

CAYMAN ISLANDS



**Monetary Authority Law
(2020 Revision)**

**MONETARY AUTHORITY
(ADMINISTRATIVE FINES) (AMENDMENT)
REGULATIONS, 2020**

(SL 86 of 2020)

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FINES) (AMENDMENT) REGULATIONS, 2020
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In exercise of the powers conferred by sections 42A, 42H and 46 of the Monetary Authority Law (2020 Revision), the Cabinet makes the following Regulations —

Citation

1. These Regulations may be cited as the Monetary Authority (Administrative Fines) (Amendment) Regulations, 2020.

Amendment of regulation 3 - Breach of prescribed provisions to be proceeded with under Part VI of the Law

2. The *Monetary Authority (Administrative Fines) Regulations (2019 Revision)* are amended in regulation 3 as follows —
 - (a) in paragraph (1), by deleting the word “Regulations” and substituting the words “Law, Regulation or Rule”;
 - (b) in paragraph (2), by deleting the words “in column 3” and substituting the words “in column 4”; and
 - (c) by inserting after paragraph (2), the following paragraphs —

“(3) Where there is an inconsistency between the description of a breach set out in Column 3 of Schedule 1 and the prescribed provision

referred to in Column 2 of Schedule 1, the prescribed provision referred to in Column 2 shall prevail.

- (4) It shall not be a defence for a person who is the subject of an administrative fine under these Regulations to show that the description set out in Column 3 of Schedule 1 is inconsistent with the prescribed provision referred to in Column 2 of Schedule 1.”

Repeal and substitution of Schedule 1 of the Monetary Authority (Administrative Fines) Regulations (2019 Revision) — prescribed provisions and breach categories

3. The *Monetary Authority (Administrative Fines) Regulations (2019 Revision)* are amended by repealing Schedule 1 and substituting the following Schedule —

“Schedule 1

(regulation 3)

