



MINISTRY OF
FINANCIAL SERVICES
AND COMMERCE
CAYMAN ISLANDS GOVERNMENT

ANNUAL REPORT 2024

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FOREWORD FROM THE MINISTER

Financial services and commerce are the lifeblood of our vibrant economy, driven by a robust and dynamic legal system and an effective, responsive regulatory regime.

And during 2024, the Ministry of Financial Services and Commerce clearly demonstrated its integral role in ensuring that our legislative framework properly balances commercial opportunities with regulatory needs.

I commend all of the agencies under the Ministry's remit for their efforts to help enhance our international reputation and local commercial environment. Their work is vital to the Cayman Islands' ability to continue attracting and supporting sound local and international business.

I also thank local and international stakeholders in financial services and commerce for their continuing confidence in our business offerings and regulatory services.



Premier and Minister of Financial Services and Commerce, the Hon. Juliana O'Connor-Conolly, JP, MP

FOREWORD FROM THE CHIEF OFFICER

As this report highlights, in 2024 the Ministry achieved policy, legislative and operational goals that reaffirmed to local and international investors alike that the Cayman Islands is the place where sound, innovative financial services and commerce activities thrive.

These achievements have taken place against the backdrop of transformation within the Ministry. During the year, new and revised policies were implemented to enhance the Ministry's ways of working, in recognition that internal strength and success leads to external strength and success.

That's why the Ministry has placed greater emphasis on enhancing the policies and procedures that enhance good governance, including through initiatives such as professional development, office culture, remote working, and grievance policies.

Ultimately the Ministry is poised to continue the good work of overseeing financial services and encouraging commerce activity in the Cayman Islands. Going forward, the Ministry stands ready to serve the Government of the day and make the lives of those we serve better.



Chief Officer Dr Dax Basdeo

ABOUT THE MINISTRY

The Ministry's vision and overarching mission, and the agency mission statements, support Government's motto: "To make the lives of those we serve better."

- **Vision:** A globally respected financial services centre of excellence.
- **Overarching Mission:** To continuously improve our platform for competitive, transparent, and compliant financial services.

Agency Mission Statements

General Registry (REG)

To deliver exceptional customer experience through the effective administration and regulation of corporate entities and vital events registers

Department for International Tax Cooperation (TIA)

To be a trusted international partner in tax matters.

National Maritime Affairs Secretariat (NMAS)

To implement and oversee the National Maritime Strategy, in compliance with international maritime conventions and enable the holistic development of the Cayman Islands' maritime sector

Department of Commerce & Investment (DCI)

To licence and regulate sustainable, high quality commercial activity in the Cayman Islands

Intellectual Property Office (IPO)

To nurture creativity and innovation through education, administration and utilisation of IP rights in the Cayman Islands

Overseas Offices

To represent, promote and support the Cayman Islands' interests globally through engagement, advocacy and education

CORE UNITS

Policy, legislation and good governance are at the heart of any government's activities. In 2024, three core units in the Ministry were responsible and accountable for these functions.

- **Operations and Administration Unit (OAU):** Ensures that the Ministry and its agencies' human resource management, financial management, and information management comply with respective government policies, legislation, processes and best practices.
- **Financial Services Unit (FSU):** Provides financial services policy advice and legislative development. Guides the Ministry's operational agencies in these areas in implementing strategic and operational policies.
- **Trade and Commerce Unit (TCU):** Provides commerce, maritime and aviation policy advice and legislative development. Guides the Ministry's operational agencies in these areas in implementing strategic and operational policies.

OPERATIONAL AGENCIES

To be effective, policy, legislation and good governance must be put into action. In 2024 the Ministry's six operational agencies worked closely with the Ministry's core units to help ensure that Government's policy and legislative intent was actually delivered through our public services.

Cayman Islands Intellectual Property Office (CIIPO)

The core of CIIPO's business is to register trademarks, extend UK patents and design rights, and provide licenses for the issuance of orphan works. In addition to registering intellectual property in the Cayman Islands, the CIIPO team engages in community outreach to educate and encourage the public about how to protect their intellectual property, monetise their creative works, etc.

Department of Commerce and Investment (DCI)

DCI issues licenses, certificates and permits for a range of business activities (e.g. trade and business and special economic zone) and permits for music and dancing, the sale of alcohol, tobacco, precious metals and gems, and the public exhibition of films. DCI staff also monitor and enforce compliance with the terms and conditions of some licences, certificates and permits; and issue sanctions for infractions.

Department for International Tax Cooperation (DITC)

DDITC's work helps ensure that the Cayman Islands is a trusted international partner in tax matters. Its staff administer and manage the Cayman Islands' obligations under its network of international tax agreements, including by exchanging information with more than 130 other countries in support of international tax compliance. DITC staff also represent the Cayman Islands Government in global discussions on international tax cooperation.

General Registry (Registry)

General Registry oversees the registration of legal entities, financial structures and vital events in compliance with relevant laws, policies and procedures. The Registrar has delegated authority as the Beneficial Ownership Competent Authority, and may impose administrative fines for beneficial ownership breaches; and also is the Non-Profit Organisations (NPOs) Registrar for the supervision of NPOs.

National Maritime Affairs Secretariat (NMAS)

NNMAS provides strategic oversight, coordination, monitoring and support to all stakeholder entities involved in the delivery of the National Maritime Strategy. This supports compliance with relevant international maritime conventions and instruments related to maritime administration and encompasses all coastal, port and flag state activities.

Overseas Offices

The Cayman Islands' reputation as a well-regulated, cooperative global partner in financial services is supported by the work of three Government representatives: in Europe, including the UK; Asia; and the US. As needs arise the representatives also represent broader Government. The representatives maintain a two-way channel of international engagement and business development between international stakeholders, and the Ministry/Government.

STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES (SAGCS)

Owned by Government and yet legally separate from it, SAGCs deliver specific services on behalf of the people of the Cayman Islands. While their governance structures give them a level of independence as they deliver these services, SAGCs are ultimately accountable to Cabinet and Parliament.

The Ministry has two primary responsibilities for the SAGCs under its remit: Negotiate, agree and monitor purchase and ownership agreements with its SAGCs, on behalf of Cabinet and the Minister of Financial Services and Commerce; and support the Minister and Cabinet with the SAGC's policy development.

Regarding statutory authorities, they are entirely or partly funded by Cabinet, and Cabinet has the power to appoint or dismiss the majority of the statutory authority's governing body.

In 2024 the Ministry oversaw four statutory authorities.

- **Auditors Oversight Authority**
- **Cayman Islands Monetary Authority**
- **Civil Aviation Authority of the Cayman Islands**
- **Maritime Authority of the Cayman Islands**

A Government company is one in which the core government has a controlling interest. The Ministry oversaw one government company in 2024.

- **Cayman Islands Stock Exchange**

ENGAGING WITH STAKEHOLDERS

Throughout 2024 the Ministry and its agencies consulted and engaged with local and international stakeholders virtually, in person, and through events.

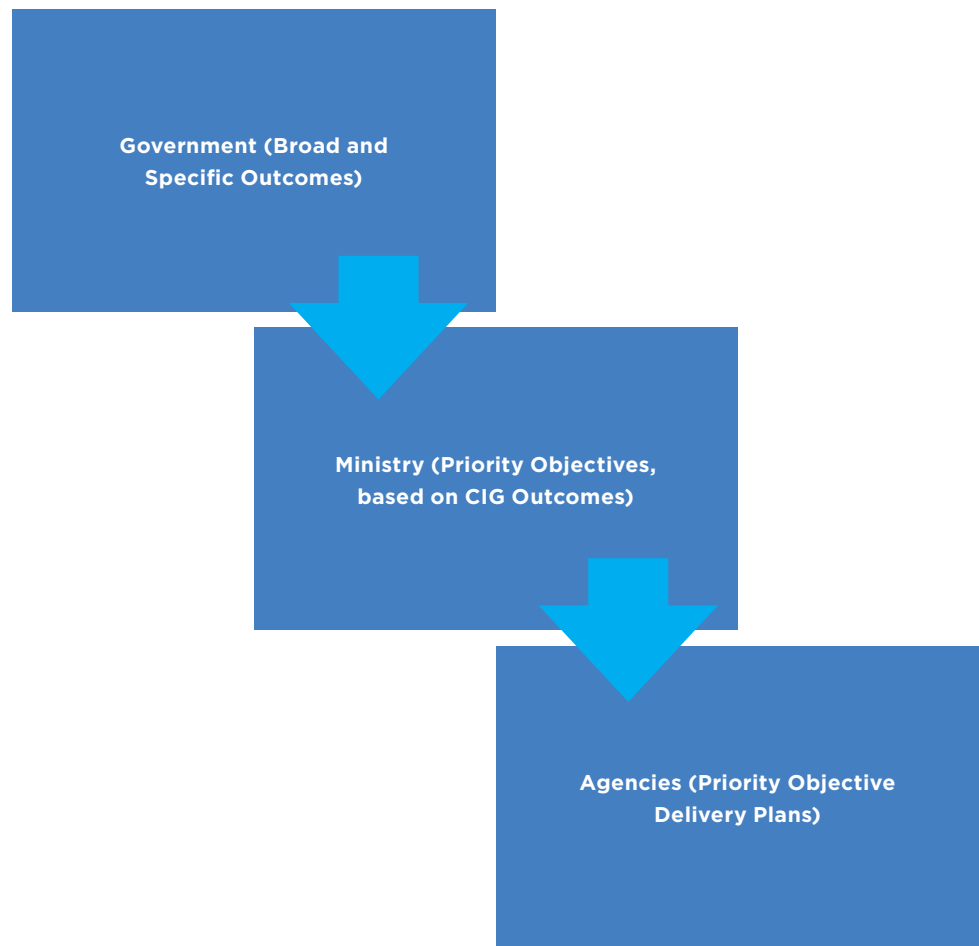
Our engagement maintained and improved mutual understanding with stakeholders on matters such as fighting tax evasion and AML; and also explored commercial opportunities.

Locally and internationally, through in-person and virtual meetings, consultations, and correspondence, the Ministry and its agencies regularly engaged with these industry associations.

Alternative Investment Management Association
Association of Legal Professionals and Advocates (Cayman) Ltd.
Blockchain Association of the Cayman Islands
Cayman Finance
Cayman International Reinsurance Companies Association
Cayman Islands Association of Financial Advisors
Cayman Islands Bankers Association
Cayman Islands Company Managers Association
Cayman Islands Compliance Association
Cayman Islands Directors Association
Cayman Islands Fund Administrators Association
Cayman Islands Institute of Professional Accountants
Cayman Islands Insurance Association
Cayman Islands Legal Practitioners Association
Cayman Islands Real Estate Brokers Association
Chartered Financial Analysts Society Cayman Islands
Digital Cayman
Insurance Managers Association of Cayman
Recovery and Insolvency Specialists Association
Society of Trust and Estate Practitioners
Cayman Islands Chamber of Commerce
Cayman Islands Small Business Association

Internationally, stakeholders also included global regulatory bodies including the OECD on international tax cooperation matters; the Financial Action Task Force (FATF), on anti-money laundering and countering the financing of terrorism (AML/CFT); and bilateral engagement with the UK, EU and US.

