables**	**6**	**7**	**1**
-	Less: Expected credit losses	-	-	-
10	**Net Total Other Receivables**	**6**	**7**	**1**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 3: Receivables from exchange transactions and other receivables (continued)

In measuring expected credit losses for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances are determined on an individual basis. Thereafter, the remaining third-party trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The expected credit loss rate(s) for third-party receivables are based on the Entity's historical credit loss over the prior two years. The historical loss rate(s) are then adjusted for current and forward-looking information on macroeconomic factors affecting the Entity's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

The Entity performed a specific expected credit loss assessment on any related party debtors with qualitative or quantitate factors indicating doubts around collectability. Given the low risk of default on the remaining related party receivables held by the Entity, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating, absence of historical losses on amounts due. The Entity believes that the amounts outstanding on related party receivables are recoverable.

The Entity’s policy is to recognise an expected credit loss of 100% for third-party receivables over 361 days past due because historical experience has indicated that these receivables are generally not recoverable. Receivables are written off and/ or fully provided for when there is no reasonable expectation of recovery.

As at 31 December 2023 and 2022, the ageing analysis of receivables under exchange transactions and other receivables is as follows:

Prior Year Actual CI $'000	Receivables	Current Year (Gross) CI $'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
889	Current	879	994	63
34	Past due 31-60 days	31	-	(31)
44	Past due 61-90 days	82	-	(82)
(2)	Past due 91-360 days	16	-	(16)
63	Past due 361 days and above	69	-	(69)
1,028	**Total Receivables**	**1,077**	**994**	**(135)**

Prior Year Actual CI $'000	Other Receivables	Current Year (Gross) CI $'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
10	Current	6	7	1
-	Past due 31 days and above	-	-	-
10	**Total Other Receivables**	**6**	**7**	**1**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 3: Receivables from exchange transactions and other receivables (continued)

As at 31 December 2023 expected credit losses resulting from balances less than 361 days past due was $3 thousand (2022: nil). Additionally, expected credit losses resulting from full provisioning for balances over 361 days past due amounts $69 thousand (2022: $63 thousand).

Changes in the loss allowance for receivables from exchange transactions and other receivables, during the year ended 31 December 2023 and 2022 are as follows. There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Prior Year Actual	**Description**	**Current Year Actual**
CI $'000		**CI $'000**
56	Allowance for credit losses as at 1 January 2023 calculated under IPSAS 29	63
-	IPSAS 41 expected credit loss adjustment – through opening accumulates surplus/deficit	-
56	**Opening allowance for credit losses as at 1 January 2023**	**63**
7	Revision in loss allowance made during the year	11
-	Receivables written off during the year	(2)
63	**Balance at 31 December**	**72**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 4: Property and equipment

Cost of Property and equipment	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property and Equipment CI$000
Balance as at 1 January 2022	**18**	**76**	**33**	**1,216**	**114**	**3**	**1,460**
Additions	-	20	-	42	-	-	62
Disposals	-	-	(1)	-	-	-	(1)
Transfers from Work in Progress	-	-	-	3	-	(3)	-
Balance as at 31 December 2022	**18**	**96**	**32**	**1,261**	**114**	**-**	**1,521**
Balance as at 1 January 2023	**18**	**96**	**32**	**1,261**	**114**	**-**	**1,521**
Additions	-	11	12	42	-	-	65
Disposals	-	(3)	(2)	(61)	-	-	(66)
Transfers	-	-	-	-	(14)	-	(14)
Balance as at 31 December 2023	**18**	**104**	**42**	**1,242**	**100**	**-**	**1,506**

Accumulated Depreciation	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property and Equipment CI$000
Balance as at 1 January 2022	**8**	**42**	**18**	**714**	**66**	**-**	**848**
Disposals	-	-	(1)	-	-	-	(1)
Depreciation Expense	2	17	3	103	20	-	145
Balance as at 31 December 2022	**10**	**59**	**20**	**817**	**86**	**-**	**992**
Balance as at 1 January 2023	**10**	**59**	**20**	**817**	**86**	**-**	**992**
Disposals	-	(3)	(2)	(61)	(14)	-	(80)
Depreciation Expense	1	14	2	99	20	-	136
Balance as at 31 December 2023	**11**	**70**	**20**	**855**	**92**	**-**	**1,048**
Net Book value 31 December 2022	**8**	**37**	**12**	**444**	**28**	**-**	**529**
Net Book value 31 December 2023	**7**	**34**	**22**	**387**	**8**	**-**	**458**