Prescribed Provisions and Breach Categories

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
1. ANTI-MONEY LAUNDERING REGULATIONS (2020 REVISION)			
Anti-Money Laundering Regulations (2020 Revision)	5(a)	A person carrying out relevant financial business, forming a business relationship or carrying out a one-off transaction without maintaining the procedures set out in subparagraphs (i) to (ix).	Serious
Anti-Money Laundering Regulations (2020 Revision)	5(b)	A person carrying out relevant financial business, forming a business relationship or carrying out a one-off transaction without complying with the identification and record-keeping requirements of Parts IV and VIII.	Very serious
Anti-Money Laundering Regulations (2020 Revision)	5(c)	A person carrying out relevant financial business, forming a business relationship or carrying out a one-off transaction without taking appropriate measures from time to time for the purpose of making employees aware of — (a) the procedures under paragraph (a) which are maintained by the person and which relate to the relevant financial business in	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		question; and (b) the enactments relating to money laundering, terrorist financing, proliferation financing and targeted financial sanctions.	
Anti-Money Laundering Regulations (2020 Revision)	5(d)	A person carrying out relevant financial business, forming a business relationship or carrying out a one-off transaction without providing employees from time to time with training in the recognition and treatment of transactions carried out by, or on behalf of, any person who is, or appears to be, engaged in money laundering, terrorist financing or proliferation financing, or whose assets are subject to targeted financial sanctions applicable in the Islands.	Serious
Anti-Money Laundering Regulations (2020 Revision)	5(e)	A person carrying out relevant financial business, forming a business relationship or carrying out a one-off transaction without designating an Anti-Money Laundering Compliance Officer.	Serious
Anti-Money Laundering Regulations (2020 Revision)	10	A person carrying out relevant financial business, keeping anonymous accounts or accounts in fictitious names.	Very serious
Anti-Money Laundering Regulations (2020 Revision)	36	A payment service provider of a payer — (a) not ensuring that transfers of funds are accompanied by complete information on the payer; (b) not verifying the complete information on the payer on the basis of documents, data or information that meet the requirements of regulation 20(1) before transferring the funds; (c) not collecting beneficiary or payee information including the name and account number or unique transaction reference in order to facilitate the traceability of the transaction; or (d) not keeping records of complete information on the payer and payee which accompanies transfers of funds for five years.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Anti-Money Laundering Regulations (2020 Revision)	37	<p>1. Failure of both the payment service provider of the payer and the payment service provider of the payee to ensure that transfers of funds are accompanied only by the account number of the payer or a unique identifier allowing the transaction to be traced back to the payer where both the payment service provider of the payer and the payment service provider of the payee are situated in the Islands.</p> <p>2. Failure of the payment service provider of the payer to make available to the payment service provider of the payee complete information on the payer, within three working days of receiving a request from the payment service provider of the payee to do so.</p>	Serious
Anti-Money Laundering Regulations (2020 Revision)	39	Failure of the payment service provider of a payee to have effective procedures in place in order to detect whether, in the messaging or payment and settlement system used to effect a transfer of funds, the information required under regulations 37, 38 and 47 is obtained in accordance with the Anti-Money Laundering Regulations (2020 Revision).	Serious
Anti-Money Laundering Regulations (2020 Revision)	40(1)	The payment service provider of a payer executing wire transfers where the payment service provider is unable to collect and maintain information on the payer and payee as required under regulations 36, 37 and 38(1) of the Anti-Money Laundering Regulations (2020 Revision).	Serious
Anti-Money Laundering Regulations (2020 Revision)	40(2)	Failure of a payment service provider of a payee to have effective systems in place to detect missing required information on both the payer and payee.	Serious
Anti-Money Laundering Regulations (2020 Revision)	40(3)	Failure of a payment service provider of a payee to either reject a transfer or request complete information on the payer where the payment service provider detects, when receiving transfers of funds, that information on the payer required Part X of the Anti-Money Laundering Regulations (2020 Revision) is missing or incomplete.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Anti-Money Laundering Regulations (2020 Revision)	40(4)	Failure of a beneficiary or payee financial institution to — (a) verify the identity of payee information; or (b) to keep records of the information for five years.	Serious
Anti-Money Laundering Regulations (2020 Revision)	40(5)	Failure of a payment service provider of a payee to adopt risk-based policies and procedures for determining — (a) when to execute, reject or suspend a wire transfer where the required payer or payee information is incomplete and (b) the resulting procedures to be applied.	Serious
Anti-Money Laundering Regulations (2020 Revision)	40(6)	1. Where a payment service provider regularly fails to supply the required information on the payer, failure of a payment service provider of a payee to adopt reasonable measures to rectify noncompliance with the Anti-Money Laundering Regulations (2020 Revision), before — (a) rejecting any future transfers of funds from that payment service provider; (b) restricting its business relationship with that payment service provider; or (c) terminating its business relationship with that payment service provider. 2. Failure of the payment service provider of the payee to report to the Financial Reporting Authority and to the relevant Supervisory Authority any such decision to restrict or terminate its business relationship with a payment service provider who regularly fails to supply the required information on the payer.	Very serious
Anti-Money Laundering Regulations (2020 Revision)	42	Failure of the payment service provider of a payee to keep records of any information received on the payer for five years.	Serious
Anti-Money Laundering Regulations (2020 Revision)	43	Failure of an intermediary payment service provider to ensure that all information received on the payer and the payee that accompanies a transfer of funds is kept with the transfer.	Serious
Anti-Money	44	1. Failure of an intermediary payment service provider	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Laundering Regulations (2020 Revision)		<p>to take reasonable measures, which are consistent with straight-through processing, to identify cross-border transfers that lack required payer or payee information.</p> <p>2. Failure of an intermediary payment service provider to adopt risk-based policies and procedures for determining when to execute, reject or suspend a wire transfer where the required payer or payee information is incomplete and the resulting procedures to be applied.</p>	
Anti-Money Laundering Regulations (2020 Revision)	47(3)	The intermediary payment service provider using a payment system with technical limitations where the intermediary payment service provider receives a transfer of funds with incomplete information about the payer as required under Part X and the intermediary payment service provider is not able to provide the payment service provider of the payee, with the information about the payer, using a manner of communication accepted by, or agreed between, both payment service providers.	Serious
Anti-Money Laundering Regulations (2020 Revision)	47(4)	Failure of an intermediary payment service provider to, upon request from the payment service provider of the payee, make available to the payment service provider of the payee all the information on the payer which the intermediary payment service provider has received, irrespective of whether the information is complete or not, within three working days of the date of receiving that request, where the intermediary payment service provider uses a payment system with technical limitations.	Serious
Anti-Money Laundering Regulations (2020 Revision)	47(5)	Failure of an intermediary payment service provider to keep records of all information received for five years in the cases referred to in regulation 47(2) and (3).	Serious
Anti-Money Laundering Regulations (2020 Revision)	48	Failure of a payment service provider to respond fully and without delay to enquiries from the Reporting Authority concerning the information about the payer accompanying transfers of funds and corresponding	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		records.	
Anti-Money Laundering Regulations (2020 Revision)	50	A person carrying out relevant financial business in or from the Islands forming a business relationship, or carrying out a one-off transaction, with a shell bank.	Very serious
Anti-Money Laundering Regulations (2020 Revision)	51	A person carrying out relevant financial business entering into or continuing correspondent banking and other similar relationships with a shell bank.	Very serious
Anti-Money Laundering Regulations (2020 Revision)	52	<p>Failure of a person carrying out relevant business to, in addition to conducting customer due diligence procedures pursuant to the Anti-Money Laundering Regulations (2020 Revision) —</p> <ul style="list-style-type: none"> (a) collect information to understand the nature of a respondent institution's business and determine from publicly available information the reputation of the institution and the quality of supervision, including whether the institution has been subject to money laundering or terrorist financing investigation or regulatory action; (b) assess the respondent institution's anti-money laundering and countering financing of terrorist controls; (c) obtain approval from senior management before establishing new correspondent relationships; and (d) clearly understand and document the respective responsibilities of each institution, <p>in relation to cross-border correspondent banking and other similar relationships.</p>	Serious
Anti-Money Laundering Regulations (2020 Revision)	53	<p>With respect to payable-through accounts, failure of a person carrying out relevant financial business to be satisfied that the respondent bank —</p> <ul style="list-style-type: none"> (a) has performed customer due diligence obligations on its customers that have direct access to the accounts of the correspondent bank; and 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		(b) is able to provide relevant customer due diligence information to the correspondent bank upon request.	
Anti-Money Laundering Regulations (2020 Revision)	53A	<ol style="list-style-type: none"> 1. Failure of a person carrying out relevant financial business, who receives a notice in writing, requiring the person carrying out relevant financial business to provide such documents, statements or any other information as the Supervisory Authority may reasonably require in connection with the exercise of its functions], to comply with that notice within the period and in the manner specified in the notice. 2. Failure of a person carrying out relevant financial business, a connected person or a person reasonably believed to have information relevant to an inquiry by the Supervisory Authority to, when required by a Supervisory Authority by notice in writing, attend before the Supervisory Authority to answer such questions or provide such information as the Supervisory Authority may deem necessary in connection with its inquiry. 3. Failure to provide information required to be provided to the Supervisory Authority under this regulation in the English language. 	Very serious
2. BANKS AND TRUST COMPANIES LAW (2020 REVISION)			
Banks and Trust Companies Law (2020 Revision)	5(1)	A person carrying on banking business transactions from within the Islands without a valid licence granted by the Authority authorising the person to carry on such business.	Very serious
Banks and Trust Companies Law (2020 Revision)	5(2)	Subject to subsection (3) and to such other exemptions and conditions as may be prescribed by regulations made by the Cabinet under this subsection, a trust company carrying on trust business as a trust company from within the Islands without a valid licence granted by the Authority authorising it to carry on such business.	Very serious
Banks and Trust	5(4)	1. Failure of a controlled subsidiary to which subsection	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Companies Law (2020 Revision)		<p>(3) refers to register with the Authority.</p> <p>2. Failure of a controlled subsidiary to which subsection (3) refers to file with the Authority an annual declaration at the time of registration in such form as the Authority may approve, declaring —</p> <ul style="list-style-type: none"> (a) the name of the controlled subsidiary; (b) the name of the licensee of which the controlled subsidiary is a subsidiary; (c) the names of the directors and senior officers of the controlled subsidiary; and (d) that the controlled subsidiary is a controlled subsidiary to which subsection (3) applies. <p>3. Failure of a controlled subsidiary to which subsection (3) refers to file with the Authority an annual declaration, on or before the 31st day of January every year after registration, during the continuation of such registration, in such form as the Authority may approve, declaring —</p> <ul style="list-style-type: none"> (a) the name of the controlled subsidiary; (b) the name of the licensee of which the controlled subsidiary is a subsidiary; (c) the names of the directors and senior officers of the controlled subsidiary; and (d) that the controlled subsidiary is a controlled subsidiary to which subsection (3) applies. <p>4. Failure of a controlled subsidiary to which subsection (3) refers to pay to the Government the prescribed fee at the time of registration.</p> <p>5. Failure of a controlled subsidiary to which subsection (3) refers to pay to the Government the prescribed fee on or before the 31st day of January every year after registration during the continuation of the registration.</p>	
Banks and Trust Companies Law (2020 Revision)	6(4)	<p>1. A licensee —</p> <ul style="list-style-type: none"> (a) ceasing to have a principal office in the Islands; (b) changing its principal office in the Islands without the prior approval of the Authority; 	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<ul style="list-style-type: none"> (c) ceasing to have an authorised agent under paragraph (b) of subsection (2); or (d) changing its agent (or, where the licensee has appointed two individuals to be its agent, either of them) without the prior approval of the Authority. 	
Banks and Trust Companies Law (2020 Revision)	6(6)	<p>The holder of a "B" licence —</p> <ul style="list-style-type: none"> (a) taking deposits from any person resident in the Islands, other than another licensee, or an exempted or an ordinary non-resident company which is not carrying on business in the Islands; (b) investing in any asset which represents a claim on any person resident in the Islands, except a claim resulting from — <ul style="list-style-type: none"> (i) a loan to an exempted or an ordinary non-resident company not carrying on business in the Islands; (ii) a loan by way of mortgage to a member of its staff or to a person possessing or being deemed to possess Caymanian status under the <i>Immigration (Transition) Law, 2018</i> for the purchase or construction of a residence in the Islands to be owner-occupied; (iii) a transaction with another licensee; or (iv) the purchase of bonds or other securities issued by the Government, a body incorporated by statute, or a company in which the Government is the sole or majority beneficial owner; or (c) carrying on any business in the Islands other than one for which the "B" licence has been obtained without the written approval of the Authority; (d) which is not a subsidiary or branch of a bank licensed in a country or territory outside the Islands carrying on business in the Islands after 26th April, 2003, without having such resources (including staff and facilities) and such books and records as the Authority 	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		considers appropriate having regard to the nature and scale of the business.	
Banks and Trust Companies Law (2020 Revision)	6(8)	<ol style="list-style-type: none"> 1. Failure of a holder of a licence to pay the prescribed annual fee on or before every 15th day of January after the first grant of the licence to the Financial Secretary for the benefit of the revenue. 2. Failure of the holder of a licence who does not pay the prescribed annual fee on or before the 15th day of January after the first grant of the licence to pay the surcharge not exceeding one-twelfth of that fee for every month or part of a month that the fee is not paid,, unless the Authority waives the prescribed annual fee or the surcharge. 	Minor
Banks and Trust Companies Law (2020 Revision)	7(1)	<ol style="list-style-type: none"> 1. A company which is a licensee under the Law issuing shares in that company which is a licensee under the Law without the prior approval of the Authority. 2. A company which is a licensee under the Law transferring or disposing of issued shares without the prior approval of the Authority. 	Serious
Banks and Trust Companies Law (2020 Revision)	8(5)	Failure of a licensee to maintain the net worth required by section 8.	Serious
Banks and Trust Companies Law (2020 Revision)	8(6)	Failure by the parent undertaking of a Cayman banking group to ensure that the net worth stipulated in section 8, or such higher net worth as the Authority may direct, is maintained both in respect of the licensee on a solo basis and on a consolidated basis taking into account all the entities in the Cayman banking group.	Serious
Banks and Trust Companies Law (2020 Revision)	10(1)	<p>A licensee holding a licence for the carrying on of banking business and incorporated under the <i>Companies Law (2020 Revision)</i> having a capital adequacy ratio of less than —</p> <ol style="list-style-type: none"> (a) ten per cent; or (b) such other percentage as may be determined by the Authority from time to 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		time, as calculated in accordance with such form, content and manner as may be prescribed.	
Banks and Trust Companies Law (2020 Revision)	10(2A)	Failure by the parent undertaking of a Cayman banking group to ensure that capital requirements and other prudential measures that may be issued by the Authority are met on a consolidated basis by the Cayman banking group.	Serious
Banks and Trust Companies Law (2020 Revision)	10(2B)	Failure by the parent undertaking of a Cayman banking group to ensure that any prudential, supervisory or risk management measures that may be issued by the Authority from time to time are met on a consolidated basis by the Cayman banking group.	Serious
Banks and Trust Companies Law (2020 Revision)	11(1)(a)	A person other than a licensee using or continuing to use the words "bank", "trust", "trust company", "trust corporation", "savings" or "savings and loan" or any of their derivatives, either in English or in any other language, in the description or title under which a person is carrying on business from within the Islands, whether or not such business is carried on in the Islands, without the approval of the Authority.	Serious
Banks and Trust Companies Law (2020 Revision)	11(1)(b)	A person other than a licensee making or continuing to make any representation in any billhead, letter, letterhead, circular, paper, notice, advertisement or in any other manner whatsoever that the person is carrying on banking business or trust business without the approval of the Authority.	Serious
Banks and Trust Companies Law (2020 Revision)	11(1)(c)	A person other than a licensee soliciting or receiving deposits from the public in any manner without the approval of the Authority.	Serious
Banks and Trust Companies Law (2020 Revision)	11(2)	A company registering, or continuing to be registered by a name which contains the words "bank", "trust", "trust company", "trust corporation", "savings" or "savings and loan" or any of their derivatives, either in English or in any other language, in the description or title under which such company is carrying on business from within the Islands, whether or not such business is	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		carried on in the Islands, without the approval of the Authority.	
Banks and Trust Companies Law (2020 Revision)	11(5)(a)	A bank or trust company carrying on or intending to carry on banking or trust business, as the case may be, under a name which is identical with that of any company, firm or business house, whether within the Islands or not, or which so nearly resembles that name as to be calculated to deceive.	Minor
Banks and Trust Companies Law (2020 Revision)	11(5)(b)	A bank or trust company carrying on or intending to carry on banking or trust business, as the case may be, under a name which is calculated to suggest, falsely, the patronage of or connection with some person or authority, whether within the Islands or not.	Serious
Banks and Trust Companies Law (2020 Revision)	11(5)(c)	A bank or trust company carrying on or intending to carry on banking or trust business, as the case may be, under a name which is calculated to suggest, falsely, that such bank or trust company has a special status in relation to or derived from the Government, has the official backing of or acts on behalf of the Government, of any department, branch, agency or organ of Government, or of any officer thereof, or is recognised in the Islands as a national or central bank or trust company.	Serious
Banks and Trust Companies Law (2020 Revision)	12(1)	Failure of a licensee incorporated under the <i>Companies Law (2020 Revision)</i> to have its accounts audited annually or at such other times as the Authority may require by an auditor.	Serious
Banks and Trust Companies Law (2020 Revision)	12(2)	Failure of a licensee incorporated under the <i>Companies Law (2020 Revision)</i> to forward its audited accounts to the Authority within three months of the end of the financial year of the licensee, without the prior written approval of an extension by the Authority.	Minor
Banks and Trust Companies Law (2020 Revision)	12(2A)	Failure of a licensee incorporated under the <i>Companies Law (2020 Revision)</i> to forward to the Authority consolidated accounts in respect of the parent undertaking of the Cayman banking group of which the licensee is a member within three months of the end of	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		the financial year of the parent undertaking of the Cayman banking group, without the prior written approval of an extension by the Authority.	
Banks and Trust Companies Law (2020 Revision)	12(3)	Failure of a licensee not incorporated under the <i>Companies Law (2020 Revision)</i> to provide a copy of the audited annual accounts of its head office to the Authority within three months of the end of the financial year of its parent company, without the prior written approval of an extension by the Authority.	Minor
Banks and Trust Companies Law (2020 Revision)	12(4)	Failure of a licensee incorporated under the <i>Companies Law (2020 Revision)</i> to comply with a requirement to explain the circumstances responsible for the change of its auditor, where such change occurs.	Minor
Banks and Trust Companies Law (2020 Revision)	13(1)	<p>Failure of an auditor to immediately give the Authority written notice of the auditor's information or suspicion, and in the case of suspicion, the auditor's reason for that suspicion, where, in the course of carrying out an audit of the accounts of a licensee or of any entity forming part of a Cayman banking group the auditor obtains information or suspects that the licensee is —</p> <ul style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; or (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; (e) carrying on or attempting to carry on business without compliance with — <ul style="list-style-type: none"> (i) this Law or any regulations made hereunder; (ii) Part XVIIIA of the <i>Companies Law (2020 Revision)</i>, Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> or Part 8 of 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>the <i>Limited Liability Partnership Law, 2017</i>, if the licensee is a “corporate services provider” as defined in that Part;</p> <p>(iii) the <i>Monetary Authority Law (2020 Revision)</i>;</p> <p>(iv) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or</p> <p>(v) a condition of the licence.</p>	
Banks and Trust Companies Law (2020 Revision)	13(3)	A licensee appointing as an auditor a person disqualified under subsection (2).	Serious
Banks and Trust Companies Law (2020 Revision)	14(1)(a)	A licensee incorporated under the <i>Companies Law (2020 Revision)</i> opening a subsidiary, branch, agency or representative office outside the Islands without the prior written approval of the Authority.	Serious
Banks and Trust Companies Law (2020 Revision)	14(1)(b)	A licensee incorporated under the <i>Companies Law (2020 Revision)</i> changing its name without the prior written approval of the Authority.	Minor
Banks and Trust Companies Law (2020 Revision)	14(1A)	Failure of a licensee to inform the Authority of any change in holdings that affects the composition of the licensee’s economic group, including any new entities forming part of the licensee’s economic group, within forty-five days of the occurrence of the change.	Serious
Banks and Trust Companies Law (2020 Revision)	14(2)	<p>1. A licensee incorporated under the <i>Companies Law (2020 Revision)</i> holding a licence for the carrying on of banking business acquiring or holding a beneficial interest in an entity, whether directly or indirectly, so that the value of the interest at any time exceeds twenty per cent of the net worth of the licensee without the prior written approval of the Authority.</p> <p>2. A licensee incorporated under the <i>Companies Law (2020 Revision)</i> holding a licence for the carrying on of banking business acquiring or holding a beneficial interest in an entity, whether directly or indirectly, so that the value of the interest at any time exceeds twenty per cent of the net worth of the licensee</p>	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>without it being necessary with respect to any interest acquired by the licensee in satisfaction of debts due to it.</p> <p>3. Failure of a licensee incorporated under the <i>Companies Law (2020 Revision)</i> who holds a licence for the carrying on of banking business, to dispose of any interest acquired in satisfaction of debts due to the licensee within a period not exceeding five years or such longer period as permitted by the Authority.</p>	
Banks and Trust Companies Law (2020 Revision)	14(3)	<p>1. Subject to subsections (4) and (5), a licensee holding a licence for the carrying on of banking business purchasing, acquiring or leasing real estate without the prior written approval of the Authority.</p> <p>2. Subject to subsections (4) and (5), a licensee holding a licence for the carrying on of banking business purchasing, acquiring or leasing real estate which is not necessary for the purpose of conducting its business or providing housing or amenities for its staff.</p> <p>3. Subject to subsections (4) and (5), a licensee holding a licence for the carrying on of banking business purchasing, acquiring or leasing real estate where the market value of the real estate exceeds twenty per cent of the net worth of the licensee, or such other sum as to the Authority may seem appropriate to a maximum of fifty per cent of the net worth of the licensee.</p>	Minor
Banks and Trust Companies Law (2020 Revision)	15(1)	Failure of a licensee holding a Trust Licence to obtain and maintain adequate professional indemnity insurance, or have in place other appropriate arrangements to cover risks, in respect of its trust business.	Serious
Banks and Trust Companies Law (2020 Revision)	15(3)	Failure of a trust company acting in its capacity as a trustee of a trust which forms a business relationship or which enters into a one-off transaction with a person conducting relevant financial business under Schedule 6 of the <i>Proceeds of Crime Law (2020 Revision)</i> to take reasonable steps to inform the person that the trust	Serious