HOW THE MINISTRY AND ITS AGENCIES SUPPORTED GOVERNMENT'S PRIORITIES



GOVERNMENT'S FIVE BROAD OUTCOMES IN 2024

Government's Five Broad Outcomes in 2024 described a state, condition or set of national circumstances that Government set out to realise and achieve.

- 1. Improving Quality of Life:** This reflects relevant and meaningful definitions of quality of life as outlined in nation building, sustainability discussions and socio-economic policy;
- 2. Enhancing Competitiveness while meeting international standards:** Enhancing economic, social, environmental or governance activity in which the Cayman Islands compete against regional and international players.
- 3. Future Proofing:** Anticipate and take steps to minimise obsolescence of the Cayman Islands, its Government, economy and its main industries, natural and man-made assets and actively promote the sustainability of its economy, society, natural and man-made environment and institutions.
- 4. Modernising Government:** Increase efficiency and effectiveness in the way that Government delivers its products and services.
- 5. Protecting and Promoting Caymanian Culture, Heritage and Identity:** Conserve and highlight what defines Caymanian culture, heritage and identity.

GOVERNMENT'S SPECIFIC OUTCOMES

Government's Specific Outcomes were the observable state, condition, set of circumstances or results which are necessary or beneficial to achieving the broad outcomes.

These Specific Outcomes were relevant to the Ministry.

- Enhance the entrepreneurial environment for micro/small businesses in the Cayman Islands.
- Maintain market/commercial leading edge in financial, maritime and aviation services.
- Modernise business processes and enhance information technology platforms and infrastructure.
- Position the Public Service as an “employer of choice” to attract and retain world-class talent.

THE MINISTRY AND AGENCY PRIORITY OBJECTIVES FOR 2024

The Ministry and Agency Priority Objectives for 2024 were based on Government's Broad and Specific Outcomes. Details on the six priority objectives are detailed below.

- Enhance local intellectual property registration.
- Streamline the licensing framework for local businesses.
- Working to achieve a positive assessment on International Maritime Organisation and UK Maritime and Coastguard Agency audits.
- Working to achieve a positive assessment on the Financial Action Task Force (FATF) 5th Round Review.
- Working to achieve positive assessments on OECD and Global Forum international tax cooperation reviews.
- Digital registration of vital events records.

Priority objective: Enhance local intellectual property registration

The Ministry’s Trade and Commerce Unit (TCU) and Cayman Islands Intellectual Property Office (CIIPO) spent much of the year focused on improving the Cayman Islands’ intellectual property (IP) registration processes, and on raising awareness locally and globally of the benefits of Cayman’s IP services.

CIIPO staff (from left) Pamela Ebanks, Carolee Nuñez, and Omara Whittaker, at the Chamber of Commerce Economic Forum.

TCU issued public consultation at the end of the year on draft amendments to widen access to trade mark registration services, and to establish qualifications for registered agents.

Projects to allow members of the public to conduct online searches of the registry; and to enhance back-office processes and systems to improve registration efficiency, were well advanced by year end.



World Intellectual Property Day

CIPO extended the local celebration of World Intellectual Property Day to cover the full month of April. This included offering public IP workshops for creatives, entrepreneurs and others in partnership with the Cayman Islands Centre for Business Development.

In May three representatives from CIPO and TCU attended the International Trademark Association meeting in Atlanta, Georgia.

In June CIPO hosted well-attended intellectual property enforcement training led by international presenters, for Customs and Border Control, the Royal Cayman Islands Police Service, and the Department of Commerce and Investment.

*CIPO Examiner
Carolee Nuñez, and
the Ministry's Head
of Commerce Policy
Suzette Ebanks and
Senior Policy Analyst
Alicia Reid, at INTA.*



CIIPO Appoints First Caymanian IP Examiner: The Cayman Islands Intellectual Property (CIIPO) appointed Omara Whittaker as the first Caymanian Intellectual Property Examiner in the jurisdiction.

*Omara Whittaker,
the first Caymanian
Intellectual Property
Examiner in the
jurisdiction.*

“This achievement signifies the recognition of my work over the years and my potential,” she said. Mrs Whittaker started her new duties on 22 July, following a recruitment process.

CIIPO Director Candace Westby noted, “As we continue to see a rise in IP applications, her addition to the examination team will undoubtedly enhance our capacity to serve our customers with excellence.”



Priority objective: Streamline the licensing framework for local businesses

The Commerce Framework Reform Programme, which commenced in 2024, is intended to streamline the local business licensing process by improving the Department of Commerce and Investment's (DCI) efficiency and effectiveness, and by incentivising and promoting competition among local businesses.

Part of the programme is to begin offering multi-year trade and business licenses. Staff in the Trade and Commerce Unit, and DCI, began developing the policy and legislation that this would require, and began liaising with Government's Computer Services Department on potential IT requirements.

IT and Process Enhancements

Mapping service processes was a key initiative for DCI's Licensing Unit, in collaboration with the Ministry's IT Manager and Business Analyst, to ensure its online offerings met customer needs. About 70% of applications in 2024 were submitted online.

Applications processed

DCI processed 17,971 applications in 2024. This includes 16,392 applications specifically for Trade and Business Licenses, reinforcing the DCI's crucial role in supporting the growth of the local economy.

	Total Applications Processed	Trade & Business License applications	Liquor and Music and Dancing Licenses
2022	17,096	15,693	740
2023	17,866	16,427	740
2024	17,971	16,392	842

Priority objective:
Working to achieve a positive assessment on International Maritime Organisation, and UK Maritime and Coastguard Agency audits

To improve the Cayman Islands' preparedness for the International Maritime Organisation and UK Maritime and Coastguard Agency audits, which are expected in early to mid-2025, the National Maritime Affairs Secretariat (NMAS) proposed amendments to the Merchant Shipping Act to modernise decades-old maritime legislation and bring the Cayman Islands' maritime regime in line with international best practice.

Parliament approved the amendments in February and in March the updated Merchant Shipping Act came into effect. Shortly afterward MACI published two shipping notices updating its guidance to Cayman-flagged vessels to reflect best practice.

The National Maritime Administration also agreed to request that the International Oil Pollution Compensation and International Convention on Oil Pollution Preparedness, Response and Co-operation treaties be extended by the UK to the Cayman Islands. Cabinet approval was also received for the development of the Safe Manning Regulations.

Shipping Bill 2023 Passed and Cayman Among the Best: The Cayman Islands is one of 14 flag states to perform positively against all criteria in the recent Flag State Performance Table Report, published by the International Chamber of Shipping (ICS). Flag states are countries where a company registers its commercial and merchant ships.

In the ICS report, the Cayman Islands showed positive indicators for criteria including:

- Port State Control Records
- Age of fleet
- Compliance with reporting requirements
- International Maritime Organisation (IMO) meeting attendance.

"Our focus will always be on the quality of the flag and our clients' needs," Cayman Islands Shipping Registry CEO Joel Walton said. "We are pleased to be acknowledged, for the 14th consecutive year, by the ICS as one of the world's leading flags."

Priority objective: Working to achieve a positive assessment on the FATF 5th Round Review

The Financial Action Task Force (FATF) sets the global standard for AML/CFT (anti-money laundering, countering terrorism financing, and countering proliferation financing). It periodically reviews the AML/CFT regimes of most of the world's countries to assess how effectively the regimes meet the global standard.

FATF is now in its fifth round of reviews. With the support of the Caribbean Financial Action Task Force (CFATF), which supports the FATF's work in the region, it will assess the Cayman Islands' AML/CFT regime in December 2027.

To help prepare for the assessment, the Ministry and its agencies undertook these actions in 2024. Collectively these actions improved the Cayman Islands' regime – in policy, legislation, and systems – as well as Government / private sector collaboration, to meet key FATF Recommendations, especially around preventive measures and effective supervision.

Financial Services Unit

- Actively participated in various CFATF and FATF plenary meetings and working groups, regionally and globally.
- Provided a reviewer from the Cayman Islands for the mutual evaluation of a CFATF member country.
- Consulted upon and implemented changes to the Trust Law, to revise the perpetuities rules applicable to the Cayman Islands.
- Contributed to the procurement process for a consultant to conduct General Registry's Non-Profit Organisation Risk Assessment, and the Cayman Islands' 3rd National Risk Assessment.
- Enhanced and implemented a comprehensive legislative framework for Beneficial Ownership Transparency for legal persons, to align with FATF's Recommendation 24 and Immediate Outcome 5.
- Designed requirements for a more up-to-date and accessible Register of Beneficial Ownership, and developed and published detailed technical and policy guidance.

- Implemented upgraded IT systems to collect and validate beneficial ownership information.
- Designed and deployed a data access portal for the Cayman Islands Monetary Authority, to facilitate access to nature of business information across all business types related to investment funds established in the Cayman Islands.
- Participated in various UK Foreign and Commonwealth Development Office and Her Majesty's Treasury capacity-building forums on countering illicit finance.
- Conducted industry outreach and internal awareness sessions for newly implemented policy.
- Commenced policy development for nominees, foreign entities transparency, and regulatory fees and revenue measures.
- Developed and commenced primary and secondary legislative measures.

Department of Commerce and Investment

- Actively participated in various CFATF and FATF plenary meetings and working groups, regionally and globally.
- Incorporated the revised Anti-Money Laundering (Amendment) Regulations in its regulation of real estate agents/brokers, property developers, and dealers in precious metals and stones, to provide better tools for monitoring, enforcement, and data analysis.

General Registry

- Actively participated in various CFATF and FATF plenary meetings and working groups, regionally and globally.
- Performed a gap analysis on key operations regarding the Beneficial Ownership Transparency Act and the FATF's Recommendation 24.
- Prepared the draft IO5 Effectiveness Self-Assessment on four of the five related core issues.
- Considered relevant data points for conducting the Legal Persons Risk Assessment.
- Contributed to the review/internal consultation on beneficial ownership primary and subordinate legislation, and related guidance documents.
- Compliance and Enforcement staff attended a one-day Association of Certified Anti-Money Laundering Specialists symposium that focused on Cayman's actions and progress with AML/CFT measures.
- The Registrar hosted a one-day retreat for the compliance and enforcement teams, where the Deputy Registrar for Compliance and Enforcement, supported by Ministry's Head of Advisory Services for Regulatory Affairs, conducted a capacity development session on understanding Immediate Outcome 5.
- General Registry supported the British Virgin Islands with their risk-based monitoring and oversight of non-profit organisations (NPOs), and of designated non-financial businesses and professions (DNFBPs).