Note 4: Property and equipment (continued)

As of 31 December 2023, other fixed assets are composed of:

Prior Year Actual CI$000	Description	Cost CI$000	Accumulated depreciation CI$000	Carrying value CI$000
423	Library books	1,157	785	372
8	Lease improvements	63	58	5
4	Security System	11	8	3
9	Other	11	4	7
444	**Total other fixed assets**	**1,242**	**855**	**387**

Note 5: Intangible assets

Cost of Intangible Assets	Computer Software CI$000	Work in Progress CI$000	Total Intangible Assets CI$000
Balance as at 1 January 2022	269	-	269
Additions	7	2	9
Balance as at 31 December 2022	**276**	**2**	**278**
Balance as at 1 January 2023	**276**	**2**	**278**
Additions	3	-	3
Transfers from Work in Progress	2	(2)	-
Balance as at 31 December 2023	**281**	**-**	**281**

Accumulated Amortisation	Computer Software CI$000	Work in Progress CI$000	Total Intangible Assets CI$000
Balance as at 1 January 2022	101	-	101
Amortisation Expense	57	-	57
Balance as at 31 December 2022	**158**	**-**	**158**
Balance as at 1 January 2023	158	-	158
Amortisation Expense	43	-	43
Balance as at 31 December 2023	**201**	**-**	**201**
Net Book value 31 December 2022	**118**	**2**	**120**
Net Book value 31 December 2023	**80**	**-**	**80**

Note 6: Trade Payables, accruals and other liabilities

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
13	Trade payables	-	18	18
86	Accrued expenses	71	182	111
13	Creditors other government agencies	62	-	(62)
3	Other	-	3	3
115	**Total Trade Payables, accruals and other liabilities**	**133**	**203**	**70**

Payables and accruals under exchange transactions and other liabilities are non-interest bearing and are normally settled on 30-day terms.

Note 7: Unearned revenue

In the latter part of 2023, the Law School collected fees for courses which will be held in 2024. These amounted to $34 thousand (2022: $36 thousand).

Note 8: Employee entitlements

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
	Employee entitlements are represented by:			
269	Annual leave	231	175	(56)
269	**Total employee entitlements**	**231**	**175**	**(56)**

The leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 9: Revenue from non-exchange transactions

During the year ended 31 December 2023, the Entity received services in-kind in the form of accommodation in the central government building as well as computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore were not recognised as revenues and expenses in these financial statements.

Note 10: Revenue

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
7,600	Sale of outputs to Cabinet	8,248	9,307	1,059
720	Law School Fees	705	500	(205)
100	Sale of outputs to other government agencies	-	-	-
26	Other	36	14	(22)
8,446	**Total Revenue**	**8,989**	**9,821**	**832**

Note 11: Personnel costs

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		CI$'000	CI$'000	CI$'000
5,424	Salaries, wages and allowances	6,092	6,112	20
855	Health care	972	1,221	249
303	Pension	334	369	35
52	Leave	(37)	12	49
20	Other Personnel related costs	38	48	10
6,654	**Total Personnel Cost**	**7,399**	**7,762**	**363**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 12: Supplies and consumables

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$'000		**CI$'000**	**CI$'000**	**CI$'000**
56	Supplies and Materials	56	68	12
636	Purchase of services	268	395	127
103	Utilities	103	103	-
39	Travel and Subsistence	223	79	(144)
18	Recruitment & Training	10	80	70
375	Lease of property and equipment	387	381	(6)
94	Reference materials	83	102	19
36	Audit and inspection fees	48	42	(6)
10	Repairs and maintenance	9	16	7
5	Other	16	-	(16)
1,372	**Total Supplies & Consumables**	**1,203**	**1,266**	**63**

Note 13: Litigation costs

The Attorney General's Chambers provides litigation and legal advisory services to the Government and its Ministries and Portfolios. During the year ended 31 December 2023, the use of legal services from outside of the Government was authorized by the Attorney General's Chambers to augment the delivery of its litigation and legal advisory services. The costs for these external legal services were $196 thousand (2022: $208 thousand).