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		company is carrying on trust business and is acting in its capacity as a trustee of a trust — (a) at the time or before the business relationship is formed; or (b) at the time or before the transaction is entered into.	
Banks and Trust Companies Law (2020 Revision)	15A(1)	Failure of a licensee holding a Trust licence to pay the prescribed fee for each company for which the licensee provided a registered office up to the 31st day of December in the preceding year.	Minor
Banks and Trust Companies Law (2020 Revision)	15A(3)	1. Failure of a Trust licensee to pay the prescribed fee under subsection (1) on or before every 15th day of January. 2. Failure of a licensee who does not pay [the annual fee] / [the prescribed fee under subsection (1)] on or before the 15th day of January to pay the surcharge not exceeding one-twelfth of that fee for every month or part of a month that the fee is not paid, unless the fee has been waived by the Authority.	Minor
Banks and Trust Companies Law (2020 Revision)	16(1)	Failure by a licensee to have two or more directors.	Serious
Banks and Trust Companies Law (2020 Revision)	16(2)	Failure of a licensee to apply to the Authority for its written approval of the appointment of a director or other senior officer before appointing the director or other senior officer, unless it is exempt from such a requirement by the Authority.	Serious
Banks and Trust Companies Law (2020 Revision)	17(3)	1. Failure of a licensee to — (a) give the Authority access to its books, records, vouchers, documents, cash and securities; (b) give the Authority access to information from any member of the Cayman banking group or any member of the licensee's economic group including information on — (i) policies; (ii) procedures;	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<ul style="list-style-type: none"> (iii) financial statements; (iv) audit reports; (v) Board reports; (vi) regulatory returns; and (vii) supervisory reports from overseas regulators; <p>(c) allow the Authority to examine the business or affairs including the carrying on of onsite inspections, of any member of the Cayman banking group; or</p> <p>(d) allow the Authority to conduct onsite inspections of a licensee,</p> <p>as the Authority may reasonably require for the purpose of enabling it to perform its functions under this Law.</p> <p>2. Failure of a person who the Authority has reasonable grounds to believe is carrying on banking or trust business in the Islands in contravention of section 5(1) or (2) to give to the Authority any information, matter or thing requested from the person by the Authority.</p>	
Banks and Trust Companies Law (2020 Revision)	18(1)(a)	A licensee becoming or appears likely to become unable to meet its obligations as they fall due.	Serious
Banks and Trust Companies Law (2020 Revision)	18(1)(b)	A licensee carrying on business in a manner detrimental to the public interest, the interest of its depositors or of the beneficiaries of any trust, or other creditors.	Very serious
Banks and Trust Companies Law (2020 Revision)	18(1)(c)	A licensee contravening the Law.	Very serious
Banks and Trust Companies Law (2020 Revision)	18(1)(ca)	<p>A person who holds a licence issued under section 6(5)(c), (e) or (f) and who is a “corporate services provider”, as defined in —</p> <ul style="list-style-type: none"> (a) Part XVIIIA of the <i>Companies Law (2020 Revision)</i>; (b) Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i>; or (c) Part 8 of the <i>Limited Liability Partnership Law, 2017 [Law 13 of 2017]</i>, 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		contravening Part XVIIA of the <i>Companies Law (2020 Revision)</i> , Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> or Part 8 of the <i>Limited Liability Partnership Law, 2017 [Law 13 of 2017]</i> .	
Banks and Trust Companies Law (2020 Revision)	18(1)(d)	Failure of a licensee to comply with a condition of its licence.	Serious
Banks and Trust Companies Law (2020 Revision)	18(1)(e)	Failure of a licensee to ensure that the direction and management of the licensee's business is conducted in a fit and proper manner.	Very serious
Banks and Trust Companies Law (2020 Revision)	18(1)(f)	A person who is not a fit and proper person holding a position as a director, manager or officer of a licensee's business.	Very serious
Banks and Trust Companies Law (2020 Revision)	18(1)(g)	A person who is not a fit and proper person holding or acquiring control or ownership of a licensee.	Very serious
Banks and Trust Companies Law (2020 Revision)	18(1)(h)	An individual who is not a fit and proper person, directly or indirectly, holding or acquiring control or ownership of more than 25% of the shares or voting rights in a licensee or the right to appoint or remove a majority of the Board of directors of a licensee.	Very serious
Banks and Trust Companies Law (2020 Revision)	18A	Failure of a licensee holding a licence to carry on banking business or a Cayman banking group to make public disclosures where it is required by the Authority to do so.	Serious
Banks and Trust Companies Law (2020 Revision)	22(4)	A person obstructing the Authority or any other person in the exercise of any powers conferred on the person under section 22.	Serious
Banks and Trust Companies Law (2020 Revision)	23	A licensee or any director or officer of a licensee knowingly or wilfully supplying false or misleading information to the Authority.	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
3. PRIVATE TRUST COMPANIES REGULATIONS (2020 REVISION)			
Private Trust Companies Regulations (2020 Revision)	3(1)	Failure of a private trust company to maintain its registered office at the office of a company that holds a Trust licence under section 6(5)(c) of the Law.	Serious
Private Trust Companies Regulations (2020 Revision)	3(1A)	Failure of a private trust company to allow the Authority to inspect all documents and records of the private trust company held or that should be held at the registered office at all reasonable times.	Serious
Private Trust Companies Regulations (2020 Revision)	3(2)	Failure of a private trust company to keep at its registered office and to make available for inspection by the Authority at its registered office, in relation to each relevant trust, adequate, accurate and up to date copies of the trust deed or other documents containing or recording any or all of the following — <ul style="list-style-type: none"> (a) the terms of the trust; (b) the name and address of the trustee; (c) the name and address of the settlor; (d) the name and address of any protector; (e) the name and address of any enforcer; (f) the name and address of any contributor to the trust; (g) the name and address of any beneficiary to whom a distribution is made from the trust; (h) any deed or other document varying the terms of the trust; or (i) all financial and transactional records of the private trust company and its connected trust business. 	Serious
Private Trust Companies Regulations (2020 Revision)	4(2)	<ol style="list-style-type: none"> 1. Failure of a private trust company to register with the Authority. 2. Failure of a private trust company to file with the Authority in the form specified by the Authority, proof of the identification of the directors and shareholders of the private trust company, at the time of registration. 	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		3. Failure of a private trust company to file with the Authority in the form specified by the Authority proof of the identification of the directors and shareholders of the private trust company, on or before the 31st day of January every year during the continuation of registration.	
Private Trust Companies Regulations (2020 Revision)	4(2)(a)	<p>1. Failure of a private trust company to file with the Authority a declaration in such form as the Authority may approve, declaring —</p> <ul style="list-style-type: none"> (a) the name of the private trust company; (b) the names and addresses of the directors of the private trust company; (c) the names and addresses of the shareholders or members, if any, of the private trust company; (d) the name of the holder of the Trust licence providing the registered office of the private trust company; (e) that the company is a private trust company to which paragraph (1) applies; and (f) that the company is in compliance with the requirements of these regulations, <p>at the time of registration.</p> <p>2. Failure of a private trust company to file with the Authority a declaration in such form as the Authority may approve, declaring —</p> <ul style="list-style-type: none"> (a) the name of the private trust company; (b) the names and addresses of the directors of the private trust company; (c) the names and addresses of the shareholders or members, if any, of the private trust company; (d) the name of the holder of the Trust licence providing the registered office of the private trust company; (e) that the company is a private trust company to which paragraph (1) applies; and (f) that the company is in compliance with the requirements of these regulations, <p>on or before the 31st day of January every year after registration during the continuation of registration.</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Private Trust Companies Regulations (2020 Revision)	4(2)(b)	<p>1. Failure of a private trust company to at the time of registration pay to the Authority the prescribed fee at the time of registration.</p> <p>2. Failure of a private trust company to pay to the Authority the prescribed fee on or before the 31st day of January every year during the continuation of the registration.</p>	Minor
Private Trust Companies Regulations (2020 Revision)	4(2A)	Failure of a private trust company that fails to pay the annual registration fee under paragraph (2)(b) to pay the surcharge not exceeding one-twelfth of the annual registration fee for every month or part of a month that the annual registration fee is not paid.	Minor
Private Trust Companies Regulations (2020 Revision)	4(3)	A private trust company filing false, misleading or inaccurate information under paragraph (2)(a) or (aa).	Very serious
Private Trust Companies Regulations (2020 Revision)	4(4)	Failure of a registered private trust company to inform the Authority of any change in the information provided to the Authority for the registration of a private trust company within thirty days of the change.	Serious
Private Trust Companies Regulations (2020 Revision)	4A	Failure of a private trust company registering with the Authority under regulation 4(2) or a private trust company making any change to the membership of the Board of the private trust company, on or after the commencement of the <i>Private Trust Companies (Amendment) Regulations, 2019</i> to have a natural person appointed as a director.	Serious
Private Trust Companies Regulations (2020 Revision)	5	<p>A private trust company soliciting or receiving contributions in respect of trusts of which it is trustee, from —</p> <p>(a) the public; or</p> <p>(b) persons other than those who are, in relation to each other, connected persons.</p>	Very serious
Private Trust Companies Regulations	6(1)	Failure of a private trust company to use the words "Private Trust Company" or the letters "PTC" in the name by which the company is registered under the	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)		<i>Companies Law (2020 Revision).</i>	
Private Trust Companies Regulations (2020 Revision)	6(2)	A person, other than a private trust company, using the words "Private Trust Company" or the letters "PTC" in the description or title under which the person is carrying on business from within the Islands, whether or not such business is carried on in the Islands.	Very serious
4. BUILDING SOCIETIES LAW (2020 REVISION)			
Building Societies Law (2020 Revision)	4(2)(da)	Failure of a society to make rules setting forth that directors and senior officers are required to be fit and proper persons.	Serious
Building Societies Law (2020 Revision)	7(1)	Failure of a society or the proper officer of the society to submit two transcripts of all rules made by the society to the Attorney General in the prescribed manner and within the prescribed timeframe.	Very serious
Building Societies Law (2020 Revision)	8	Failure of a society to pay its incorporation fees, annual fees or regulatory fees within the prescribed timeframe.	Minor
Building Societies Law (2020 Revision)	9(1)	Failure of a building society which unites with another society or which transfers its engagements to any other society to notify the Registrar of a resolution.	Serious
Building Societies Law (2020 Revision)	10(2)	Failure of a society to submit a notice of the change of name to the Registrar.	Minor
Building Societies Law (2020 Revision)	11(2)	<ol style="list-style-type: none"> 1. Failure of the secretary of a society to give notice of a change of its chief office to the Registrar within seven days after such change. 2. Failure of the secretary of a society to advertise the change of the society's chief office for two days in any one of the newspapers published in the Islands, and where there is no newspaper published in the Islands then in one of the newspapers circulating in the Islands. 	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Building Societies Law (2020 Revision)	13A(1)	Failure of a society to obtain the approval of the Authority prior to appointing a new director or senior officer.	Serious
Building Societies Law (2020 Revision)	15A(1)	<p>1.Failure of a society to comply with the requirement not to issue shares to a member representing ten per cent or more of total voting rights of the society without the prior approval of the Authority.</p> <p>2. Failure of a member to comply with the requirement not to transfer or dispose of shares issued to the member which represent ten per cent or more of the total voting rights of the society without the prior approval of the Authority.</p>	Serious
Building Societies Law (2020 Revision)	21(1)	Failure of a secretary or manager of a society to, at least once in every year, prepare an account described in section 21(1)(a) and to prepare a general statement described in section 21(1)(b).	Serious
Building Societies Law (2020 Revision)	21(2)	Failure of a secretary or manager to ensure that the account and the general statement referred to under section 21(1) are attested by the auditors to whom the mortgage deeds and other securities belonging to the society are produced and countersigned by the secretary or manager.	Serious
Building Societies Law (2020 Revision)	21(3)	<p>1. Failure of a society to send a copy of the account and general statement to every member, depositor and creditor for loans.</p> <p>2. Failure of a society to send a copy of the account and general statement to the Authority within fourteen days after the annual or other general meeting at which it is presented.</p>	Minor
Building Societies Law (2020 Revision)	22A(1) and (4)	1. Failure of an auditor to give to the Authority written notice of specified information or written notice of a suspicion, and in the case of suspicion, the auditor's reason for that suspicion, where in the course of carrying out an audit of the accounts of a society under this Law, the auditor obtains information or suspects that the society is —	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>(a) unable or likely to become unable to meet its obligations as they fall due;</p> <p>(b) carrying on or attempting to carry on business or winding up its business voluntarily in a manner that is prejudicial to its members;</p> <p>(c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited;</p> <p>(d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or</p> <p>(e) carrying on or attempting to carry on business otherwise than in compliance with —</p> <p style="padding-left: 40px;">(i) this Law,</p> <p style="padding-left: 40px;">(ii) the <i>Monetary Authority Law (2020 Revision)</i>; or</p> <p style="padding-left: 40px;">(iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>.</p> <p>2. Failure of a former auditor to explain to the Authority the reasons for the change where a society changes its auditor.</p>	
Building Societies Law (2020 Revision)	33(3)	<p>1. Failure of a society to grant to the Authority access to such books, records, vouchers, documents, cash and securities of any society.</p> <p>2. Failure of a person to provide to the Authority, in such form as the Authority may reasonably require, such information, matter or thing from any person who the Authority has reasonable grounds to believe is carrying on business in contravention of this Law.</p> <p>3. Failure of the committee of management or Board of directors of a society, or any officer designated by the committee or Board, to provide information or an explanation when called upon by the Authority.</p>	Serious
Building Societies Law (2020 Revision)	35(5)	A person obstructing the Authority, or any other person, in the exercise of any powers conferred under section 35.	Serious
Building Societies Law	39	A person obstructing an accountant or actuary appointed under section 38, in the exercise of the	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)		accountant's or actuary's duty.	
Building Societies Law (2020 Revision)	42	<ol style="list-style-type: none"> 1. Failure of an officer or agent of a society to produce any book or document directed to be produced by an Inspector. 2. Failure of an officer or agent of a society to answer any question of an Inspector relating to the affairs of the society. 	Serious
Building Societies Law (2020 Revision)	47(1)	A person, by false representation or imposition, obtaining possession of any moneys, securities, books, papers or other effects of a society, or, having the same in the person's possession, withholding or misapplying the same, or wilfully applying any part thereof to purposes other than those expressed or directed in the rules of the society and authorised by law.	Serious