Compliance and Enforcement: Beneficial Ownership

To implement operational policies and procedures prior to the commencement of the Beneficial Ownership Transparency Act in Q2 2024, General Registry paused enforcement actions during the beginning of the year.

However, while enforcement actions were on hold, verification measures continued using a targeted approach. This reflected a commitment to strengthening compliance processes and aligning with FATF standards.

General Registry then worked with the Ministry's BO Project Team to help corporate services providers (CSPs) manage the transition to the new BO information filing regime. This supported CSPs in complying with the new Act.

Also significant in 2024 was the compliance team's emphasis on the quality of data analysis reduced redundancies, which allowed the team to address complex verification challenges.

Compliance and Enforcement: Non-Profit Organisations (NPOs)

- 23 new NPOs were registered, bringing the total number of NPOs to 630 in 2024.
- Fit and proper tests were completed for 275 persons including controllers, board members and officers.
- The NPO Registrar processed 407 annual returns.
- The NPO Registrar received notices from NPOs relating to changes to 114 controllers and officers.
- Six NPO outreach sessions were held.

Cayman Islands Removed from the EU's AML List: The Cayman Islands' removal from the EU's list of jurisdictions with deficiencies in their AML/CFT (anti-money laundering and countering the financing of terrorism) regimes became effective on 7 February.

"The Cayman Islands Government fully understands the significance of this achievement, and what it means for our international reputation," said the Deputy Premier and Minister of Financial Services, the Hon. André Ebanks MP.

Based on information including our removal from the Financial Action Task Force's AML list, the EU stated that the Cayman Islands had strengthened the effectiveness of our AML/CFT regime and addressed technical deficiencies to meet the FATF's action plans.

Cayman Appointed One of First Ever FATF Guest Members, 23 October 2024:

The Financial Action Task Force (FATF) announced that the Cayman Islands and Senegal are the first countries appointed as guest members under the new Regional Bodies' Guest Initiative.

Created by the new FATF President, Ms Elisa de Anda Madrazo, the initiative will invite two to three guest jurisdictions from the FATF Global Network to attend plenaries for a period of one year and directly participate in meetings and working groups. The objective is to increase the voice of countries from regions that are underrepresented at the FATF membership level and enrich FATF policymaking and risk understanding through sharing regional perspectives.

"This is a profound moment for the Cayman Islands as we have been invited to participate in FATF proceedings at the behest of the new FATF President. For the Cayman Islands to have its own seat at the FATF table, and be recognised as a country capable of having a presence alongside the likes of G20 countries, speaks volumes of our current international standing. It also speaks volumes of the considerable steps taken by the FATF towards inclusivity and diversity," said the Deputy Premier and Minister of Financial Services, the Hon. André Ebanks MP.

Priority objective:
**Working to achieve positive assessments on OECD
Global Forum international tax cooperation reviews**

The OECD Global Forum on Transparency and Exchange of Information for Tax Purposes monitors and peer reviews the implementation of the international standards on transparency and exchange of information on request, and on automatic exchange of information. This supports international tax cooperation.

In 2024 the Department for International Tax Cooperation (DITC) assisted the Cayman Islands in meeting the OECD's global tax cooperation standards.

- Actively participated in international tax fora and meetings to foster collaboration, transparency, fairness of treatment with other countries, and ensuring the integrity of review and assessment processes.
- Began drafting legislation, processes, and IT systems to facilitate the introduction of international standards, including the Crypto Assets Reporting Framework (CARF).
- Enhanced legislation and processes to adopt domestic rules and international arrangements in line with international standards and best practices for OECD Base Erosion Profit Sharing Inclusive Framework Pillars 1 and 2.
- Secured new office accommodation for 2025, in order to meet projected growth in staff.

Priority objective: Digital registration of vital events records which support interconnectivity

In 2024 General Registry made substantial progress in making the Births, Deaths, and Marriages (BDM) system more effective, accurate and accessible. These advancements demonstrate the commitment to leveraging technology to improve service delivery and ensure the seamless management of vital events across the Cayman Islands.

With these improvements and following extensive outreach, 99% of marriage officers in the Cayman Islands now use the marriage portal to submit marriage registers for registration, resulting in improved compliance.

Comprehensive training sessions were held to expand the use of digital tools. Staff at Faith Hospital in Cayman Brac are now proficiently submitting birth and death notifications online, enhancing the timeliness and accuracy of vital records. At the Health Services Authority, two training sessions were held, paving the way for further development in pre-registration processes for births and deaths.

- In accordance with General Registry's file plan, staff destroyed more than 1,000 boxes of files, which created more workspace in its main office.

ADDITIONAL KEY MINISTRY AND AGENCY ACTIVITIES IN 2024

Overseas Offices

The Asia Office was set up in Singapore early April 2024 and officially opened in June 2024 by Her Excellency the Governor, Mrs Jane Owen (via video); the Deputy Premier and Minister of Financial Services and Commerce, the Hon. André Ebanks MP; the Ministry's Chief Officer Dr Dax Basdeo; Government Representative in the Asia Office Gene DaCosta; and Government's Deputy Representative for Financial Services to the UK and Europe, Julie Campbell.

In 2024 Mr DaCosta:

- Accompanied the Deputy Premier and Minister to Tokyo and Hong Kong for various Japanese Government, non-Government organisations and industry stakeholder meetings and events.
- Provided assistance and support to the Maritime Authority of the Cayman Islands in Tokyo, Japan and in Singapore, attending various ship owner and manager meetings in both jurisdictions.

Gene DaCosta, Government Representative in Government's Asia Office (second left), with (from left) Government's Deputy Representative for Financial Services to the UK and Europe, Julie Campbell; the Hon. Deputy Premier and Minister of Financial Services, the Hon. André Ebanks MP; and the Ministry of Financial Services and Commerce's Chief Officer, Dr Dax Basdeo.



- Attended a Corporate Jet Investor Asia Conference in Singapore with the Director-General and Deputy Director-General of the Civil Aviation Authority of the Cayman Islands (CAACI); and hosting CAACI and financial services industry members at the Asia office.
- Spoke at the AIMA Australia event in Sydney with Carey Olson - Singapore.
- Organised a trip to Tokyo, Japan and an initial visit to South Korea with the Minister and the CEO of the Cayman Stock Exchange.
- Supported STEP Cayman and Cayman Finance in Singapore for STEP'S Annual Event, meeting and hosting a number of trust experts from Cayman as well as those who work extensively on Cayman trusts.
- Accompanied Waystone and Walkers – Hong Kong on their roadshow event in Beijing and Shanghai, China; provided opening remarks at the fund seminar events to approximately 75 fund managers; spoke at two private luncheons with members of the China Venture Capital Finance Organisation in both Shanghai and Beijing; and attended private meetings with some of the top five law firms in China.
- Supported Cayman Finance in hosting industry roundtables in Singapore and Hong Kong.
- Accompanied the Deputy Premier and Minister to a side-panel discussion with certain members of the FATF plenary group, hosted by The British High Commission.



Mr DaCosta (right) with the Civil Aviation Authority of the Cayman Islands' Director-General of Civil Aviation Richard Smith, and its Deputy Director-General, Economic Regulatory and Administration, Nicoela McCoy.



Left: The Hon. Deputy Premier and Minister of Financial Services (right) and Ms Campbell, in Brussels.



Right: The Hon. Deputy Premier and Minister of Financial Services (right) and Ms Campbell, in front of the White House.

While Government’s US Office was vacant in 2024, Government continued engaging with US stakeholders, including industry, during the year.

The Deputy Representative for Financial Services in the UK and EU, Julie Campbell, was deployed to the Cayman Islands Government’s London Office in April. She also assisted with financial services matters in the US. Her activities included these initiatives.

- The Deputy Representative was added to the UK Foreign and Commonwealth Development Office’s diplomatic list.
- Engaged with UK financial services stakeholders, other Overseas Territories and Crown Dependencies.
- Participated in a meeting with Transparency International.
- Engaged with 20 UK Parliamentarians and civil servants through a drop-in event and individual meetings.
- Participated in the UK Joint Ministerial Council with the Government delegation.
- Accompanied Deputy Premier and Minister to Brussels to meet staff from the EU Parliament, EU Council, EU Commission, EU Code of Conduct on Business Taxation, and partner jurisdictions.

- Accompanied the Deputy Premier and Minister to New York for the Cayman Finance roundtable, meeting Cayman Finance members in funds and wealth management.
- Accompanied the Deputy Premier and Minister to Washington D.C. to meet with representatives from the Treasury Department and Banking Association.
- Attended the Monaco Yacht Show as a member of the Maritime Authority of the Cayman Islands delegation.
- Held introductory media meetings to highlight the Cayman Islands and financial services.

General Registry

- 11,819 new companies were registered in the Cayman Islands, with 3,960 new partnerships, in 2024.
- Registry fees were reviewed, revised and validated during the year. This, together with the timing difference in annual fee collection at the beginning of the year, resulted in an increase of \$30.4 million over 2023.
- General Registry hosted an anniversary gala in recognition of the Companies Registry's 60 years. Awards were presented to General Registry staff who have served the public for more than 15 years.

Engagement Headlines in 2024

(For more information on the Ministry's activities and achievements, visit www.gov.ky/mfsc/news).

The Deputy Premier and Minister of Financial Services and Commerce speaks at Cayman Finance's industry roundtables in New York City in March.

DP Engages with US Congress, Media and Industry, 26 March 2024: Reinforcing and reaffirming the Cayman Islands' relationships with US policymakers, regulators and industry, the Deputy Premier and Minister of Financial Services and Commerce, the Hon. André Ebanks MP, visited Washington DC and New York City from 13-21 March to listen to their current views on global industry matters, and to update them on our Islands' soundness and business viability.

The Deputy Premier and Minister also held introductory meetings with DC-based journalists from highly respectable media outlets, who cover international issues relevant to Cayman's financial services framework.





DP Highlights Cayman-Asia Business Relationships, 1 May 2024: Deputy Premier and Minister of Financial Services and Commerce, the Hon. André M Ebanks MP, discussed investment management, trusts, structured finance, maritime business and other matters with government officials and industry in Asia.

Government's Representative in the Asia Overseas Office, Gene DaCosta, accompanied the Deputy Premier and Minister to the meetings, which were held the week of 22 April.

The Deputy Premier and Minister of Financial Services and Commerce delivers the keynote on 25 April 2024 during the Maples Insights Investment Funds Forum in Hong Kong.

Fund Registrations in Cayman Reach 30K Milestone, 5 September 2024: The Cayman Islands continued to cement its place as a global leading investment funds centre by attaining 30,000 funds registered for the first time.