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 14: Reconciliation of net cash flows from operating activities to surplus

Prior Year Actual CI$000	Description	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
-	**Surplus for the year**	-	-	-
	Non-cash movements			
202	Depreciation and amortisation expense	179	231	52
7	Bad debt expense	11	-	(11)
-	Debts written off	2	-	(2)
3	Loss/(gain) on foreign exchange transactions	(1)	-	1
	Changes in current assets and liabilities:			
726	Decrease/(increase) in receivables from exchange transactions	(53)	(8)	45
(14)	(Increase)/decrease in other receivables and prepayments	4	(2)	(6)
(22)	(Decrease)/increase in trade payables, accruals and other liabilities	19	-	(19)
11	Increase/(decrease) in unearned revenue	(2)	-	2
21	Increase/(decrease) in employee entitlements	(38)	-	38
934	**Net cash flows from operating activities**	**121**	**221**	**100**

Note 15: Commitments

Prior Year Actual	Type	One year or less	One to five Years	Over five Years	Total
CI$000		CI$000	CI$000	CI$000	CI$000
	Operating Commitments				
515	Non-cancellable accommodation leases	172	-	-	172
515	**Total Operating Commitments**	**172**	**-**	**-**	**172**

The Entity has one medium to long-term lease for the term of 5 years for the property occupied by the Truman Bodden Law School at 11 Dr. Roy's Drive, in George Town. The lease expires on 30 June 2024. The amounts disclosed above as future commitments are based on the current rental rates.

Note 16: Explanation of major variances against budget

The government operates a two-year budget appropriation cycle. Under Section 9(5) of the Public Management and Finance Act (2020 Revision), unused budget in the first year can be moved forward and used in the execution of the deliverables in the second year, in addition to the approved budget of the second year. The transferred budget is added to the budget allocation of the second year to form the new original budget for that year.

At the end of 2022, an unused capital expenditure budget of $115 thousand was carried forward utilizing Section 9(5) of the Public Management and Finance Act (2020 Revision). Original appropriation for the 2023 fiscal year was $42 thousand. The final capital budget for 2023 was therefore adjusted to $157 thousand. However, the capital funding not utilized since existing equipment remained in good working condition.

All unused budget appropriations expired on 31 December 2023.

The final budget is adjusted for amounts approved under Section 9(5) of the Public Management and Finance Act (2020 Revision).

Description	Operating Expenditure CI$000	Capital Expenditure CI$000
2023 original Budget	9,821	42
Section 9(5) C/f to 2023 by output	-	115
Final Budget	**9,821**	**157**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 16: Explanation of major variances against budget (continued)

Explanations for major variances for the Entity's performance against the budget are as follows:

Statement of Financial Position

Receivables from exchange transactions
Receivables from exchange transactions are higher than budget by $63 thousand. This difference was mainly due to receivables from Cabinet for October 2023 ($12 thousand) and December 2023 ($15 thousand) equity injection, for a total of $27 thousand, which the entity had budgeted to receive before year end, as well as a higher than expected net receivable from third party sales at year-end.

Prepayments
Prepayments are lower than budget by $21 thousand due to less purchases of online library resources and less expenditure on software licensing fees. This positive variance is partly due to analyst posts being filled later than anticipated, as such the amount budgeted for the purchase of additional software licenses was not fully utilized.

Property and equipment
Property and equipment are lower than budget by $123 thousand due to less purchases taking place during the 2023 financial year than anticipated; in particular a vehicle purchase of $30 thousand, and purchase of furniture and fitting for $50 thousand. Additionally, office fit-out costs of $23 thousand did not materialize in the 2023 financial year as the Financial Reporting Authority had not acquired a larger office space as planned. Finally, not all funds allocated for the purchase of Computer Hardware in 2023 were utilized.

Intangible assets
Intangible assets are higher than budget by $15 thousand due to the completion of the new Financial Reporting Authority website becoming operational later than anticipated, in December 2023. As a result, there was less accumulated depreciation for intangibles than originally budgeted.

Trade payables
Trade payables are lower than budget by $18 thousand due primarily to a lower than anticipated number of invoices with settlements outstanding prior to year-end.

Accruals and Other Liabilities
Accruals and other liabilities are lower than budget by $52 thousand partly due to there being less litigation costs outstanding at the year-end than previously anticipated. Litigation costs vary year on year due the variable nature of matters arising.

Note 16: Explanation of major variances against budget (continued)

Statement of Financial Position (continued)

Unearned revenue
Unearned revenue is higher than budget by $14 thousand due to a higher amount of payments received from third parties at the end of 2023 for services to be provided in the 2024 financial year.

Employee entitlements
Employee entitlements are higher than budget by $56 thousand as a result of staff taking less annual leave than anticipated partly due to resource constraints.

Contributed Capital
Contributed capital is lower than budget by $131 thousand primarily due to unutilized capital funding of $127 thousand across the 2022 – 2023 financial years.