Building Societies Law (2020 Revision)	48(1)	Failure to first obtain a certificate of incorporation under this Law before forming a society or before commencing business as a building society.	Very serious
Building Societies Law (2020 Revision)	48(2)	A society receiving loans or deposits in excess of the limits prescribed by this Law.	Serious
Building Societies Law (2020 Revision)	49	<ol style="list-style-type: none"> 1. A director, secretary, surveyor, attorney-at-law or other officer of a society receiving or accepting from any other person any gift, bonus, commission or benefit for or in connection with any loan made by the society. 2. A person paying to a director, secretary, surveyor, attorney-at-law or other officer of a society any gift, bonus, commission or benefit for or in connection with any loan made by the society. 	Serious
Building Societies Law (2020 Revision)	50	A person wilfully making, ordering or allowing to be made any false statement in any document required by this Law to be sent to the Authority or the Registrar, or by erasure, omission or otherwise, wilfully falsifying any such document.	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Building Societies Law (2020 Revision)	51	1. Neglect or refusal of a society under this Law to give any notice, send any return or document, or do or allow to be done, anything which the society is by this Law required to give, send, do or allow to be done. 2. Neglect or refusal of a society under this Law to do any act, or furnish any information required for the purposes of this Law by the Authority, the Registrar or an Inspector.	Serious
5. COMPANIES MANAGEMENT LAW (2018 REVISION)			
Companies Management Law (2018 Revision)	5(4)	Subject to subsection (2), failure of a person to comply with the requirement to hold a current licence while carrying on the business of company management.	Very serious
Companies Management Law (2018 Revision)	6(5)	Failure of the holder of a licence under this Law to inform the Authority of such changes made relating to any of the information furnished in accordance with section 5(6) as may be prescribed within fourteen days after any such change has occurred.	Minor
Companies Management Law (2018 Revision)	9(1)	1. A licensee which is a company issuing shares without the approval of the Authority. 2. Failure of a licensee to comply with any conditions of the approval given by the Authority. 3. A person who owns or has an interest in shares in the company licensed under the Law transferring or otherwise disposing of or dealing in those shares or that interest without the approval of the Authority. 4. Failure of a person who owns or has an interest in shares in a company licensed under the Law to comply with any conditions of the approval given by the Authority.	Serious
Companies Management	9(4)	Failure of a secretary, as soon as the secretary becomes aware of any shares automatically vesting	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Law (2018 Revision)		through process of law in a person, to inform the Authority of the number of shares and the identity of the person in whom the shares have vested.	
Companies Management Law (2018 Revision)	11(1)(a)	A person, other than a licensee, using a word which connotes the business of company management, either in English or in any other language, in the description or title under which the person carries on business in or from within the Islands.	Serious
Companies Management Law (2018 Revision)	11(1)(b)	A person, other than a licensee, making a representation in a document or in any other manner that the person is carrying on the business of company management.	Serious
Companies Management Law (2018 Revision)	11(2)(a) or (d)	<p>1. Failure of a licensee, being a body corporate with a name, or carrying on business under a name, which is identical with that of another person, whether within the Islands or not, or which so nearly resembles that name as to be likely to deceive, to comply with the Authority's request to change the licensee's name within three calendar months of the receipt of notice from the Authority.</p> <p>2. Failure of a licensee, being a body corporate with a name, or carrying on business under a name, which includes any word or expression prescribed in regulations, to comply with the Authority's request to change the licensee's name within three calendar months of the receipt of notice from the Authority.</p>	Minor
Companies Management Law (2018 Revision)	11(2)(b) or (c)	<p>1. Failure of a licensee, being a body corporate with a name, or carrying on business under a name, which in the opinion of the Authority connotes, falsely, the patronage of or connection with a person whether within the Islands or not, to comply with the Authority's request to change the licensee's name within three calendar months of the receipt of notice from the Authority.</p> <p>2. Failure of a licensee, being a body corporate with a name, or carrying on business under a name, which in the opinion of the Authority connotes, falsely, that</p>	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		it has a special status in relation to or derived from the Government, or has the official backing of or acts on behalf of the Government or of any of its departments or officials, to comply with the Authority's request to change the licensee's name within three calendar months of the receipt of notice from the Authority.	
Companies Management Law (2018 Revision)	13(1)	Failure of the holder of a companies management licence to have the holder's accounts audited annually or at such other time as the Authority may require by an auditor who is approved by the Authority and who is a member of — (a) the Institute of Chartered Accountants in England and Wales; (b) the Canadian Institute of Chartered Accountants; (c) the Chartered Association of Certified Accountants of England and Wales; (d) the American Institute of Certified Public Accountants; or (e) any other professional body or institute approved by the Authority.	Serious
Companies Management Law (2018 Revision)	13(2)	Failure of the holder of a companies management licence, within six months of the end of the financial year of the holder of the companies management licence, to forward to the Authority — (a) the audited accounts for the financial year just ended; (b) a certificate of compliance with this Law and any regulations made under this Law or the <i>Monetary Authority Law (2020 Revision)</i> , signed by the licensee or, if the licensee is a body corporate, a director of the licensee; or (c) an auditor's certificate of the existence of adequate procedures to ensure compliance by the licensee with any Code of Practice that may be issued under section 113 of the <i>Proceeds of Crime Law (2020 Revision)</i> ; or under regulations made under this Law.	Minor
Companies Management	13(3)	Failure of the holder of a corporate services licence to, once every two years (or such shorter or longer period	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Law (2018 Revision)		as the Authority may require in any individual case), forward to the Authority the certificates specified under section 13(2)(b) or 13(2)(c).	
Companies Management Law (2018 Revision)	13(4)	1.A licensee changing the licensee's auditor without the prior written approval of the Authority. 2.Failure of an outgoing auditor to explain to the Authority the circumstances giving rise to the change of auditor.	Serious
Companies Management Law (2018 Revision)	13(5)	A person signing a certificate under section 13(2)(b) knowing or who ought reasonably to have known that such certificate is false.	Serious
Companies Management Law (2018 Revision)	13(6)	Failure of an auditor who, in the course of carrying out an audit of the accounts of a licensee, becomes aware, or has reasonable grounds to believe, that the licensee is — (a) unable to meet the licensee's obligations as they fall due; (b) carrying on or attempting to carry on the licensee's business of company management or winding up the licensee's business of company management in a manner that is prejudicial to the licensee's managed companies or their owners, or to the licensee's creditors, or to the creditors of the licensee's managed companies or their owners; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow the licensee's accounts to be properly audited; or (d) carrying on business in a fraudulent or criminal manner, to immediately give the Authority written notice of the auditor's knowledge or belief, and to give reasons for that knowledge or belief.	Serious
Companies	14(a)	Failure of a licensee to comply with the requirement not	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Management Law (2018 Revision)		to open a subsidiary, branch, agency or representative office outside the Islands without the prior approval of the Authority.	
Companies Management Law (2018 Revision)	14(b)	Failure of a licensee to comply with the requirement not to change the licensee's name without the prior approval of the Authority.	Minor
Companies Management Law (2018 Revision)	15(1)	Failure of a holder of a companies management licence which is a company to comply with the requirement to have no fewer than two directors at any time.	Serious
Companies Management Law (2018 Revision)	15(2)	<ol style="list-style-type: none"> 1. Failure of a licensee to comply with the requirement to obtain the prior written approval of the Authority before making an appointment to the Board of directors. 2. Failure of a licensee which is a company to comply with the requirement to obtain the prior written approval of the Authority before making an appointment of a senior officer. 3. Failure of a holder of a corporate services licence to comply with the requirement to give one month's prior notice to the Authority before making an appointment to the Board of directors. 4. Failure of a holder of a corporate services licence to comply with the requirement to give one month's prior notice to the Authority before making an appointment of a senior officer. 	Serious
Companies Management Law (2018 Revision)	15(3)	Failure of a licensee to remove or replace a director, or dismiss a senior officer, who is convicted in any country of an offence involving dishonesty within fourteen days of the conviction.	Serious
Companies Management Law (2018 Revision)	16(2)	<p>Failure of a person who the Authority reasonably believes is carrying on the business of company management in contravention of this Law, or a licensee, to provide —</p> <p style="text-align: center;">(a) access to, and to allow copies to be made</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>of, such books, records and documents; (b) access to such cash and securities; or (c) such information or explanation,</p> <p>as the Authority may reasonably require for the performance of the Authority's functions under this Law.</p>	
Companies Management Law (2018 Revision)	16(6)	A person knowingly or recklessly furnishing any information, providing any explanation or making any statement which is false or misleading in a material particular.	Very serious
Companies Management Law (2018 Revision)	17(1)	Failure of a license to insure with authorised insurers against the losses referred to in section 17(3).	Serious
Companies Management Law (2018 Revision)	19(7)	A person wilfully obstructing the Authority or other authorised person in the exercise of any powers conferred on the Authority or that other authorised person.	Serious
6. COOPERATIVE SOCIETIES LAW (2020 REVISION)			
Cooperative Societies Law (2020 Revision)	12	<p>1. Failure of a registered society to have an address registered in accordance with the regulations to which all notices and communications may be sent.</p> <p>2. Failure of a registered society to send to the Registrar notice of every change of that address.</p>	Minor
Cooperative Societies Law (2020 Revision)	13	Failure of a registered society to paint or affix and keep painted or affixed its registered name, in letters easily legible, and in a conspicuous position on the outside of every office or place in which the business of the society is carried on.	Minor
Cooperative Societies Law (2020 Revision)	14	Failure of a registered society to keep a copy of the Law and the regulations and its rules and a list of its members open to inspection, free of charge, at all reasonable times at the registered address of the society.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Cooperative Societies Law (2020 Revision)	25	A person becoming a member of more than one registered society with unlimited liability, whose primary object is to grant loans to its members, without the sanction of the Registrar.	Serious
Cooperative Societies Law (2020 Revision)	28	A member, other than a registered society, holding more than such portion of share capital of the society, where the liability of the members of the registered society is limited by shares, subject to a maximum of twenty per cent, as may be prescribed by the rules.	Serious
Cooperative Societies Law (2020 Revision)	29(4)	<ol style="list-style-type: none"> 1. A credit union which may issue shares which carry voting rights, issuing shares representing ten per cent or more of total voting rights of the credit union to a member. 2. A member transferring or disposing of issued shares representing ten per cent or more of the total voting rights of the credit union, without the prior approval of the Authority. 	Serious
Cooperative Societies Law (2020 Revision)	31	A registered society making a loan to any person other than a member or another registered society.	Serious
Cooperative Societies Law (2020 Revision)	34(1)	<p>A registered society paying pay a dividend or bonus or distributing any part of its accumulated funds before the balance sheet has been certified —</p> <ol style="list-style-type: none"> (a) in the case of a society other than a credit union, by an auditor approved by the Registrar; and (b) in the case of a credit union, by an auditor approved by the Authority. 	Very serious
Cooperative Societies Law (2020 Revision)	35(1)	Failure of a registered society which does or can derive profit from its transactions, to maintain a reserve fund.	Serious
Cooperative Societies Law (2020 Revision)	35(2)	1. Failure of a registered society to carry to the reserve fund at least twenty per cent of the net profits of every registered society as ascertained by the audit prescribed by section 39 or 45, as the case may be.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		2. Failure of a registered society to employ the reserve fund as prescribed by the regulations.	
Cooperative Societies Law (2020 Revision)	38A	1. Failure of a credit union to obtain the approval of the Authority prior to appointing a director or senior officer. 2. Failure of a credit union to require the director or senior officer to be a fit and proper person.	Serious
Cooperative Societies Law (2020 Revision)	39(1)	Failure of a credit union to have its accounts audited annually or at such other times as the Authority may require, by an auditor, who is a chartered accountant, a certified public accountant, or some other professionally qualified accountant, approved by the Authority.	Serious
Cooperative Societies Law (2020 Revision)	39(2)	Failure of a credit union to forward the audited accounts to the Authority within three months of the end of the financial year of the credit union, unless prior written approval for an extension has been granted by the Authority.	Minor
Cooperative Societies Law (2020 Revision)	39A(1)	Failure of an auditor to immediately give the Authority written notice of the information or suspicion and, in the case of suspicion, the auditor's reason for that suspicion if an auditor, in the course of carrying out an audit of the accounts of a credit union under this Law, obtains information or suspects that the credit union is — (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or winding up its business voluntarily in a manner that is prejudicial to its members; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner;	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		or (e) carrying on or attempting to carry on business otherwise than in compliance with — (i) the Law or the Regulations; (ii) the <i>Monetary Authority Law (2020 Revision)</i> ; or (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i> .	
Cooperative Societies Law (2020 Revision)	39A(3)	A credit union appointing as an auditor a person disqualified under subsection (2).	Serious
Cooperative Societies Law (2020 Revision)	39A(5)	Where a credit union changes its auditor, failure of a former auditor to explain the reasons for the change where required by the Authority to explain such reasons.	Serious
Cooperative Societies Law (2020 Revision)	40(3)	1. Failure of a credit union to grant the Authority access to such books, records, vouchers, documents, cash and securities of the credit union. 2. Failure of a person who the Authority has reasonable grounds to believe is carrying on business in contravention of this Law to provide such information, matter or thing requested from the person, by the Authority, in such form as the Authority may reasonably require. 3. Failure of the committee of a credit union, or any officer designated by the committee to provide to the Authority such information or explanation, as the Authority may reasonably require for the purpose of enabling it to perform its functions under this Law.	Serious
Cooperative Societies Law (2020 Revision)	42(5)	A person obstructing the Authority or any other person in exercise of its powers conferred under section 42.	Serious
Cooperative Societies Law (2020 Revision)	66	A person other than — (a) a registered society; or (b) any person or that person's successor in	Serious