According to the Cayman Islands Monetary Authority (CIMA), as of 4 September the total number of registered investment funds in Cayman is 30,038. Of that, there are 17,080 private funds and 12,958 mutual funds.

DP Is Overseas for Government, Industry Engagement, 8 September 2024: Continuing the Cayman Islands' efforts to keep international stakeholders updated on the strength of our regulatory and commercial framework for financial services, the Deputy Premier and Minister of Financial Services and Commerce, the Hon. André Ebanks MP led delegations to the UK and EU, and then to the US, during September.

"Having face-to-face discussions with international elected officials and civil servants, and with international industry, greatly helps us as a country to maintain our global regulatory effectiveness and to take advantage of emerging market opportunities," he explained. "It allows financial services to continue providing significant benefits for our people."

Accompanying him to the UK and EU were Government's Deputy Representative for Financial Services to Europe Julie Campbell and Representative to the UK Dr Tasha Ebanks-Garcia, both based in the UK; Director of the Ministry's Regulatory Affairs Unit, Andrea Proctor; Cayman Islands Monetary Authority (CIMA) Managing Director Cindy Scotland and Senior Legal Counsel Stephanie Adolphus; and Cayman Finance CEO Steve McIntosh and Associate Director Samantha Widmer.

Accompanying him to the US were the Ministry's Head of Advisory Services in the Regulatory Affairs Unit, Duwayne Lawrence; CIMA's Head of Insurance Supervision Division Kara Ebanks and Chief Analyst Dane Doctor; Cayman International Reinsurance Companies Association's Chair David Self and CIRCA representative Greg Mitchell; Insurance Managers Association of Cayman Chair Kieran Mehigan; and Ms Widmer and Mr McIntosh.

Deputy Premier, Attorney General to Attend FATF Plenary after Asia, US Engagements, 16 October 2024: Deputy Premier and Minister of Financial Services and Commerce, the Hon. André Ebanks MP, was part of a Cayman Islands Government delegation that represented the country at the Financial Action Task Force (FATF) Plenary in Paris.

Led by the Attorney General, the Hon. Samuel Bulgin, the delegation included representatives from multiple agencies including the Cayman Islands Monetary Authority and the Ministry of Financial Services and Commerce.

The Deputy Premier and Minister's Asia engagements to Tokyo and Seoul were from 29 September to 5 October. His Tokyo schedule included discussions with financial services representatives in asset management, legal services, banking, audit services and corporate administration.

In Seoul, the Deputy Premier and Minister met with financial services practitioners in the areas of investment funds and venture capital.

His US engagements in New York were held from 16 to 20 September. The Deputy Premier and Minister spoke at a reinsurance roundtable organised by the Cayman International Reinsurance Companies Association and Cayman Finance, and at the Ogier Funds Symposium. He also attended a number of client meetings.

The Deputy Premier and Minister of Financial Services and Commerce met with financial services practitioners in Seoul in the areas of investment funds and venture capital.



Resignation from Government

Deputy Premier and Minister of Financial Services and Commerce, the Hon. André Ebanks MP, announced on 31 October 2024 that he was resigning from Government. Subsequently the Premier, the Hon. Juliana O'Connor-Connolly, JP, MP, was appointed Minister of Financial Services and Commerce by Her Excellency the Governor, Mrs Jane Owen.

LEGISLATION ACTIVITIES IN 2024

Primary legislation

Banks and Trust Companies (Amendment) Act, 2023
(Commencement) Order, 2024 (SL 24 of 2024)

Banks and Trust Companies (Amendment) Act, 2024
(Act 10 of 2024)

Banks and Trust Companies (Amendment) Act, 2024
(Commencement) Order, 2024 (SL 61 of 2024)

Beneficial Ownership Transparency Act, 2023
(Commencement) Order, 2024

Companies (Amendment and Validation) Act, 2024
(Act 11 of 2024)

Companies (Amendment and Validation) Act, 2024
(Commencement) Order, 2024 (SL 50 of 2024)

Companies (Amendment of Schedule 5) Order, 2024
(SL 37 of 2024)

Companies (Amendment) Act, 2023 (Commencement)
Order, 2024 (SL 17 of 2024)

Companies (Amendment) Act, 2024 (Act 3 of 2024)

Companies Management (Amendment) (No.2) Act,
2023 (Commencement) Order, 2024 (SL 23 of 2024)

Companies Management (Amendment) Act, 2024
(Act 12 of 2024)

Companies Management (Amendment) Act, 2024
(Commencement) Order, 2024 (SL 57 of 2024)

Exempted Limited Partnership (Amendment and
Validation) Act, 2024 (Act 13 of 2024)

Foundation Companies (Amendment) Act, 2023
(Commencement) Order, 2024 (SL20 of 2024)

Insurance (Amendment and Validation) Act, 2024
(Act 14 of 2024)

Insurance (Amendment and Validation) Act, 2024
(Commencement) Order, 2024 (SL 56 of 2024)

Insurance (Amendment) (No.2) Act, 2023
(Commencement) Order, 2024 (SL 22 of 2024)

Limited Liability Companies (Amendment
and Validation) Act, 2024 (Act 15 of 2024)

Limited Liability Companies (Amendment and
Validation) Act, 2024 (Commencement) Order,
2024 (SL 52 of 2024)

Limited Liability Companies (Amendment) Act, 2023
(Commencement) Order, 2024 (SL 18 of 2024)

Limited Liability Partnership (Amendment and
Validation) Act, 2024 (Act 16 of 2024)

Limited Liability Partnership (Amendment and
Validation) Act, 2024 (Commencement) Order,
2024 (SL 53 of 2024)

Limited Liability Partnership (Amendment) Act,
2023 (Commencement) Order, 2024 (SL 19 of 2024)

Monetary Authority (Amendment and Validation)
Act, 2024 (Act 17 of 2024)

Monetary Authority (Amendment and Validation) Act,
2024 (Commencement) Order, 2024 (SL 55 of 2024)

Mutual Funds (Amendment and Validation) Act,
2024 (Act 18 of 2024)

Mutual Funds (Amendment and Validation) Act,
2024 (Commencement) Order, 2024 (SL 59 of 2024)

Mutual Funds (Amendment) Act, 2023
(Commencement) Order, 2024 (SL 21 of 2024)

Partnership (Amendment and Validation) Act,
2024 (Act 19 of 2024)

Partnership (Amendment and Validation) Act, 2024
(Commencement) Order, 2024 (SL 54 of 2024)

Perpetuities (Amendment) Act, 2024 (Act 7 of 2024)

Private Funds (Amendment and Validation) Act,
2024 (Act 20 of 2024)

Private Funds (Amendment and Validation) Act, 2024
(Commencement) Order, 2024 (SL 60 of 2024)

Primary legislation *continued*

Securities Investment Business (Amendment and Validation) Act, 2024 (Act 21 of 2024)

Securities Investment Business (Amendment and Validation) Act, 2024 (Commencement) Order, 2024 (SL 58 of 2024)

Virtual Asset (Service Providers) (Amendment) Act, 2024 (Act 22 of 2024)

Virtual Asset (Service Providers) (Amendment) (No.2) Act, 2023 (Commencement) Order, 2024 (SL 25 of 2024)

Local Companies (Control) (Amendment) Act, 2024

Secondary legislation

Banks and Trust Companies (Licence Applications and Fees) (Amendment) Regulations, 2024 (SL 66 of 2024)

Beneficial Ownership Transparency (Access Restriction) Regulations, 2024

Beneficial Ownership Transparency (Legitimate Interest Access) Regulations, 2024

Beneficial Ownership Transparency Regulations, 2024

Companies Management (Amendment) Regulations, 2024 SL 67 of 2024

Exempted Limited Partnership (Amendment) (No. 2) Regulations, 2024 (SL 39 of 2024)

Exempted Limited Partnership (Amendment) (No. 3) Regulations, 2024 (SL 62 of 2024)

Exempted Limited Partnership (Amendment) Regulations, 2024 (SL 27 of 2024)

Insurance (Applications and Fees) (Amendment) Regulations, 2024 (SL 68 of 2024)

Insurance (Portfolio Insurance Companies) (Amendment) Regulations, 2024 (SL 69 of 2024)

Limited Liability Companies (Fees) (Amendment) (No. 2) Regulations, 2024 (SL 63 of 2024)

Limited Liability Companies (Fees) (Amendment) Regulations, 2024 (SL 38 of 2024)

Limited Liability Partnership (Fees) (Amendment) (No. 2) Regulations, 2024 (SL64 of 2024)

Limited Liability Partnership (Fees) (Amendment) Regulations, 2024 (SL 40 of 2024)

Monetary Authority (Administrative Fines) (Amendment) Regulations, 2024 (SL 29 of 2024)

Money Services Businesses (Amendment) Regulations, 2024 (SL 70 of 2024)

Mutual Funds (Fees) (Amendment) Regulations, 2024 (SL 72 of 2024)

Partnership (Fees) Regulations, 2024 SL 65 of 2024

Private Funds (Annual Returns) (Amendment) Regulations, 2024 (SL 73 of 2024)

Private Funds (Fees) Regulations, 2024 SL 74 of 2024

Private Trust Companies (Amendment) Regulations, 2024 (SL 75 of 2024)

Securities Investment Business (Licence Applications and Fees) (Amendment) Regulations, 2024 (SL 76 of 2024)

Securities Investment Business (Registration and Deregistration) (Amendment) Regulations, 2024 (SL 77 of 2024)

Local Companies (Control) (Fees) Regulations, 2024

Full List of Financial Services Legislation Administered by the Ministry

Accountants Act	Directors Registration and Licensing
Accountants (Application for Membership) Regulations	(Registration and Licensing) Regulations
Accountants (Disciplinary) Regulations	Exempted Limited Partnership Act
Accountants (Quality Assurance) Regulations	Exempted Limited Partnership Regulations
Auditors Oversight Act	Foundation Companies Act
Auditors Oversight Regulations	Foundation Companies (Fees) Regulations
Banks and Trust Companies Act	Friendly Societies Act
Beneficial Ownership Transparency Act	Insurance Act
Alternative Financial Instruments Regulations	Insurance (Applications and Fees) Regulations
Banks and Trust Companies (Designation) Order	Insurance (Capital and Solvency) (Class A insurers) Regulations
Banks and Trust Companies (License Application and Fees) Regulations	Insurance (Capital and Solvency) (Classes B, C and D Insurers) Regulations
Private Trust Companies Regulations	Insurance (Exemption) Regulations
Bills of Exchange Act	Insurance (Forms) Regulations
Births and Deaths Registration Act	Insurance (Portfolio Insurance Companies) Regulations
Building Societies Act	Insurance (Reporting) Regulations
Cape Town Convention Act	Insurance (Variation of Fees) Regulations
Churches Incorporations Act	International Interests in Mobile Equipment (Cape Town Convention) Act
Civil Partnership Act	International Tax Cooperation (Economic Substance) Act
Civil Partnership Regulations	International Tax Cooperation (Economic Substance) (Prescribed Dates) Regulations
Companies Act	International Tax Cooperation (Economic Substance) Regulations
Beneficial Ownership (Companies) Regulations	Limited Liability Companies Act
Companies (Translation Certificate) Regulations	Beneficial Ownership (Limited Liability Companies) Regulations
Insolvency Practitioners Regulations	Limited Liability Companies (Fees) Regulations
Companies Management Act	Limited Liability Companies (Translation Certificate) Regulations
Companies Management Regulations	Limited Liability Partnership Act
Contracts (Rights of Third Parties) Act	
Cooperative Societies Act	
Cooperative Societies Regulations	
Development Bank Act	
Directors Registration and Licensing Act	