Statement of Financial Performance

Revenue
Revenue is lower than budget by $832 thousand due to the combined effect of an increase in Law School revenue of $205 thousand, an increase in revenue from sale of outputs to third parties of $22 thousand, and Cabinet funding for the 2023 financial year being $1,059 thousand less than budget; which was a result of savings realized in personnel costs, supplies and consumables, and litigation costs.

Personnel costs
Actual personnel costs are lower than budget by $363 thousand for several reasons, such as vacancies arising from unanticipated staff departures during the year and posts being filled later than anticipated due to challenges in identifying suitable candidates for appointments - in some instances where no successful candidate was identified in a recruitment exercise, a new process had to be commenced with the post being re-advertised. Throughout the year, the Portfolio encountered challenges in filling certain posts (particularly in the legal and compliance sectors) due to the demand on the labor market for such posts and comparatively lower salaries offered by CIG in these areas.

Supplies and consumables
Supplies and consumables are lower than budget by $63 thousand which is due to savings of $70 thousand spent on recruitment and training, and $127 thousand on purchase of services which were realized in part by a reduction in the use of professional services across the 2023 financial year. These savings were offset by increases in travel and subsistence by $144 thousand, due to the demand for in person attendance by members of the Anti-Money Laundering Unit (AMLU) and Financial Reporting Authority (FRA) at various meetings such as the Caribbean Financial Action Task Force Committee (CFATC) and Financial Action Task Force (FATF) plenary meetings.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 16: Explanation of major variances against budget (continued)

Statement of Financial Performance (continued)

Depreciation
Depreciation is under budget by $52 thousand mainly due to assets being placed in service later in the year than planned; and $127 thousand of appropriated capital funding which was not used as of year-end.

Litigation costs
Litigation costs are budgeted as contingencies for the defense of the Government in litigation as well as the provision of legal advice to Government and vary from year to year depending on the number and complexity of cases. This expense was $354 thousand lower than budget, due to the variable nature of matters.

Statement of Changes in Net Assets/Equity

Equity Investment
During a two-year budget period unused funds can be transferred between the two financial years under Section 9(5) of the Public Management and Finance Act (2020 Revision). See below the equity investment movement for the budget period 2022 to 2023 in which unused equity investment funds are transferred from 2022 to cover asset purchases in 2023.

Equity Investment	**CI$000**
2022 Approved Budget	147
2022 Equity Investment Used	(32)
Budget remaining as at 31 December 2022	**115**
2022 Unused Equity Investment carried forward	**115**
2023 Approved Budget	42
Total Equity Investment available for use in 2023	**157**

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 16: Explanation of major variances against budget (continued)

Statement of Changes in Net Assets/Equity (continued)

Equity Investment (continued)

Equity Investment is under budget by $131 thousand mainly due to the 2022 and 2023 capital funding not being fully utilized during the two year budget period. Equity investment funding in used as needed. During the financial year capital purchases such as a new vehicle, furniture and fittings, additional computer hardware, and office fit-out did not materialize. Please refer to the variance explanation for property and equipment for further details.

Note 17: Related party and key management personnel disclosures

Key management personnel

Key management personnel, defined as the Chief Officer, Deputy Chief Officers, Heads of Departments and the Chief Finance Officer, are also considered to be related parties. As at 31 December 2023, there are 9 (2022: ten) full-time and two part-time equivalent personnel considered at the senior management level. The total remuneration includes regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for the members of senior management for the year ended 31 December 2023 was $1,816 thousand (2022: $1,716 thousand).

Related party disclosure

The Entity is a wholly-owned entity of the Government from which it derives a major source of its revenue. The Entity transacts with other government entities on a regular basis. These transactions were provided free of cost during the year ended 31 December 2023. They were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

31 December 2022 Actual	Statement of Financial Position	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
868	Receivables from exchange transactions	801	776	(25)
4,171	Surplus paid during the year	-	-	-
13	Accruals and other liabilities	62	-	(62)
	Statement of Financial Performance			
7,600	Sale of goods and services	8,248	9,307	1,059
100	Sale of outputs to other government agencies	-	-	-

Note 18: Financial instrument risks

The Entity is exposed to a variety of financial risks including credit risk, exchange risk and liquidity risk. The Entity's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up-to-date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2021 Revision) as amended.

Credit risks

Credit risk is the risk that the counter party to a transaction with the Entity will fail to discharge its obligations, causing the Entity to incur a financial loss. Financial assets that potentially subject the Entity to credit risk consist of Cash and Cash Equivalents, trade receivables and other receivables.