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		interest who traded or carried on business at the time of the passing of this Law, trading or carrying on business under any name or title of which the word "cooperative" or "cooperation" or any abbreviation, or the words "credit union" or "credit unions" or any abbreviation is part.	
Cooperative Societies Law (2020 Revision)	68(1)(a)	A registered society and every officer or member of the registered society wilfully neglecting or refusing to do any act or to furnish any information required for the purposes of this Law by the Authority or the Registrar or other person duly authorised by the Registrar in writing in that behalf.	Serious
Cooperative Societies Law (2020 Revision)	68(1)(b)	A registered society and every officer or member of the registered society wilfully making a false return or furnishing any false information.	Serious
Cooperative Societies Law (2020 Revision)	68(2)(a)	A person wilfully or without any reasonable excuse, disobeying any summons, requisition or lawfully written order issued under this Law.	Serious
Cooperative Societies Law (2020 Revision)	68(2)(b)	A person failing to furnish any information lawfully required from that person by a person authorised to do so under this Law.	Serious
Cooperative Societies Law (2020 Revision)	69	A person obtaining possession of any property of a society by false representation or imposition, or obtaining possession of any property of a society and withholding or misplacing the same, or wilfully applying any part of the property to purposes other than those expressed, or directed in the rules of the society and authorised by this Law.	Serious
7. DEVELOPMENT BANK LAW (2018 REVISION)			
Development Bank Law (2018 Revision)	5(1)	Failure of the Board to appoint a general manager to be the chief executive officer of the Bank.	Serious
Development	5(3)	Failure of the Board to appoint officers to be responsible	Serious