Full List of Financial Services Legislation Administered by the Ministry *continued*

Beneficial Ownership (Limited Liability Partnership) Regulations	Securities Investment Business (Conduct of Business) Regulations
Limited Liability Partnership (Fees) Regulations	Securities Investment Business (EU Connected Fund (Alternative
Marriage Act	Investment Fund Managers Directive) Regulations
Monetary Authority Act	Securities Investment Business (Financial Requirements and
Monetary Authority (Administrative Fines) Regulations	Standards) Regulations
Monetary Authority (Fees) Regulations	Securities Investment Business (Licence Applications and Fees) Regulations
Money Services Act	Securities Investment Business (Registration and Deregistration) Regulations
Money Services Business Regulations	Stock Exchange Company Act
Mutual Funds Act	Stock Exchange Authority Regulations
Mutual Fund Administrators Licence (Applications) Regulations	Tax Information Authority Act
Mutual Funds (Annual Returns) Regulations	Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations
Mutual Funds (EU Connected Fund (Alternative Investment Fund	Tax Information Authority (International Tax Compliance) (Country-by-Country Reporting)
Managers Directive)) Regulations	Tax Information Authority (International Tax Compliance) (United Kingdom) Regulations
Mutual Funds (Fees) Regulations	Tax Information Authority (International Tax Compliance) (United States of
Retail Mutual Funds (Japan) Regulations	America) Regulations
Non-Profit Organisations Act	Tax Information Authority Regulations
Non-Profit Organisations (Registration Application) Regulations	Trusts Act
Partnership Act	Trust (Transparency) Regulations
Partnership (Fees) Regulations	Virtual Asset (Service Providers) Act
Private Funds Act	Virtual Asset (Service Providers) (Savings and Transitional) Regulations
Private Funds (Fees) Regulations	Virtual Asset (Service Providers) Regulations
Private Funds (Savings and Transitional Provisions) Regulations	
Private Funds Regulations	
Property (Miscellaneous Provisions) Act	
Public Recorder Act	
Securities Investment Business Act	

Full List of Intellectual Property Legislation Administered by the Ministry

The Copyright (Cayman Islands) Order	Design Rights Publication Fees Order
The Designation of Educational Institutions Order	Design Rights Registration Regulations
The Copyright (Licensing of Orphan Works Regulations) Regulations	Merchandise Marks Act
The Copyright (Material Open to Public Inspection) (Marking of Copies of Maps) Order	Patents Act
The Copyright (Material Open to Public Inspection) (Marking of Copies of Plans and Drawings) Order	Patents and Trade Marks (Transitional Provisions) Regulations
The Copyright (Customs) Regulations	Patents Regulations
The Copyright (International Organizations) Order	Trade Marks Act
The Infringing Copies (Notice of Seizure) Order	Trade Marks (Transitional Provisions) Regulations
Design Rights Registration Act	Trade Marks Regulations

Full List of Commerce Legislation Administered by the Ministry

Air Navigation (Overseas Territory) Order	Nuclear Fuel, etc.) (INF Code) Regulations
Civil Aviation Authority Act	Merchant Shipping (Certification of Ships' Cooks) Regulations
Aircraft (Landing and Parking Fees) Regulations	Merchant Shipping (Certification, Safe Manning, Hours of Work and Watchkeeping) Regulations
Airport (Security Tax) Regulations	Merchant Shipping (Classes of Ships) Regulations
Airport Regulations	Merchant Shipping (Counting and Registration of Persons on Board Passenger Ships) Regulations
Airports (Designation) Regulations	Merchant Shipping (Entry into Dangerous Spaces) Regulations (SL 11 of 2004)
Airports (Straying Animals) Regulations	Merchant Shipping (Fees) Regulations
Mortgaging of Aircraft Regulations	Merchant Shipping (Guarding of Machinery and Safety of Electrical Equipment) Regulations
Liquor Licensing Act	Merchant Shipping (Load Line) Regulations
Liquor Licensing (Fees) Regulations	Merchant Shipping (Marine Casualty Reporting and Investigation) Regulations
Liquor Licensing (Lifting of Moratorium) (Package and Retail Licenses) Order	Merchant Shipping (Maritime Labour Convention) (Crew Accommodation) Regulations
Local Companies (Control) Law	Merchant Shipping (Maritime Labour Convention) (Food and Catering) Regulations
Local Companies (Control) Regulations	
Maritime Authority Act	
Merchant Shipping Act	
Merchant Shipping (Carriage of Nautical Publications) Regulations	
Merchant Shipping (Carriage of Packaged Irradiated	

Full List of Commerce Legislation Administered by the Ministry *continued*

Merchant Shipping (Maritime Labour Convention) (Health and Safety) Regulations	Navigation) Regulations
Merchant Shipping (Maritime Labour Convention) (Medical Care) Regulations	Merchant Shipping (Tonnage) Regulations
Merchant Shipping (Maritime Labour Convention) (Medical Certification) Regulations	Merchant Shipping (Vessels in Commercial Use for Sport or Pleasure) Regulations
Merchant Shipping (Maritime Labour Convention) (Repatriation) Regulations	Merchant Shipping (Wreck Removal Convention) Regulations
Merchant Shipping (Maritime Labour Convention) (Seafarer Employment Agreement, Shipowners' Liabilities and Wages) Regulations	Music and Dancing (Control) Act
Merchant Shipping (Maritime Labour Convention) (Survey and Certification) Regulations	Permitted Hours Order
Merchant Shipping (Maritime Security) Regulations	Secondhand Dealers Act
Merchant Shipping (Means of Access) Regulations	Secondhand Dealers (Forms) Regulations
Merchant Shipping (Medical Examination) Regulations	Special Economic Zones Act
Merchant Shipping (Pleasure Yachts Carrying Passengers) Regulations	Special Economic Zones (Cayman Enterprise City) Order
Merchant Shipping (Port State Control) Regulations	Special Economic Zones Regulations
Merchant Shipping (Prevention of Collisions and Use of Distress Signals) Regulations	Sunday Trading Law
Merchant Shipping (Registration of Ships) Regulations	Sunday Trading Order
Merchant Shipping (Returns of Births and Deaths) Regulations	The Film Exhibition Control Act
Merchant Shipping (Safety of	Tobacco Act
	Tobacco Regulations
	Trade and Business Licensing Act
	Trade and Business Licensing (Appeals) Regulations
	Trade and Business Licensing (Forms) Regulations
	Trade and Business Licensing Directions

HR ANNUAL STATISTICS FOR 2024

Staffing Levels by Department

Department	Staff
MFSC Core	49
CIIPO	5
DITC	17
DCI	28
GR	51
Total	150

Three-year Comparison

Year	Staff
2022	134
2023	141
2024	150
% Diff, 2023	+6.2

Staffing Levels by Gender

Department	Staff	Female	Male
MFSC Core	49	31	18
CIPO	5	5	0
DITC	17	11	6
DCI	28	19	9
GR	51	41	10
Total	150	107	43
		71%	29%

Three-year Comparison

Year	Staff	Female	Male
2022	134	98	36
2023	141	102	39
2024	150	107	43
% Diff, 2023		+4.8	+9.7

Staffing Levels by Age

Department	Staff	18-29	30-39	40-49	50-59	60+
MFSC Core	49	3	17	11	17	1
CIIPO	5	0	2	1	2	0
DITC	17	0	7	7	2	1
DCI	28	4	10	8	5	1
GR	51	7	10	16	11	7
Total	150	14	46	43	37	10
		27%	90%	84%	73%	20%

Three-year Comparison

Year	Staff	18-29	30-39	40-49	50-59	60+
2022	134	14	38	39	35	8
2023	141	16	39	43	34	9
2024	150	14	46	43	37	10
% Diff, 2023		-13.33	16.47	0.00	8.45	10.53

Staffing Levels by Function

Department	Staff	Technical (includes policy + business analysts)	Administration	Senior Management
MFSC Core	49	23	22	4
CIIPO	5	4	0	1
DITC	17	15	0	2
DCI	28	11	15	2
GR	51	12	36	3
Total	150	65	73	12
		43%	49%	8%

Three-year Comparison

Year	Staff	Technical (includes policy + business analysts)	Admin	Senior Management
2022	134	61	64	9
2023	141	69	63	9
2024	150	65	73	12
% Diff, 2023		-5.97	14.71	28.57

Staffing Levels by Tenure

Department	Staff	<5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40
MFSC Core	49	23	10	7	2	4	2	1	0
CIIPO	5	3	1	0	0	1	0	0	0
DITC	17	9	6	0	2	0	0	0	0
DCI	28	11	8	1	5	0	0	1	2
GR	51	14	7	2	18	4	1	1	4
Total	150	60	32	10	27	9	3	3	6
		40%	21%	7%	18%	6%	2%	2%	4%

Three-year Comparison

Year	Staff	<5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40
2022	134	62	16	19	17	8	5	4	3
2023	141	67	19	18	17	8	5	4	3
2024	150	60	32	10	27	9	3	3	6
% Diff, 2023		-11.02	50.98	-57.14	45.45	11.76	-50.00	-28.57	66.67

Staffing Levels by Nationality

Department	Staff	Cay	Amer	Barb	Belizean	British	Can	French	Guy	Indian	Jam	Kenyan	St. Luc	Safr	TT
MFSC Core	49	31	1	0	0	2	2	1	2	1	4	1	2	1	1
CIIPO	5	3	0	0	2	0	0	0	0	0	0	0	0	0	0
DITC	17	11	0	0	0	1	2	0	0	0	3	0	0	0	0
DCI	28	26	0	0	1	0	0	0	0	0	0	0	0	1	0
GR	51	46	0	0	0	0	0	0	0	0	3	0	0	0	2
Total	150	117	1	0	3	3	4	1	2	1	10	1	2	2	3
		78%	1%	0%	2%	2%	3%	1%	1%	1%	7%	1%	1%	1%	2%

Three-year Comparison

Year	Staff	Cay	Amer	Barb	Belizean	British	Can	French	Guy	Indian	Jam	Kenyan	St. Luc	Safr	TT
2022	134	107	1	1	3	6	4	0	3	0	4	0	2	2	1
2023	141	109	1	1	3	5	4	1	3	1	6	1	2	2	2
2024	150	117	1	0	3	3	4	1	2	1	10	1	2	2	3
% Diff, 2023		7.08	0.00	-200.00	0.00	-50.00	0.00	0.00	-40.00	0.00	50.00	0.00	0.00	0.00	40.00

Freedom of Information

The Ministry responded and closed all Freedom of Information requests it received from 1 January 2024 to 31 December 2024.