The average credit period on sales is 30 days. The Entity manage its Credit risk by transacting only with credit worthy counterparties. Generally, the Entity does not require collateral. Ongoing credit risk is managed through review of ageing analysis. Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

Expected credit losses are calculated on a lifetime basis for Trade Receivables. Please see Note 3 for more information on credit risk disclosures for expected credit loss on Trade Receivables.

The credit risk on cash and cash equivalents and short-term investments is limited. The Entity's main bank is Royal Bank of the Caribbean (RBC) which has a S&P Global Ratings of AA-.

Liquidity risk

Liquidity risk is the risk that the Entity is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the Entity to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Entity on a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the Entity would have with its own cash flows. As at 31 December 2023, all of the financial liabilities were due within three months of the year end date (2022: three months).

Exchange rate risk

The Entity does not have significant exposure to currency exchange rate risk as the Cayman Islands dollar is pegged to the United States Dollar.

PORTFOLIO OF LEGAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Note 19: Segment reporting

For the year ended 31 December 2023:

	Legal Drafting & Review & Modernization of Acts	Litigation & Legal Advice	Ministerial Advice to the Attorney General	Financial Intelligence Services	Law School	Total
	CI$000	CI$000	CI$000	CI$000	CI$000	CI$000
Revenue						
Sale of outputs to Cabinet	1,269	2,476	1,249	1,982	1,272	8,248
Sale of outputs to other Government agencies	-	-	-	-	-	-
Sale of outputs to others	-	5	28	-	708	741
Total Revenue	1,269	2,481	1,277	1,982	1,980	8,989
Expenses						
Personnel costs	1,234	2,044	979	1,780	1,362	7,399
Other expenses	35	437	298	202	618	1,590
Total Expenses	1,269	2,481	1,277	1,982	1,980	8,989
Surplus for the year	-	-	-	-	-	-

For the year ended 31 December 2022:

	Legal Drafting & Review & Modernization of Acts	Litigation and Legal Advice	Ministerial Advice to the Attorney General	Financial Intelligence Services	Law School	Total
	CI$000	CI$000	CI$000	CI$000	CI$000	CI$000
Revenue						
Sale of outputs to Cabinet	1,302	1,999	1,459	1,752	1,088	7,600
Sale of outputs to other Government agencies	-	100	-	-	-	100
Sale of outputs to others	-	-	24	-	722	746
Total Revenue	1,302	2,099	1,483	1,752	1,810	8,446
Expenses						
Personnel costs	1,184	1,668	995	1,587	1,220	6,654
Other expenses	118	431	488	165	590	1,792
Total Expenses	1,302	2,099	1,483	1,752	1,810	8,446
Surplus for the year	-	-	-	-	-	-

Note 19: Segment reporting (continued)

The Entity does not maintain a separate monitoring of total assets, total liabilities and capital cost for each segment. The Entity segment report is prepared on the basis of five major department activities:

1. Legislative drafting and the review and modernization of Acts: This includes the drafting of legislation and regulations for the Government and the study and review of legislation of the Cayman Islands with a view to its systematic development and reform.

2. Litigation and legal advice: The provision of legal advice and representation to Government Ministries, departments and statutory entities on civil matters and the provision of international legal assistance.

3. Advice/secretarial support to the Attorney General: This includes advice and support provided by the Anti-Money Laundering Unit as well as law revision and related policy advice on matters relating to legislation.

4. Financial intelligence services: This includes receipt of financial intelligence (suspicious activity reports (SARs)) under the Proceeds of Crime Act, the Misuse of Drugs Act, and Terrorism Act and facilitating requests for financial intelligence from overseas counterparts.

5. Legal education: The Truman Bodden Law School ("Law School") falls under the remit of the Entity. The Law School offers the Bachelor of Laws (LL.B (Honours)) degree program, part time and full time and the Professional Practice Course (PPC), the postgraduate Diploma (Pg.Dip). The Law School is affiliated with the University of Liverpool and Oxford Brookes University in the UK. There are 95 students registered in total as at 31 December 2023 (31 December 2022: 102).

Note 20: Subsequent events

Effective 1 May 2024, The Truman Bodden Law School entered into a new 5-year lease for a property situated at 67 Fort Street, George Town. The new lease replaces the lease disclosed under note 15. The annual rent shall be $434 thousand with an escalation of 2.5% every 2 years.

Other than the event disclosed above, management is not aware of any other event after the reporting date which would have had an impact on the financial statements.