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Bank Law (2018 Revision)		for — (a) managing the loan portfolio and the loan administration process of the Bank; (b) managing and recording the funds of the Bank and managing all financial transactions of the Bank; and (c) establishing, maintaining and reviewing the internal controls established by the Bank in order to assess compliance with the established policies of the Bank.	
Development Bank Law (2018 Revision)	19	The Bank allowing the aggregate of the liabilities of the Bank outstanding at any one time including bonds and debentures issued by the Bank, to exceed the amount of the authorised capital or such sum as may be provided for in regulations made under section 31, without the written approval of the Cabinet.	Serious
Development Bank Law (2018 Revision)	20	1. Failure of the Bank to establish and maintain a reserve fund. 2. Failure of the Bank to allocate to the reserve fund, at the end of its financial year, not less than twenty per cent of the net income for that financial year whenever the total amount standing to the credit of such reserve is less than the paid-up portion of the authorised capital of the Bank.	Serious
Development Bank Law (2018 Revision)	21(3)	Failure of the Bank to have its statement of accounts audited annually by an auditor who is a chartered accountant, a certified public accountant, a firm of professional qualified accountants or other professionally qualified accountant appointed by the Board, after consultation with the Authority.	Serious
Development Bank Law (2018 Revision)	21(5)	1. Failure of the auditor to complete the audit and send to the Board copies of his report on the statement of accounts. 2. Failure of the Board to submit the auditor's report annually to the Minister, the Authority and the Financial Secretary within three months of the end of the financial year together with an audited	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		balance sheet and income and expenditure accounts as at the close of the previous financial year.	
Development Bank Law (2018 Revision)	22(1)	Failure of the Bank to prepare a report, in a form approved by the Minister, of what has been done in the discharge of the Bank's functions in a financial year, as soon as possible after the end of that financial year and in any event not later than seven months after the end of that financial year.	Serious
Development Bank Law (2018 Revision)	23(2)	Failure of the Bank to at all times, as may be specified by the Authority, furnish to the Authority such returns in respect of such of its business as the Authority may specify in writing and in such form as the Authority may reasonably require.	Serious
Development Bank Law (2018 Revision)	23(3)	Failure of the Bank, within three months of the end of the financial year of the Bank, to forward to the Authority an auditor's certificate of the existence of adequate procedures to ensure compliance with the <i>Anti-Money Laundering Regulations (2020 Revision)</i> and any Code of Practice which may be issued under sections 113 or 180 of the <i>Proceeds of Crime Law (2020 Revision)</i> .	Serious
Development Bank Law (2018 Revision)	23(8)	<ol style="list-style-type: none"> 1. Failure of Bank to grant the Authority access to such books, records, vouchers, documents, cash and securities of the Bank. 2. Failure of a director or officer of the Bank or any similar person to provide to the Authority such information, matter or thing requested from the director, officer or similar person, for such information or explanation, as the Authority may reasonably require for the purpose of enabling it to perform its functions under this Law. 3. Failure of a director or officer of the Bank or any similar person to provide such information requested by the Authority, in such form as the Authority may reasonably require. 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Development Bank Law (2018 Revision)	25(5)	A person obstructing the Authority or any other person in the exercise of any powers conferred under section 25.	Serious
Development Bank Law (2018 Revision)	27	The Bank including information with respect to any particular individual or particular undertaking (other than the undertaking of the Bank) in any report laid before the Legislative Assembly under the Law without the consent of the individual or undertaking.	Very serious
Development Bank Law (2018 Revision)	29(1)	Failure of the Bank, where the Bank has made a loan under this Law, to — (a) from time to time, make or cause to be made such examination as may be necessary to ensure that the loan is being applied to the purpose for which it was made; (b) require financial statements in such detail as it may be determined to be submitted by the person in receipt of the loan biannually or at shorter intervals at the discretion of the Bank.	Minor
Development Bank Law (2018 Revision)	29(2)	A person failing to submit any financial statement or to produce any book, document or other matter or thing demanded in accordance with subsection (1).	Minor
8. DIRECTORS REGISTRATION AND LICENSING LAW, 2014			
Directors Registration and Licensing Law, 2014	4(1)	A natural person appointed as a director of a covered entity, subject to subsection (4), acting in that capacity without being registered under this Law.	Very serious
Directors Registration and Licensing Law, 2014	4(2)	A natural person who, on or after the date of commencement of this Law, is proposed to be appointed as a director of a covered entity being appointed to act in that capacity without being registered by the Authority.	Very serious
Directors Registration and	4(3)	Subject to subsection(4), a natural person who, prior to the date of commencement of this Law, is a director of	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Licensing Law, 2014		a covered entity continuing to act in that capacity on or after that date without making an application for registration, and being registered as a director, by the Authority.	
Directors Registration and Licensing Law, 2014	5(4)	Failure of an applicant who has submitted an application for registration to the Authority to, in the time prescribed, cease to act as a director of a covered entity if, for any reason, the application for registration is refused.	Serious
Directors Registration and Licensing Law, 2014	6(2)	<ol style="list-style-type: none"> 1. Failure of each registered director to pay to the Authority the prescribed annual fee, on or before the 15th January in each calendar year. 2. Failure of each registered director who fails to pay the prescribed annual fee by the 15th January in each calendar year to pay a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the fee is not paid. 	Minor
Directors Registration and Licensing Law, 2014	6(2)	Failure of each registered director to, on or before the 15th January in each calendar year, provide to the Authority the information in the prescribed form.	Serious
Directors Registration and Licensing Law, 2014	6(3)	Failure of a registered director to inform the Authority if there is any change in the information provided to the Authority for the registration of a director, within twenty-one days of the change.	Serious
Directors Registration and Licensing Law, 2014	8(1)	An applicant serving as a director for any covered entity where the Authority refuses to register an applicant under this Part.	Very serious
Directors Registration and Licensing Law, 2014	9(1)	Subject to subsection (4), a natural person being a professional director without holding a valid licence issued under the Law.	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Directors Registration and Licensing Law, 2014	9(2)	A natural person who, on or after the date of commencement of the Law proposes to be a professional director being or carrying on business as a professional director without holding a valid licence issued under the Law.	Very serious
Directors Registration and Licensing Law, 2014	9(3)	Subject to subsection (4), a natural person who is a professional director prior to the date of commencement of the Law continuing to act in that capacity on or after the date of commencement of the Law, without being licensed by the Authority.	Very serious
Directors Registration and Licensing Law, 2014	13(1)	An applicant serving as a professional director for any covered entity where the Authority refuses to grant a licence to an applicant under Part III.	Very serious
Directors Registration and Licensing Law, 2014	14(1)(a)	Failure of a professional director who is granted a licence under Part III to, upon the grant of the license, pay the prescribed licence fee to the Authority.	Minor
Directors Registration and Licensing Law, 2014	14(1)(b)	Failure of a professional director, who is granted a licence under Part III to, upon the grant of the license, comply with the conditions of the licence.	Very serious
Directors Registration and Licensing Law, 2014	14(2)	<ol style="list-style-type: none"> 1. Failure of a licensed professional director to, on or before the 15th January in each calendar year pay to the Authority the prescribed annual fee. 2. Failure of a licensed professional director who fails to pay the prescribed annual fee on or before the 15th January in each calendar year, to pay a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the fee is not paid. 	Minor
Directors Registration and Licensing Law, 2014	14(2)	Failure of a licensed professional director to, on or before the 15th January in each calendar year, provide to the Authority the information in the prescribed form.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Directors Registration and Licensing Law, 2014	14(3)	Failure of a professional director to inform the Authority if there is any change in the information provided to the Authority for the grant of a licence, within twenty-one days of the change.	Serious
Directors Registration and Licensing Law, 2014	15(1)	Failure of a professional director to at all times be covered by insurance with an insurer, to cover loss arising from claims in respect of civil liability incurred in connection with the business of the professional director, in an amount which is a minimum aggregate cover of one million dollars and a minimum cover of one million dollars for each and every claim.	Serious
Directors Registration and Licensing Law, 2014	15(2)	Failure of a professional director to file with the Authority current details of the insurance required under subsection (1).	Minor
Directors Registration and Licensing Law, 2014	17(1)	A corporate director appointed as a director of a covered entity, subject to section 22, acting in that capacity without being licensed as a corporate director under the Law.	Very serious
Directors Registration and Licensing Law, 2014	17(2)	A corporate director who, on or after the date of commencement of this Law, is proposed to be appointed as a director of a covered entity being appointed to act in that capacity without being licensed as a corporate director under this Law.	Serious
Directors Registration and Licensing Law, 2014	18(7)	<ol style="list-style-type: none"> 1. Failure of a licensed corporate director to, on or before the 15th January in each calendar year, pay to the Authority the prescribed annual fee. 2. Failure of a licensed corporate director who fails to pay the prescribed annual fee on or before the 15th January in each calendar year, to pay a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the fee is not paid. 	Serious
Directors Registration and Licensing Law,	18(7)	1. Failure of each licensed corporate director to on or before the 15th January in each calendar year, pay to the Authority the prescribed annual fee.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
2014		2. Failure of each licensed corporate director who fails to pay the prescribed annual fee, a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the fee is not paid.	
Directors Registration and Licensing Law, 2014	18(8)	Failure of a corporate director to within twenty-one days of any change in the information provided to the Authority for the grant of a licence under Part IV, inform the Authority of the change.	Serious
Directors Registration and Licensing Law, 2014	20(1)	Failure of a corporate director to — (a) be registered as an ordinary resident company, an ordinary non-resident company, an exempted company or foreign company in accordance with the <i>Companies Law (2013 Revision)</i> ; (b) appoint to its Board at least two natural persons who are registered or licensed under this Law; (c) before the appointment of any new or additional person to its Board, apply to the Authority for its written approval of that appointment.	Serious
Directors Registration and Licensing Law, 2014	21(1)	Failure of the subsidiary, whether wholly owned or otherwise, of — (a) a corporate director; (b) the holder of a mutual funds administrators licence; or (c) the holder of a companies management licence, that is appointed to act as a director of a covered entity to be licensed under the Law unless that subsidiary holds a mutual funds administrators licence or a companies management licence.	Very serious
Directors Registration and Licensing Law, 2014	21(2)	Failure of a corporate director to at all times be covered by insurance with an insurer, to cover loss arising from claims in respect of civil liability incurred in connection with the business of the corporate director, in an amount which is a minimum aggregate cover of one	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		million dollars and a minimum cover of one million dollars for each and every claim.	
Directors Registration and Licensing Law, 2014	21(3)	Failure of a corporate director to file with the Authority current details of the insurance required under subsection (2)	Minor
Directors Registration and Licensing Law, 2014	24(2)	<p>1. Failure of —</p> <ul style="list-style-type: none"> (a) a person whom the Authority reasonably believes is acting as a director of a covered entity in contravention of this Law; (b) a registered director, professional director or corporate director; or (c) any person whom the Authority reasonably believes has relevant information relating to (a) or (b), <p>to provide access to and allow copies to be made of any books, records or documents that the Authority may reasonably require.</p> <p>2. Failure of —</p> <ul style="list-style-type: none"> (a) a person whom the Authority reasonably believes is acting as a director of a covered entity in contravention of this Law; (b) a registered director, professional director or corporate director; or (c) any person whom the Authority reasonably believes has relevant information relating to (a) or (b), <p>to furnish any information or explanation the Authority may reasonably require for the performance of its functions under this Law or the <i>Monetary Authority Law (2020 Revision)</i>.</p>	Serious
Directors Registration and Licensing Law, 2014	24(5)	A person to whom subsection (2) applies knowingly or recklessly, furnishing any information, providing any explanation or making any statement to the Authority which is false or misleading in a material particular.	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
9. INSURANCE LAW, 2010			
Insurance Law, 2010	3(1)	A person carrying on — (a) insurance business; (b) reinsurance business; or (c) business as an insurance agent, insurance broker, or insurance manager, without holding a valid licence issued for that purpose under the Law.	Very serious
Insurance Law, 2010	4(4)(b)	Failure of an insurer that is not a class D insurer and not a class B insurer incorporated as a segregated portfolio company under Part XIV of the <i>Companies Law (2020 Revision)</i> to be separately licensed for long term business and for general business.	Serious
Insurance Law, 2010	4(4)(d)	Failure of an insurance manager who also carries on business as either an insurance broker or an insurance agent to be separately licensed in respect of each such activity.	Serious
Insurance Law, 2010	7(1)	Failure of a licensee to pay the prescribed annual fee in respect of each category of licence held on or before every 15th day of January after the first grant of the licence.	Minor
Insurance Law, 2010	7(2)	Failure of a licensee who fails to pay the prescribed annual fee by the date specified in subsection (1), to pay to the general revenue of the Islands, a surcharge not exceeding one-twelfth of the prescribed annual fee for every month or part of a month that the prescribed annual fee is not paid, unless the Authority waives the surcharge.	Minor
Insurance Law, 2010	8(1)	1. Failure of a licensee to carry on insurance business only in accordance with the information given in its approved licence application and business plan. 2. Failure of a licensee to seek the prior written approval of the Authority for any change to the	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>approved business plan or in the information supplied in the application.</p> <p>3. A licensee —</p> <p>(a) opening outside the Islands a subsidiary, branch, agency or representative office or changing its name; or</p> <p>(b) where it is an insurer other than an external insurer conducting insurance business —</p> <p>(i) other than long term business, amalgamating with any one or more insurers or,</p> <p>(ii) other than in the normal course of business, transferring its insurance operations or any part thereof, or accepting transfer of the insurance operations or any part thereof from another insurer,</p> <p>without the prior written approval of the Authority.</p> <p>4. Failure of a licensee that is required to have a place of business in the Islands to maintain in the Islands such resources, including staff and facilities, books and records as the Authority may consider appropriate, having regard to the nature and scale of the business.</p>	
Insurance Law, 2010	8(2)	<p>Failure of an insurer to —</p> <p>(a) maintain a margin of solvency in accordance with the prescribed solvency requirements;</p> <p>(b) maintain adequate arrangements for the management of risks, including the reinsurance thereof where appropriate;</p> <p>(c) maintain capital in accordance with the prescribed capital requirements;</p> <p>(d) authorize at least one person resident in the Islands and approved by the Authority to accept on its behalf service of process in any legal proceedings and any notices required to be served on it;</p> <p>(e) where it is a member of an insurance group, inform the Authority of any activity or transaction undertaken or proposed by another member of the group that could</p>	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>reasonably be expected to have a material effect on the insurer;</p> <p>(f) where it is an external insurer, be responsible for all contracts of domestic business issued by any branch or subsidiary and also for all acts, omissions and liabilities of such branch or subsidiary activity; or</p> <p>(g) maintain an effective system of governance as approved by the Authority.</p>	
Insurance Law, 2010	8(3)	Failure of an insurance agent, insurance broker or an insurance manager to establish and maintain a separate account for the brokerage, agency and management account separate from the accounts maintained for each insurer.	Very serious
Insurance Law, 2010	8(4)	<p>Failure of a class B insurer that is established as a segregated portfolio company under Part XIV of the <i>Companies Law (2020 Revision)</i> to, in respect of each segregated portfolio —</p> <p>(a) maintain the prescribed margin of solvency;</p> <p>(b) unless waived by the Authority, comply with section 9(1)(a) and (c); and</p> <p>(c) cause each submission under paragraph (b) to be prepared using the same financial year end.</p>	Very serious