For Period 1 January - 31 December 2024

Agency	Requests Received	Requests Closed
MFSC	3	3
DCI	3	3
DITC	1	1
GR	5	5
AOA	0	0
CIMA	9	9
CSX	0	0



GOVERNMENT
OF THE
CAYMAN ISLANDS

MINISTRY OF
FINANCIAL SERVICES
AND COMMERCE

AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

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MINISTRY OF FINANCIAL SERVICES AND COMMERCE
STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
31 DECEMBER 2024

These financial statements have been prepared by the Ministry of Financial Services and Commerce in accordance with the provisions of the Public Management and Finance Act (2020 Revision) (“the Act”).

As Chief Officer 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 authorised by the Act, and properly record the financial transactions of the Ministry of Financial Services and Commerce.

As Chief Officer and Chief Financial Officer, we are responsible for preparing the Ministry of Financial Services and Commerce’s financial statements and for the representations and judgements made in them. We accept responsibility for the accuracy and integrity of the financial information in these financial statements and for their compliance with the Public Management and Finance Act (2020 Revision).

To the best of our knowledge, these financial statements:

- (a) completely and reliably reflect the financial transactions of the Ministry of Financial Services and Commerce for the year ended 31 December 2024;
- (b) fairly reflect the financial position as at 31 December 2024 and financial performance for the year ended 31 December 2024;
- (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 guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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.



Dax Basdeo, Ph.D, JP
Chief Officer

Date – 4 April 2025



Wendy Manzanara
Chief Financial Officer

Date – 4 April 2025



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AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Financial Services and Commerce

Opinion

I have audited the financial statements of Ministry of Financial Services and Commerce (the "Ministry"), which comprise the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2024, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 31.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2024 and its financial performance and its cash flows for the year ended 31 December 2024 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 Ministry in accordance with the International Ethics 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.

Emphasis of Matter

As outlined in Note 18 of the financial statements, the Cabinet of Ministers authorized supplementary appropriations for the Ministry under section 12 of the Public Management and Finance Act (PMFA) in 2024. The impact of this was an increase of \$586,000 and \$500,000 in the operation and capital expenditure budgets of the Ministry, respectively. A Supplementary Appropriations Bill for the reallocation was not introduced in Parliament by 31 March 2025 as required by section 12(3) of the PMFA. My opinion is not qualified with respect to this matter.

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

Management is responsible for the preparation and fair presentation 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 Ministry'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 Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

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.

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 Ministry'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 Ministry'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 Ministry 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.



Patrick O. Smith, CPA, CFE
Acting Auditor General

4 April 2025
Cayman Islands

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Prior Period Actual \$'000		Notes	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Current Assets						
21,972	Cash and cash equivalents	2	21,092	21,330	21,330	238
2,718	Trade receivables	3, 14	2,639	1,890	1,890	(749)
-	Other receivables	3, 14	-	226	226	226
185	Prepayments	4	209	175	175	(34)
24,875	Total Current Assets		23,940	23,621	23,621	(319)
Non-Current Assets						
159	Property, plant and equipment	5, 14	245	1,715	2,215	1,470
-	Trade receivables	3, 14	-	38	38	(38)
153	Intangible assets	5b	81	1,372	1,372	1,291
311	Total Non-Current Assets		326	3,125	3,625	2,724
25,186	Total Assets		24,266	26,745	27,245	2,405
Current Liabilities						
1,018	Trade payables and accruals	6, 14	595	312	312	(283)
135	Other payables	6, 14	124	40	40	(85)
486	Employee entitlements	7	578	303	303	(275)
1,301	Surplus payable	14	558	-	-	(558)
2,940	Total Current Liabilities		1,855	655	655	(1,200)
2,940	Total Liabilities		1,855	655	655	(1,200)
22,247	Net Assets	19	22,411	26,091	26,591	3,605
NET ASSETS						
22,247	Contributed capital	14	22,411	26,091	26,591	3,679
22,247	Total Net Assets	19	22,411	26,091	26,591	3,679



Dax Basdeo, Ph.D, JP
 Chief Officer

Date - 4 April 2025

Wendy Manzanares
 Chief Financial Officer

Date - 4 April 2025

The accounting policies and notes on pages 54 to 76 form part of these financial statements.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Prior Period Actual \$'000		Notes	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
	Revenue					
21,463	Sale of goods and services	8, 14	22,785	28,975	28,975	6,190
21,463	Total Revenue	19	22,785	28,975	28,975	6,190
	Expenses					
14,682	Personnel costs	9, 14, 15	15,159	17,632	17,632	2,473
6,603	Supplies and consumables	10, 14	6,999	10,332	10,332	3,333
75	Depreciation	5	77	586	267	191
105	Amortisation of intangible assets	5b	72	-	319	247
-	Legal fees	11	-	425	425	425
(2)	Losses/(gains) on foreign exchange transactions	12	3	-	-	(3)
-	Gain on disposal of asset	12	(11)	-	-	11
21,463	Total Expenses	19	22,299	28,975	28,975	6,677
-	Surplus for the Year		486	-	-	(486)

The accounting policies and notes on pages 54 to 76 form part of these financial statements.

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/ surplus	Total Net worth	Original Budget	Final Budget	Variance (Original vs Actual)
	\$'000	\$000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	21,785	-	253	22,038	32,805	32,805	10,767
Restatement of prior year figures	56	-	-	56	-	-	(56)
Restated balance	21,841	-	253	22,094	32,805	32,805	10,711
Changes in net assets for 2023							
Equity investment from Cabinet	153	-	-	153	2,921	2,921	2,768
Net revenue / expenses recognised directly in net worth	153	-	-	153	2,921	2,921	2,768
Total recognized revenues and expenses for the year	153	-	-	153	2,921	2,921	2,768
Balance at 31 December 2023	21,994	-	253	22,247	35,726	35,726	13,480

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/ surplus	Total Net worth	Original Budget	Final Budget	Variance (Original vs Actual)
	\$'000	\$000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024 brought forward	21,994	-	253	22,247	23,160	23,160	13,480
Changes in net assets for 2024							
Prior year adjustments	-	-	72	72	-	-	(72)
Restated balance	21,994	-	325	22,319	23,160	23,160	841
Changes in net assets for 2024							
Equity investment from Cabinet	164	-	-	164	2,931	3,431	2,767
Net revenue / expenses recognised directly in net worth	164	-	-	164	2,931	3,431	2,767
Surplus/(deficit) for the year ended 31 December 2024	-	-	486	486	-	-	(486)
Repayment of surplus	-	-	(558)	(558)	-	-	558
Total recognized revenues and expenses for the year	164	-	(72)	91	2,931	3,431	2,840
Balance at 31 December 2024	22,158	-	253	22,411	26,091	26,591	3,680

The accounting policies and notes on pages 54 to 76 form part of these financial statements.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Prior Year Actual \$'000	Notes	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
CASH FLOWS USED/FROM OPERATING ACTIVITIES					
Receipts					
17,155	Outputs to Cabinet	18,282	24,322	24,908	6,039
12	Sale of goods and services - third-party	105	4,218	4,218	4,113
4,870	Other receipts	4,750	-	-	(4,750)
Payments					
(9,142)	Personnel costs	(14,377)	(17,622)	(18,063)	(3,245)
(11,972)	Supplies and consumables	(7,669)	(10,317)	(10,462)	(2,649)
(133)	Other payments	(235)	-	-	235
790	Net cash flows operating activities	857	601	601	(255)
CASH FLOWS FROM INVESTING ACTIVITIES					
(97)	Purchase of property, plant and equipment	(162)	(2,931)	(3,431)	(3,269)
(56)	Purchase of intangibles	-	-	-	-
(153)	Net cash flows used in investing activities	(162)	(2,931)	(3,431)	(3,269)
CASH FLOWS USED/FROM FINANCING ACTIVITIES					
140	Equity investment	(272)	2,931	3,431	3,203
-	Repayment of surplus	(1,301)	-	-	1,301
140	Net cash flows used in financing activities	(1,574)	2,931	3,431	4,505
777	Net (decrease)/increase in cash and cash equivalents	(879)	601	601	1,479
21,195	Cash and cash equivalents at beginning of the period	21,971	20,729	20,729	(1,242)
21,972	Cash and cash equivalents at end of the period	21,092	21,330	21,330	239

The accounting policies and notes on pages 54 to 76 form part of these financial statements.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Description and Principal Activities

The Ministry of Financial Services and Commerce (the “Ministry”) is a Government owned entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) (“the Act”) and it is domiciled in the Cayman Islands. The Ministry consists of several agencies and departments including General Registry, Department of International Tax Cooperation, Financial Services Administration, Department of Commerce and Investment, Cayman Islands Intellectual Property Office, National Maritime Services Secretariat and the Cayman Islands Overseas Offices.

The Ministry’s assists elected officials in developing and implementing policies and legislation for financial services and commerce. Because financial services and commerce are the Cayman Islands’ primary economic pillar, the Ministry’s work supports the Cayman Islands’ economic growth and social stability.

Also, in keeping with successive Governments’ commitment to global AML/CFT and tax cooperation standards, the Ministry’s work also contributes to the stability of global financial services.

The Ministry’s principal activities and operations include all activities carried out in terms of the outputs purchased by the Ministry as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the year ended 31 December 2024.

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.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Basis of Preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis, unless otherwise stated. The statements are rounded to the nearest thousand.

The financial statements are prepared for the year ended 31 December 2024. The prior year comparison stated in the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Worth, Statement of Cash Flows and related notes are for the year ended ended 31 December 2023.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2024 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Ministry. The Ministry's assessments of the impact of these new standards are set out below.

IPSAS 43, Leases was issued in January 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out recognition, measurement, presentation and disclosure requirements for leases. IPSAS 43 introduces a right of use model that replaces the risk and reward incidental to ownership model in IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the Authority's financial statements. This will be assessed more fully in the next financial year.

IPSAS 44, Non-current assets held for sale issued in January 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of discontinued operations. It is anticipated that IPSAS 44 will not have an impact on the Authority's financial statements, but will be assessed more fully closer in the next financial year.

IPSAS 45, Property, plant, and equipment 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. This standard was issued in May 2023 and comes into effect on January 1, 2025, with earlier application permitted. It is anticipated that IPSAS 45 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of application.

IPSAS 46, Measurement provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time and introduces current operational value, a public sector-specific current value measurement basis addressing constituents' view that an alternative current value measurement basis to fair value is needed for certain public sector assets. This standard was issued in May 2023 and comes into effect on January 1, 2025, with earlier application permitted. It is anticipated that IPSAS 46 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of application.

IPSAS 47 – Revenue is a single source for revenue accounting guidance in the public sector, presenting two accounting models based on a binding arrangement. It provides focused guidance to help public bodies apply the principles to account for public sector revenue transactions. This standard was issued in May

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

2023 and comes into effect on January 1, 2026, with earlier application permitted. It is anticipated that IPSAS 47 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of application

IPSAS 48 - Transfer Expenses. IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and guides to help entities account for public sector transfer expense transactions. This standard was issued in May 2023 and comes into effect on January 1, 2026, with earlier application permitted. It is anticipated that IPSAS 48 will not have a significant impact on the Ministry's financial statements This will be assessed more fully closer to the effective date of application.

IPSAS 49, Retirement benefit plans prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. This enhances accountability to participants of the plan and other users. This standard was issued in November 2023 and comes into effect on January 1, 2026, with earlier application permitted. It is anticipated that IPSAS 49 will not have a significant impact on the Ministry's financial statements This will be assessed more fully closer to the effective date of application

IPSAS 50, Exploration for and Evaluation of Mineral Resources, and Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12), were issued in November 2024 and shall be applied for financial statements covering periods beginning on or after 1 January 2027 and relate to accounting by public sector mining entities. IPSAS 50 and the amendments to IPSAS 12 are not applicable to the Ministry.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. There were no changes in accounting policies during the financial year ended 31 December 2024.

(b) Judgments and Estimates

The preparation of financial statements is in conformity with IPSAS that 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. 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 they are determined and in any future periods that are affected by those revisions.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(c) Changes in Accounting Estimates

There have been no changes in accounting estimates as defined by IPSAS 3.

(d) 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 recognised as a liability (unearned revenue). The Ministry 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.

(e) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(f) 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.

(g) 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.

(h) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment in these financial statements.

(i) Property, Plant and Equipment

Property, plant and equipment, are stated at historical cost less accumulated depreciation. Items of property, plant 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, plant and equipment (other than land); 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.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(i) Property, Plant and Equipment (continued)

Asset Type	Estimated Useful life
• Computer Hardware	3 - 10 years
• Computer Software	4 - 10 years
• Furniture and Fittings	3 - 25 years
• Motor Vehicles	3 - 7 years
• Office Equipment	3 - 25 years
• Other Assets	5 - 20 years

Disposals

An item of property, plant and equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to rise from the continued use of the asset.

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

(j) 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 amortized on a straight-line basis over its estimated useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is derecognised or at the end of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately (if any) are carried at cost less accumulated impairment losses. Amortisation charge for each period is recognised in the Statement of Financial Performance.

(k) 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 Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the Fund by the Ministry.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(k) Employee Benefits (continued)

Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees.

Obligations for defined benefit retirement plans are centralized in the Government and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, trade receivables and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of trade payables and accruals and other payables.

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Statements of Financial Performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

De-recognition

A financial asset is de-recognised when the Ministry realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(n) 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 period 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.

(o) Revenue from Non-Exchange Transactions

The Ministry 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, the computer repairs and software maintenance by the Computer Services department and human resources management by the Portfolio of the Civil Service. The Ministry also receives accommodation at the building designated as the Central Fire Station. The Ministry has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23 - Revenue from non-exchange transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognised in the cost of the fixed asset. The Risk Management Unit of the Ministry of Finance & Economic Development has absorbed all expenses related to general and motor vehicle Insurance for the year.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1: Significant Accounting Policies (continued)

(p) Surplus Payable

Pursuant to Section 39 (3) (f) of the Public Management and Finance Act (2020 Revision), any net surplus is transferred to surplus payable.

(q) Prior Year Comparative

The prior period comparison stated in the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Worth, Statement of Cash Flows and related notes are with the prior year ended 31 December 2023.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of Financial Services and Commerce maintained at Royal Bank of Canada and short-term deposits invested with the Cayman Islands Government Treasury. As at 31 December 2024, the Ministry held no restricted cash balances. The Ministry's unrestricted cash balances were, as presented below.

Actual Prior Year \$'000	Description	Foreign Currency \$'000	Exchange Rate	Actual Current \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
-	Cash on Hand	-	-	-	4	4	4
21,721	CI \$ Operational Current Account	-	-	20,743	21,326	21,326	582
53	US \$ Operational Current Account	373	0.8375	313	-	-	(312)
198	CI \$ Payroll Current Account	-	-	-	-	-	-
-	US \$ Overseas Office Asia	44	0.8375	37	-	-	(37)
21,972	TOTAL			21,092	21,330	21,330	237

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Note 3: Trade Receivables and Other Receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The loss allowance has been calculated based on expected losses for the Ministry and review of specific debtors. Expected losses are determined based on analysis of the Ministry's losses in previous years.

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
182	Sale of goods and services	9	-	-	(9)
2,699	Outputs to Cabinet	2,469	1,929	1,929	(540)
13	Equity injection funding	162	-	-	(162)
2,893	Total trade receivables	2,639	-	-	(2,639)
(175)	Less: Expected credit losses	-	-	-	-
2,718	Total trade receivables	2,639	1,929	1,929	(3,350)

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
-	Dishonoured cheques	-	1	1	1
-	Other receivables	-	225	225	225
-	Total other receivables	-	226	226	226

As at 31 December 2024, the ageing analysis of trade receivables and other receivables are as follows:

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Total Current \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current					
2,712	Past due 1-30 days	2,631	2,631	1,929	1,929	(702)
181	Past due 31-60 days	8	8	-	-	(8)
-	Past due 61-90 days	-	-	-	-	-
-	Past due 90 and above	1	1	-	-	(1)
2,893	Total	2,639	2,639	1,929	1,929	(710)

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Note 3: Trade Receivables and Other Receivables (continued)

The movement in the allowance for credit losses is as follows:

Movement in the allowance for Credit Losses	2024 \$'000	2023 \$'000
Allowance for credit losses as at 1 January 2024 calculated under IPSAS 29	175	223
IPSAS 41 expected credit loss adjustment - through opening accumulated surplus/deficit	-	-
Opening allowance for credit losses as at 1 January 2024	175	223
Revision in loss allowance made during the year	-	48
Receivables written off during the year	175	-
Balance at 31 December 2024	-	175

Note 4: Prepayments

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
165	Prepayments	193	175	175	(18)
20	Travel advances	16	-	-	(16)
185	Total Prepayments	209	175	175	(34)

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 5: Property, Plant and Equipment

Cost

Description	Vehicles	Furniture & Fittings	Computer Hardware	Office Equipment	Other Assets	Actual 2023	Original Budget 2023	Final Budget 2023	Variance (Original vs Actual) 2023
Balance as at 1 January 2023	129	157	533	66	7	892	1,663	1,663	771
Additions	26	1	57	13	-	97	393	393	296
Balance at 31 December 2023	155	158	590	79	7	989	2,056	2,056	1,066

Description	Vehicles	Furniture & Fittings	Computer Hardware	Office Equipment	Other Assets	Actual 2024	Original Budget 2024	Final Budget 2024	Variance (Orig vs Actual) 2024
Balance as at 1 January 2024	155	158	590	79	7	989	2,056	2,056	1,066
Additions	-	18	143	1	-	162	675	1,175	512
Disposal	(24)	-	-	-	-	(24)	-	-	24
Balance at 31 December 2024	131	176	733	81	7	1,127	2,731	3,231	1,603

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Note 5: Property, Plant and Equipment (continued)

Accumulated Depreciation and impairment losses

Description	Vehicles	Furniture & Fittings	Computer Hardware	Office Equipment	Other Assets	Actual 2023	Original Budget 2023	Final Budget 2023	Variance (Original vs Actual)
Balance as at 1 January 2023	108	137	444	58	7	755	1,020	1,020	264
Depreciation expense	6	2	60	7	-	75	736	736	660
Balance at 31 December 2023	114	139	505	63	7	832	1,756	1,756	924

Description	Vehicles	Furniture & Fittings	Computer Hardware	Office Equipment	Other Assets	Actual 2024	Original Budget 2024	Final Budget 2024	Variance (Original vs Actual)
Balance as at 1 January 2024	114	139	505	65	7	830	1,756	1,756	926
Depreciation expense	10	3	60	4	-	77	(740)	(740)	(818)
Eliminate on disposal	(24)	-	-	-	-	(24)	-	-	24
Balance at 31 December 2024	99	142	565	69	7	883	1,016	1,016	132

Net Book value 31 December 2023	41	19	85	16	-	159	300	300	141
Net Book value 31 December 2024	32	35	168	12	-	245	1,715	2,215	141

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Impairment

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the period end. Assets that are subject to amortization are reviewed for impairment whenever events of 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 amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Equity injection

The equity injection covered capital expenditure for the year from January to December 2024. The equity drawdown was approved by the Chief Officer and the Minister.

Note 5b: Intangible assets

Cost

Description	Computer Software	Actual 2023	Original Budget 2023	Final Budget 2023	Variance (Original vs Actual)
Balance as at 1 January 2023	2,157	2,157	2,201	2,201	44
Additions	56	56	190	190	134
Balance at 31 December 2023	2,213	2,213	2,391	2,391	178

Description	Computer Software	Actual 2024	Original Budget 2024	Final Budget 2024	Variance (Original vs Actual)
Balance as at 1 January 2024	2,213	2,213	2,391	2,391	178
Additions	-	-	1,201	1,201	1,201
Balance at 31 December 2024	2,213	2,213	3,592	3,592	1,379

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 5b: Intangible assets (continued)

Amortization and impairment losses

Description	Computer Software	Actual 2023	Original Budget 2023	Final Budget 2023	Variance (Original vs Actual)
Balance as at 1 January 2023	1,955	1,955	1,560	1,560	(395)
Charge for the year	105	105	341	341	236
Transfers in	-	-	-	-	-
Balance at 31 December 2023	2,060	2,060	1,901	1,901	(159)

Description	Computer Software	Actual 2024	Original Budget 2024	Final Budget 2024	Variance (Original vs Actual)
Balance as at 1 January 2024	2,060	2,060	1,901	1,901	(159)
Charge for the year	72	72	(319)	(319)	(391)
Balance at 31 December 2024	2,132	2,132	2,220	2,220	88

Net book value 31 December 2023	153	153	490	490	337
Net book value 31 December 2024	81	81	1,372	1,372	1,291

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 6: Trade payables, Other payables and accruals

Actual Prior Year \$'000	Description	Current \$'000	Total Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
13	Creditors	23	23	40	40	16
1,002	Accrued expenses	567	567	254	254	(313)
3	Accrued expenses Ministries/Portfolios	3	3	-	-	(3)
1,018	Total Trades Payables and Accruals	595	595	294	294	(301)
106	Payroll deductions	107	107	-	-	(108)
29	Other payables	18	18	59	59	41
135	Total Other Payables	124	124	59	59	(66)
1,153	Total	719	719	352	352	(366)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 7: Employee entitlements

Actual Prior Year \$'000	Description	Acruel Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current employee entitlements are represented by:				
89	Comp time	124	102	102	(20)
378	Annual leave	437	201	201	(237)
18	Accrued salaries	17	-	-	(17)
485	Total Employee Entitlements	578	303	303	(274)

The annual leave entitlement and compensated absence (comp time) are calculated based on current salary paid to those employees who are eligible for this benefit.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 8: Sales of goods and services

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
16,713	Outputs to Cabinet	18,034	24,757	25,342	6,723
4,750	Fees and charges	4,752	4,218	4,218	(533)
21,463	Total Sales of Goods and Services	22,785	28,975	29,561	6,190

Outputs to Cabinet comprises goods delivered to and services performed on behalf of the Cayman Islands Government. These are detailed in the Annual Budgeted Statements for the year ended 31 December 2024 and are covered by the Appropriation Act.