Insurance Law, 2010	9(1)	<p>1. Failure of an insurer, except as otherwise approved by the Authority in writing and subject to subsection (3), to submit to the Authority by way of annual return, within six months of the end of its financial year all or any of the following —</p> <p>(a) audited financial statements prepared in accordance with internationally recognised accounting standards by an independent auditor approved by the Authority, together with a copy of any prescribed management letter issued by the auditor;</p> <p>(b) an actuarial valuation of its assets and liabilities including loss and loss expense provisions, certified by an actuary approved by the Authority;</p> <p>(c) certification of solvency prepared by a person approved by the Authority in</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>accordance with the prescribed requirements;</p> <p>(d) written confirmation that the information set out in the application for the licence, as modified by any subsequent changes approved by the Authority, remains correct; or</p> <p>(e) such other information as may be prescribed.</p>	
Insurance Law, 2010	9(2)	<p>Failure of a class A insurer to, except as otherwise approved in writing by the Authority, submit in the return under subsection (1) —</p> <p>(a) a list of insurance agents and insurance brokers who have the class A insurer's authority to solicit domestic business on its behalf; and</p> <p>(b) confirmation that the class A insurer is satisfied that the agents are fit and proper persons and have complied with the applicable requirements under the Law.</p>	Serious
Insurance Law, 2010	9(4)	<ol style="list-style-type: none"> 1. Failure of an insurer to disclose the standards applied in the audited financial statements and actuarial valuation referred to in subsection (1)(a) and (b). 2. Failure of a class A insurer or class D insurer to publish its audited financial statements at a time no later than the time that it submits them to the Authority. 3. Failure of a class B(iii) insurer to make its audited financial statements available to insured persons, third party beneficiaries, and such other persons as may be prescribed, on request. 	
Insurance Law, 2010	10	<ol style="list-style-type: none"> 1. Failure of an insurance broker or an insurance manager to, except as otherwise approved by the Authority in writing, submit to the Authority by way of annual return, within six months of the end of its financial year — <ol style="list-style-type: none"> (a) financial statements prepared in accordance with internationally recognised accounting 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>standards;</p> <p>(b) written confirmation that the information set out in the licence application, as modified by any subsequent changes approved by the Authority, remains correct;</p> <p>(c) evidence of adequate professional indemnity insurance as required under section 13; and</p> <p>(d) such other information as may be prescribed.</p> <p>2. Failure of an insurance broker to, except as otherwise approved by the Authority in writing, in respect of domestic business, submit a list of all insurers for whom the insurance broker is authorised to act, commissions received from each insurer and the premium income received on behalf of and remitted to each such insurer during the financial year.</p> <p>3. Failure of an insurance manager to, except as otherwise approved by the Authority in writing, submit a list of all insurers for whom the insurance manager acts.</p>	
Insurance Law, 2010	11	<p>Failure of an insurance agent to, except as otherwise approved by the Authority in writing, submit to the Authority by way of annual return within six months of the end of the calendar year, in respect of the insurance agent's domestic business —</p> <p>(a) confirmation in writing that the insurance agent is acting for no more than two insurers and the names of those insurers;</p> <p>(b) evidence of the existence of a power of attorney, agency agreement or guarantee or professional indemnity insurance as required under section 14; and</p> <p>(c) confirmation in writing that the information set out in the insurance agent's application for the licence, as modified by any subsequent changes approved by the Authority, remains correct.</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Insurance Law, 2010	12(1)	<ol style="list-style-type: none"> 1. A licensee issuing shares totalling more than ten per cent of the authorised share capital of a company that is a licensee under this Law, without the prior approval of the Authority. 2. A licensee transferring or disposing of in any manner, issued shares totalling more than ten per cent of the issued share capital or total voting rights of a company that is a licensee under this Law, without the prior approval of the Authority. 	Serious
Insurance Law, 2010	12(2)	Failure of a licensee under subsection (1) to provide such information to the Authority, and within such period of time, as the Authority may require for the purpose of assessing whether persons acquiring control or ownership of such shares or voting rights in the licensee are fit and proper persons to have such control or ownership.	Serious
Insurance Law, 2010	20(1)	<p>Failure of an auditor to immediately give the Authority written notice of the auditor's information or suspicion, and in the case of suspicion, the auditor's reason for that suspicion if the auditor, where in the course of carrying out an audit of the accounts of a licensee under this Law, the auditor obtains information or suspects that the licensee is —</p> <ol style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or winding up its business voluntarily in a manner that is prejudicial to its policyholders or creditors; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or (e) carrying on or attempting to carry on business otherwise than in compliance with — <ol style="list-style-type: none"> (i) the Law or the Regulations; (ia) Part XVIIIA of the <i>Companies Law</i> 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>(2020 Revision), Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> or Part 8 of the <i>Limited Liability Partnership Law, 2017</i>, if the licensee is a “corporate services provider” as defined in that Part;</p> <p>(ii) the <i>Monetary Authority Law (2020 Revision)</i>;</p> <p>(iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or</p> <p>(iv) a condition of the licence.</p>	
Insurance Law, 2010	20(3)	A licensee appointing as an auditor a person disqualified under subsection (2).	Serious
Insurance Law, 2010	20(5)	When a licensee changes its auditor, failure of the former auditor to explain the reasons for the change if required by the Authority to do so.	Serious
Insurance Law, 2010	21(2)	<p>Failure of an insurance manager to report to the Authority if the insurance manager in respect of any insurer for or with whom the insurance manager is managing insurance business —</p> <p>(a) has concerns regarding the fitness and probity of the insurer;</p> <p>(b) obtains information or suspects that the insurer is unable or likely to become unable to meet its obligations as they fall due;</p> <p>(c) obtains information or suspects that the insurer is carrying on or attempting to carry on business in a fraudulent or criminal manner;</p> <p>(d) obtains information that the insurer is involved in any criminal proceedings, whether in the Islands or abroad;</p> <p>(e) obtains information about a material change in the nature of the insurer’s business that has not been reported to the Authority;</p> <p>(f) in relation to a class B(i) insurer or class B(ii), obtains information that the limit on unrelated business is exceeded; or</p> <p>(g) obtains information or suspects that the insurer is carrying on or attempting to carry on business otherwise than in compliance</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>with —</p> <ul style="list-style-type: none"> (i) this Law or the Regulations; (ia) Part XVIIIA of the <i>Companies Law (2020 Revision)</i>, Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> or Part 8 of the <i>Limited Liability Partnership Law, 2017</i>; (ii) the <i>Monetary Authority Law (2020 Revision)</i>; (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or (iv) a condition of its licence. 	
Insurance Law, 2010	23(1)	Failure of a licensee in relation to a policy, a line of business or the entire business of the licensee, to comply with a direction given by the Authority to cease or refrain from committing certain acts or pursuing a particular course of conduct, and to perform such acts as in the opinion of the Authority are necessary to remedy or ameliorate the situation.	Very serious
Insurance Law, 2010	28D	<p>Failure of a portfolio insurance company to —</p> <ul style="list-style-type: none"> (a) at all times be controlled by a relevant insurer; (b) include in its name the letters “PIC” or “P.I.C.” or the words “Portfolio Insurance Company”; (c) carry on insurance business only in accordance with the information given in its business plan and seek the prior written approval of the Authority for any change to the approved business plan; (d) without the prior written approval of the Authority — <ul style="list-style-type: none"> (i) open outside the Islands a subsidiary, branch, agency or representative office or change its name; or (ii) where it is conducting insurance business other than long term business, amalgamate with any one or more insurers or other portfolio insurance companies or, other than in the normal course of business, transfer its insurance operations or 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>any part thereof, or accept transfer of the insurance operations or any part thereof from an insurer or portfolio insurance company;</p> <ul style="list-style-type: none"> (e) maintain a margin of solvency in accordance with the prescribed solvency requirements; (f) maintain adequate arrangements for the management of risks, including the reinsurance thereof where appropriate; (g) maintain capital in accordance with the prescribed capital requirements; (h) maintain an effective system of governance approved by the Authority; and (i) where its controlling relevant insurer is a class B (iii) insurer or a class B (iv) insurer, make its audited financial statements available to insured persons, third party beneficiaries, and any other persons that may be prescribed, on request. 	
Insurance Law, 2010	28E(1)	<p>Failure of a portfolio insurance company to, except as otherwise provided by the Authority in writing and subject to subsection (2), submit to the Authority by way of annual return, within six months of the end of its financial year —</p> <ul style="list-style-type: none"> (a) unless waived by the Authority, audited financial statements prepared in accordance with internationally recognized accounting standards by an independent auditor approved by the Authority, together with a copy of any prescribed management letter issued by the auditor; (b) an actuarial valuation of its assets and liabilities including loss and loss expense provisions, certified by an actuary approved by the Authority; (c) unless waived by the Authority, certification of solvency prepared by a person approved by the Authority in accordance with the prescribed requirements; and (d) any other information as may be prescribed. 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Insurance Law, 2010	28E(2)	Failure of a portfolio insurance company that — (a) does not conduct long term business; or (b) conducts insurance business of the type described in section 4(3)(c), to comply with subsection (1)(a) or (d).	Serious
Insurance Law, 2010	28E(3)	Failure of a portfolio insurance company to ensure that the audited financial statements and actuarial valuation referred to in subsections (1)(a) and (b) disclose the standards applied.	Serious
Insurance Law, 2010	28F	A relevant insurer controlling more than one portfolio insurance company on behalf of any relevant segregated portfolio.	Serious
Insurance Law, 2010	28G	Failure of a portfolio insurance company to have a minimum of two directors.	Serious
Insurance Law, 2010	28I(1)	Failure of a portfolio insurance company to appoint the same insurance manager as its controlling relevant insurer. Failure of a portfolio insurance company to maintain, at the insurance manager's place of business or at another location approved by the Authority, full and proper records of the business activities of the portfolio insurance company sufficient to — (a) explain the transactions of the portfolio insurance company; (b) disclose, with reasonable accuracy, at any time the state of the affairs of the portfolio insurance company; and (c) enable the portfolio insurance company to prepare annual financial statements.	Serious
Insurance Law, 2010	28I(4)	Failure of a portfolio insurance company to have the same registered office as its controlling relevant insurer.	Serious
Insurance Law, 2010	28O(1)	A portfolio insurance company issuing, transferring or disposing of voting shares in the portfolio insurance company without the prior approval of the Authority.	Serious
Insurance Law, 2010	28O(2)	1. A portfolio insurance company issuing non-voting shares totalling more than ten per cent of the entire	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>authorised share capital of a portfolio insurance company without the prior approval of the Authority.</p> <p>2. A portfolio insurance company transferring or disposing of issued non-voting shares totalling more than ten per cent of the entire authorised share capital of the portfolio insurance company, without the prior approval of the Authority.</p>	
Insurance Law, 2010	28O(3)	Failure of a portfolio insurance company, for the purpose of subsections (1) and (2), to provide the information to the Authority, within the period of time, the Authority requires for the purposes of assessing whether persons acquiring control or ownership of shares in the portfolio insurance company are fit and proper persons to have control or ownership.	Serious
Insurance Law, 2010	28R(3)	A director knowingly making a declaration under subsection (1)(a) without reasonable grounds or knowingly making a false declaration.	Serious
Insurance Law, 2010	28S	A portfolio insurance company, applicant for registration as a portfolio insurance company, or any director or officer of a portfolio insurance company or of an applicant knowingly or wilfully supplying false or misleading information to the Authority.	Very serious
Insurance Law, 2010	29(1)	Failure of an insurer, subject to subsection (2), to ensure that all proceeds paid or payable to a policy holder or a beneficiary under a contract of insurance in respect of long term business issued by the insurer, inures exclusively for the benefit of the policy holder or the beneficiary in accordance with the terms of the contract and in accordance with paragraphs (a) and (b).	Serious
Insurance Law, 2010	36(1)(a)	A person who is not a licensee or has not been approved by the Authority using or continuing to use, in English or in any other language, the words "insurance", "assurance", "indemnity", "guarantee", "underwriting", "reinsurance", "surety", "casualty" or any other word which in the opinion of the Authority connotes insurance business or any of their derivatives in the description or title under which the person carries on business in or	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		from within the Islands.	
Insurance Law, 2010	36(1)(b)	A person who is not a licensee or has not been approved by the Authority making or continuing to make any representation in any billhead, letter, letterhead, circular, paper, notice or advertisement, or by any manner whatsoever, that the person is carrying on insurance business.	Serious
Insurance Law, 2010	37	A licensee, applicant for a licence, or any director or officer of a licensee or of an applicant knowingly or wilfully supplying false or misleading information to the Authority.	Very serious
Insurance Law, 2010	38	A person knowingly making, issuing or permitting to be made or issued any representation about or description of the person's insurance business, by whatever form or method, that is misleading or likely to be misleading to the public.	Serious
10. INSURANCE (CAPITAL AND SOLVENCY) (CLASS A INSURERS) REGULATIONS, 2012			
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	4(1)	Failure of a class A insurer to maintain adequate financial resources to meet its insurance business commitments and adequately manage its risks as required by the Law.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	5(1)	Failure of a class A external insurer that carries on domestic business, except as otherwise approved by the Authority, to place and at all times maintain upon trust, with a person approved by the Authority, in a segregated account at a bank in the Islands which holds an "A" licence issued under the <i>Banks and Trust Companies Law (2020 Revision)</i> assets in an amount at least equal to the prescribed capital requirement.	Very serious
Insurance (Capital and	6(1)	Failure of a class A insurer that is a local insurer to ensure that the available capital of the class A insurer	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Solvency) (Class A Insurers) Regulations, 2012		exceeds the minimum capital requirement at all times.	
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	6(3)	Failure of a class A insurer to ensure that the class A insurer's available capital exceeds the prescribed capital requirement, unless otherwise approved by the Authority.	Very serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	6(5)	Failure of a class A insurer to ensure that if the Authority sets an enhanced prescribed capital requirement for an insurer pursuant to paragraph (4), the available capital of the insurer is equal to or exceeds the enhanced prescribed capital requirement until such time as the Authority directs otherwise.	Very serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	6(6)	Failure of a class A insurer to, at the end of each quarter, calculate, using net written premium for the twelve months ending in that quarter, and record the minimum capital requirement and prescribed capital requirement and if required the enhanced prescribed capital requirement, in the format prescribed in Schedule 2.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	6(8)	<ol style="list-style-type: none"> 1. Failure of a class A insurer to maintain the calculation required under subsection (6) at the insurer's principal place of business in the Islands for a period of five years from the completion of the calculation. 2. Failure of a class A insurer to produce the calculations to the Authority if so directed by it on or before a date specified in the direction. 	Serious
Insurance (Capital and Solvency)	6(9)	Failure of a class A insurer to notify the Authority within thirty business days of the end of each quarter where it fails to meet the minimum capital requirement,	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(Class A Insurers) Regulations, 2012		prescribed capital requirement or enhanced prescribed capital requirement.	
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	6(11)	Failure of a class A insurer to comply with any requirement or direction imposed by the Authority pursuant to paragraph (10) within the time period specified by the Authority.	Very serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	7(1)	Failure of a class A insurer to hold capital for its subsidiaries equivalent to the book value of the investments in the subsidiaries or associates that are not regulated financial institutions.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	7(2)	Failure of a class A insurer which holds a controlling interest in a subsidiary that is a regulated financial institution to, on a consolidated basis, calculate the difference between — (a) the amount of capital the subsidiary would require to meet the minimum capital requirement if the minimum capital requirement applied to it; and (b) the capital available to the subsidiary after the subtraction of all applicable deductions.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	7(3)	Failure of a class A insurer which owns less than one hundred per cent of the regulated financial institution subsidiary, to include its pro rata share of the subsidiary's capital available and capital required in the minimum capital requirement calculation.	Serious