Fees and charges comprise mainly of other administrative fees and user charges levied on the public for the delivery of government services. The respective rates and fee structures are gazetted and governed by the relevant revenue acts and regulations.

No revenue concessions were granted during the year ended 31 December 2024.

Note 9: Personnel costs

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
11,425	Salaries, wages, and allowances	11,691	13,455	13,897	1,764
2,517	Health care	2,632	3,209	3,209	577
618	Pension	627	725	725	97
(22)	Vacation leave and comp time	95	-	-	(95)
144	Other personnel-related costs	114	243	243	129
14,682	Total personnel costs	15,159	17,632	18,073	2,474

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 10: Supplies and Consumables

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
5,536	Purchase of services	5,782	8,131	8,276	2,349
156	Lease of property and equipment	234	296	296	62
521	Travel and subsistence	618	997	997	379
118	Supplies and materials	92	205	205	112
107	Utilities	87	132	132	44
102	Interdepartmental expenses	101	94	94	(7)
-	General insurance	-	11	11	11
62	Recruitment and training	82	417	417	335
1	Other	3	50	50	47
6,603	Total supplies and consumables	6,999	10,332	10,477	3,333

Note 11: Legal Fees

Actual Prior Year \$'000	Description	Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
-	Legal fees	-	425	425	425
-	Total legal fees	-	425	425	425

Note 12: (Gains) / Losses

Actual Prior Year \$'000	Description	Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
-	Loss on disposal of asset	(11)	-	-	11
(2)	Net (gains)/ losses on foreign exchange transactions	3	-	-	(3)
(2)	Total losses	(8)	-	-	8

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 13: Contingent Liabilities and Assets

The Ministry has no contingent assets or liabilities as at 31 December 2024.

Note 14: Explanation of Major Variances against Budget

There were major variances for the Ministry's performance against the original budget due to various reasons which include delays in recruitment, higher than anticipated receivables, savings in expenditure and increased leave liabilities as at 31 December 2024.

Statement of Financial Position

Cash and Cash Equivalents

Cash and cash equivalents were \$238 thousand lower than the original budget because some of the output funding and Equity Injection funding from Cabinet were not drawn down within the year.

Trade Receivables and Other Receivables

Trade receivables and Other receivables were \$523 thousand higher than the original budget because some of the output funding and Equity injection funding from Cabinet were not drawn down during the year therefore, they were receivable at the end of the year.

Property, Plant and Equipment

The balance is \$1.470 million lower than original budget due to delays relocation of the Department of International Tax Cooperation and the reconfiguration of the Ministry, General Registry and the Department and Investment's floorspace.

Intangible Assets

The balance is \$1.291 million lower than original budget due to delays with planned software development projects.

Trade and Other Payables

The balance is \$368 thousand higher than budget, largely as a result of the number of invoices raised by vendors during the month of December 2024, which had to be accrued at 31 December 2024. When we budget for trade payables 1 year prior to the time it is difficult to know exactly what will be payable at that time and it is largely due to timing. Not sure what you are seeking here.

Employee Entitlements

The balance is \$275 thousand higher than budget, largely as a result of the higher number of employees with annual leave remaining at the end of the year to be carried forward to 2025 which had to be accrued at 31 December 2024.

Surplus Payable

The balance is \$558 thousand higher than original budget because there was no budget for surplus payable for 2024 as there was no surplus forecasted.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 14: Explanation of Major Variances against Budget (continued)

Statement of Financial Performance

Sale of Goods and Services

The balance is \$6.190 million lower than original budget as the Cabinet Revenue drawn down for the financial year was lower than budget for 2024 due to delayed recruitment therefore savings in personnel costs and also due to cost saving measures employed by the Ministry.

Personnel Costs

Personnel Costs were \$2.473 million lower than original budget as a result of delays in planned recruitment for various departments. Many posts were filled during the financial year, recruitment is ongoing and will continue to ensure that all vacancies are filled.

Supplies and Consumables

The balance is \$3.333 million lower than original budget due reduced expenditure as a result of the cost saving measures employed by the Ministry and also because of delayed recruitment resulting in reduced demand for supplies and stationery, etc.

Depreciation

The balance is \$191 thousand lower than original budget due to delays relocation of the Department of International Tax Cooperation and the reconfiguration of the Ministry, General Registry and the Department and Investment's floorspace.

Amortization of Intangible Assets

The balance is \$247 thousand lower than original budget due to delays with planned software development projects.

Legal Fees

The balance is \$425 thousand lower than original budget as there was no need for expenditure on legal fees during 2024.

**MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Note 15: Related Party and Key Management Personnel

Related Party

The Ministry is a wholly owned entity of the Cayman Islands Government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the year ended 31 December 2024 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Total personnel costs for the Ministry was \$15.159 million. Key management personnel are defined to include Ministers of the Government, Chief Officer, Deputy Chief Officer, Chief Financial Officer and the Heads of each Department. The Minister's salaries and other benefits were paid through the Deputy Governor's Office and excluded from this Ministry's expenses. All other key management personnel were paid directly by the Ministry.

Actual Prior Year \$'000	Description	Actual Current Period \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000	Number of persons
3,421	Salaries & other short-term employee benefits	3,460	3,539	3,539	79	24
3,421	Total	3,460	3,539	3,539	79	24

There were no loans granted to key management personnel and or their close relatives. The Salaries and employee benefits for key management personnel includes approximately \$157 thousand related to Housing.

Note 16: Financial Instrument Risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, trade receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

Credit risk is the risk that the counterparty to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. The Ministry is exposed to credit risk through the normal trade credit cycle and advances to third parties. Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 16: Financial Instrument Risks (continued)

Credit risk (continued)

The Ministry manages its Credit risk by limiting the counterparties it transacts business with to those it believes are capable of performing their contractual obligations. Generally, the Ministry does not require collateral. Ongoing credit risk is managed through a review of ageing analysis, together with credit limits per customer. Maximum exposures to credit risk at year-end are the carrying value of financial assets in the statement of financial position.

Expected credit losses (ECL)

ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note 3 for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk

The Ministry does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Ministry's main bank is the Royal Bank of the Caribbean (RBC), which has an S&P Global Rating of AA-.

Currency and interest rate risk

The Ministry has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Ministry maintains a target level of available cash to meet liquidity requirements.

All of the Ministry's financial liabilities (creditors and payables) will be settled in less than six months from the date of these financial statements.

Note 17: Subsequent events

Management is not aware of any significant events after the reporting date which will have an impact on the financial statements as at 31 December 2024.

MINISTRY OF FINANCIAL SERVICES AND COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Note 18: Changes to the budget

The final budget is adjusted for amounts approved under Section 12 of the Public Management and Finance Act (2020 Revision).

Description	Operating Expenditure \$'000	Capital Expenditure \$'000
2024 Original Budget	28,975	2,931
Section 12	586	500
Final Budget	29,561	3,431

Note 19: Segment reporting

	FINANCIAL SERVICES		COMMERCE		CONSOLIDATED	
	2024	2023	2024	2023	2024	2023
Revenue						
Outputs from Cabinet	16,816	15,640	1,218	1,073	18,033	16,713
Fees and Charges	3,308	3,269	1,444	1,480	4,752	4,749
Total Revenue	20,124	18,909	2,661	2,554	22,785	21,463
Expenses						
Personnel	12,811	12,457	2,351	2,225	15,162	14,682
Supplies & Consumables	6,705	6,347	284	253	6,989	6,601
Depreciation	147	105	2	76	149	180
Total Expenses	19,662	18,909	2,637	2,554	22,299	21,463
Surplus/(deficit) from Operating Activities	462	-	24	-	486	-
Assets						
Current Assets	23,843	24,760	97	114	23,941	24,875
Non-Current Assets	119	133	207	179	325	312
Total Assets	23,962	24,893	304	293	24,266	25,187
Liabilities						
Current Liabilities	1,817	2,904	38	36	1,855	2,940
Total Liabilities	1,817	2,904	38	36	1,855	2,940
Net Assets	22,145	21,989	266	257	22,411	22,247

MINISTRY OF FINANCIAL SERVICES AND COMMERCE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 19: Segment reporting (continued)

The Ministry reported on two segments of business for the year ended 31 December 2024. Financial Services is mainly focused on the country's financial services sector. This segment includes General Registry, the Department of International Tax Cooperation, Financial Services Administration, Cayman Islands Intellectual Property Office, National Maritime Services Secretariat and the Cayman Islands Overseas Offices, and is responsible for providing policy direction and monitoring to ensure the Cayman Islands continues to be recognised as one of the world's leading global financial services centres.

Commerce is mainly focused on the country's business licensing sector. This segment is made up of the Department of Commerce & Investment and deals with issuance of local trade and business licenses, tobacco permits and liquor licenses.

Note 20: Commitments

Operating Commitments	Less than One Year \$'000	Two to Five Years \$'000	Over Five Years \$'000	Total \$'000
Non-cancellable accommodation leases	154	200	-	354
Total Operating Commitments	154	200	-	354

There are non-cancellable accommodation leases totalling \$354 thousand as at 31 December 2024, with lease terms of one to five years.

Note 21: Going Concern

Based on management assessment and forecasts, management believes the risk that the Ministry would not be able to meet its obligation as they become due are low.



**MINISTRY OF
FINANCIAL SERVICES
AND COMMERCE**
CAYMAN ISLANDS GOVERNMENT

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