Insurance (Capital and Solvency)	7(4)	Failure of a class A insurer to, in the event that the subsidiary's capital available exceeds its minimum capital requirement, add the excess to the capital	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(Class A Insurers) Regulations, 2012		available to the parent company.	
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	7(5)	Failure of a class A insurer to, in the event that the subsidiary's capital available is less than its minimum capital requirement, add the shortfall to the minimum capital requirement of the parent company.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	10(2)	Failure of a class A insurer to maintain the margins for a class A insurer writing general business as specified in Schedule 3 for each class of business.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	10(3)	Failure of a class A insurer to maintain the margin for a class A insurer writing long-term business at a minimum of two and a half per cent of discounted policy liabilities excluding pension and annuity reserves.	Serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	11(1)	Failure of a class A insurer to apply a risk margin for all business exposed to catastrophe risks.	Very serious
Insurance (Capital and Solvency) (Class A Insurers) Regulations,	11(2)	<ol style="list-style-type: none"> 1. Failure of a class A insurer to notify the Authority of which method will be employed for the calculation of its catastrophe margin. 2. A class A insurer changing methods for the calculation of its catastrophe margin without the prior 	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
2012		approval of the Authority.	
Insurance (Capital and Solvency) (Class A Insurers) Regulations, 2012	12	Failure of a class A insurer to apply a risk margin under regulation 11 which equals the per event excess retention for all lines exposed to catastrophe losses plus the cost of one re-instatement of catastrophe reinsurance cover in cases where the reinstatement reinsurance cover has not been pre-paid by the insurer.	
11. INSURANCE (CAPITAL AND SOLVENCY) (CLASSES B, C, AND D INSURERS) REGULATIONS (2018 REVISION)			
Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations (2018 Revision)	9(1)	Failure of a Class B insurer, Class C insurer or Class D insurer to keep solvency equal to or in excess of the total prescribed capital requirement, unless otherwise approved by the Authority.	Very serious
Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations (2018 Revision)	9(2)	Failure of a licensee to meet with the Authority and present a remedial action plan to the Authority where the capital of a licensee falls below the prescribed capital requirement but is greater than minimum capital requirement	Very serious
Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations (2018 Revision)	10(1)	Failure of an insurer to, on or before its filing date, furnish the Authority with the insurer's capital and solvency return.	Serious
Insurance (Capital and Solvency) (Classes B, C,	10(2)	Failure of an insurer to keep a copy of its capital and solvency return at its principal office for a period of five years beginning with its filing date, and produce it to the Authority if so directed by it on or before a date specified	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
and D Insurers) Regulations (2018 Revision)		in the direction.	
12. MONETARY AUTHORITY LAW (2020 REVISION)			
Monetary Authority Law (2020 Revision)	34(17)(a)	A person without reasonable cause failing to comply with a requirement of the Authority under subsection (8) or a direction of the Authority under subsection (9).	Very serious
Monetary Authority Law (2020 Revision)	34(17)(b)	A person without reasonable cause destroying, mutilating, defacing, hiding or removing a document with intent to avoid the provisions of subsection (8) or (9).	Very serious
Monetary Authority Law (2020 Revision)	34(17)(c)	A person without reasonable cause wilfully obstructing an inquiry by the Authority, made in accordance with subsection (8) or (9).	Very serious
13. RULE ON INTERNAL CONTROLS – GENERAL FOR ALL LICENSEES MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Internal Controls – General for all Licensees made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	4.1	Failure of the licensee to establish, implement, and maintain internal controls, strategies, policies, and procedures appropriate for the size, complexity, and nature of its activities.	Serious
Rule on Internal Controls – General for all Licensees made by the Authority pursuant to	4.2	Failure of the licensee to obtain Board of directors' approval for internal controls, strategies, policies, and procedures.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Internal Controls – General for all Licensees made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	4.3	Failure of the licensee to take necessary steps to monitor its internal controls.	Minor
14. RULE ON THE CANCELLATION OF A LICENCE OR CERTIFICATE OF REGISTRATION OF REGULATED MUTUAL FUNDS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on the Cancellation of a Licence or Certificate of Registration of Regulated Mutual Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	4.1	Failure of a regulated mutual fund to make an application to the Authority for the Cancellation of a Licence or Certificate of Registration when the fund intends to cease to carry on, or has ceased to carry on, business as a fund pursuant to the Mutual Funds Law (2020 Revision) within – (a) 21 days from the date the Fund ceases to carry on business; or (b) before December 31 of the year the Fund ceases to carry on business.	Minor
Rule on the Cancellation of a Licence or Certificate of Registration of Regulated Mutual Funds	4.3	Failure of a fund that has never carried on business to make an application to the Authority for the cancellation of a licence or de-registration within 21 days from the date of the resolution that has been passed by the operators, shareholders or unit holders.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on the Cancellation of a Licence or Certificate of Registration of Regulated Mutual Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	4.4	Failure of a Fund to pay the licence surrender fee or submit all documentation as prescribed in order to cancel its Licence or Certificate of Registration.	Minor
15. RULE ON COUNTRY AND TRANSFER RISK MANAGEMENT FOR BANKS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Country and Transfer Risk Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.1	Failure of the bank to establish, implement, and maintain strategies, policies, and procedures for country and transfer risk management appropriate for the size, complexity, and nature of its activities that set operating limits or other practices for country and transfer risk exposures.	Serious
Rule on Country and Transfer Risk	4.2	Failure of the bank to obtain Board of directors' approval for strategies, policies, and procedures.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Rule on Country and Transfer Risk Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.3	Failure of the bank to take necessary steps to measure, monitor and control country and transfer risk.	Minor
16. RULE ON CORPORATE GOVERNANCE FOR INSURERS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.1	Failure of an insurer to establish, implement, and maintain a corporate governance framework which provides for sound and prudent management and oversight of the insurer's business and adequately recognises and protects the interests of policyholders.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to	5.2	Failure of the insurer's Governing Body to set and oversee the implementation of the insurer's corporate culture, business objectives and strategies for achieving those objectives, in line with the insurer's long term interests and viability, and the legitimate interests	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
section 34(1)(a) of the Monetary Authority Law (2020 Revision)		of its stakeholders, including fair treatment of policyholders.	
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.1	Failure by an insurer to clearly define and document the roles and responsibilities allocated to the Governing Body, senior management and Control Functions, where applicable, so as to promote an appropriate separation of the oversight function from management responsibilities.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.2	Failure by the Governing Body to oversee senior management, including the appointment and dismissal of senior managers, set appropriate performance standards for senior management and ensure that senior management is managing the affairs of the insurer in accordance with the strategies and policies set by the Governing Body.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.3	Failure by the insurer's Governing Body to provide oversight in respect of the design and implementation of sound risk management and internal control systems and functions.	Serious
Rule on Corporate Governance for Insurers made by the Authority	5.4	Failure of the Governing Body to have, on an on-going basis, the information outlined in (a) to (h).	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5	Failure of the Governing Body to establish clear and objective independence criteria which should be met by a sufficient number of members of the Governing Body to promote objectivity in decision making by the Governing Body with respect to all insurers insuring third party risks, with the exception of those holding Class B (i) and Class C licenses.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.1	Failure of the Governing Body to undertake the duties outlined in (a) to (c) on an on-going basis.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.2	Failure of the Governing Body to regularly undertake the duties outlined (a) to (i).	Serious
Rule on Corporate Governance for Insurers made	5.7	Failure of members of the Governing Body to undertake their duties in accordance with rule 5.7.1 to 5.7.10.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.1	Failure of the Governing Body to ensure that an actuary appointed under the Insurance Law is granted direct access to the Governing Body and to all relevant information.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.2	Failure of the Governing Body to have in place an appropriate compliance committee or person who should report directly and regularly to the Governing Body on all compliance matters.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9	Failure of the Governing Body to have mechanisms in place for documenting the delegation and monitoring the exercise of delegated functions.	Serious
Rule on Corporate Governance for	5.10.1	Failure of a director or a member of senior management to declare conflicts of interest.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.2	<ol style="list-style-type: none"> 1. Failure of the Governing Body to establish a documented 'conflicts of interest' policy for its members. 2. Failure of the Governing Body to ensure that where conflicts of interest arise, they are noted in the minutes of the meeting to which the subject matter of the conflict relates. 	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.3	<ol style="list-style-type: none"> 1. Failure of directors and senior management to confirm to the Governing Body in writing, via an annual declaration, that any conflicts of interest have been declared throughout the year. 2. Failure of directors and senior management to must communicate changes to the declaration throughout the year. 	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.11.1	Failure of an insurer's Governing Body to adopt and oversee the effective implementation of a written remuneration policy in accordance with rule 5.11.1.	Serious
Rule on Corporate	5.11.2	Failure of the Governing Body to ensure that the remuneration policy at minimum, covers those	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		individuals who are members of the Governing Body, and where an insurer has its own employees, senior management, employees in charge of Control Functions and other employees whose actions may have a material impact on the risk exposures of the insurer (major risk-taking staff).	
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.1	Failure of the Governing Body to ensure there is a reliable financial reporting process for both public and supervisory purposes that is supported by clearly defined roles and responsibilities of the Governing Body, senior management and the external auditor.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.2	Failure of the Governing Body or its Audit Committee to ensure there is adequate governance and oversight of the external audit process.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.13.1	Failure of the Governing Body to have access to accurate, relevant and timely information regarding the insurer.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.13.2	Failure of the Governing Body to approve systems and controls to ensure the promotion of appropriate, timely and effective communications with the Authority on the governance of the insurer.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.13.3	Failure of the Governing Body to hold regular Board meetings, not less than annually.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.14.1	Failure of the Governing Body to ensure it is not subject to undue influence from Senior Management or other parties and that it has access to all relevant information about the insurer.	Serious
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.14.2	Failure of the Governing Body to approve appropriate policies and procedures to ensure that Senior Management — <ul style="list-style-type: none"> (a) is sufficiently accountable to the Governing Body; (b) carries out the day-to-day operations of the insurer effectively and in accordance with the insurer's corporate culture, business objectives, and strategies, in line with the insurer's long term interests and viability; 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<ul style="list-style-type: none"> (c) promotes sound risk management, compliance and fair treatment of policyholders; (d) provides the Governing Body adequate and timely information to enable the Governing Body to carry out its duties and functions including the monitoring and review of the performance and risk exposures of the insurer, and the performance of Senior Management; or (e) maintains adequate and orderly records of the internal organization that can be easily accessed. 	
Rule on Corporate Governance for Insurers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.15	Failure of the insurer to demonstrate the adequacy and effectiveness of its corporate governance framework, as required by the Authority.	Serious
17. RULE ON THE SEGREGATION OF ASSETS – LICENSED FUNDS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on the Segregation of Assets – Licensed Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.1	Failure of the Fund to segregate and account for separately from any assets of any Service Provider the Portfolio, excluding cash.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on the Segregation of Assets – Licensed Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2	Failure of the fund to ensure that any Service Provider that holds or manages the Portfolio complies with Rule 5.1.	Serious
Rule on the Segregation of Assets – Licensed Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3	Failure of the fund to ensure by contract that any Service Provider that holds or manages the Portfolio is regulated by the Authority, or by a Recognised Overseas Regulatory Authority, or by another regulator approved by the Authority.	Serious
Rule on the Segregation of Assets – Licensed Funds made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6	Failure of the operators of the fund to establish, implement and maintain (or to oversee) strategies, policies, and procedures to ensure compliance with these Rules, consistent with the fund's offering document and appropriate for the size, complexity, and nature of its activities and investors.	Very serious
18. RULE ON THE MANAGEMENT OF CREDIT RISK AND PROBLEM ASSETS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on the Management of	5.1.1	1. Failure of Credit Risk Holders to establish, implement and maintain strategies, policies, and	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		<p>procedures for credit risk management appropriate for the size, complexity, and nature of its activities.</p> <p>2. Failure of Credit Risk Holders to create an appropriate credit risk environment that —</p> <ul style="list-style-type: none"> (a) facilitates a sound credit-granting process; (b) measures, monitors and controls credit risk; (c) Includes a reliable credit risk asset classification system; (d) identifies and manages problem assets; (e) establishes adequate provisions in a timely manner; (f) manages the use of risk mitigants; (g) includes adequate reporting to the Board; or (h) accords with the applicable acceptable accounting framework, as necessary. 	
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.1	Failure of the Credit Risk Holder to obtain the approval of the Board of directors for its strategies, policies, and procedures including those related to credit granting, asset classification and provisioning.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.2	Failure of the Board of directors to regularly review the strategies, policies and procedures and direct changes as necessary.	Minor
Rule on the Management of	5.2.3	Failure of the Board of directors to ensure that the Credit Risk Holder has appropriate credit risk	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		assessment processes and effective internal controls commensurate with the size, nature and complexity of its lending operations, to consistently determine adequate provisions for asset losses in accordance with the Credit Risk Holder's stated policies and procedures, the applicable accounting framework and supervisory guidance.	
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.4	Failure of a Credit Risk Holder to document all strategies, policies and procedures and to make them accessible to relevant parties.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.5	Failure of a Credit Risk Holder to ensure that its strategies and policies clearly articulating the Credit Risk Holder's risk tolerance, including how much and what types of risk it is prepared to undertake.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law	5.2.6	Failure of Senior Management to implement the strategy and framework set by the Board.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)			
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.1	Failure of Credit Risk Holders to operate with sound, well-defined credit-granting criteria.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.2	Failure of Credit Risk Holders to establish overall credit limits at the level of individual borrowers and counterparties, and groups or connected counterparties that aggregate in comparable and meaningful manner different types of exposures, both in the banking and trading book and on and off the balance sheet.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.3	Failure of Credit Risk Holders to make credit decisions free of conflicts of interest and on an arm's length basis.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the	5.3.4	Failure of the Credit Risk Holder to ensure that the policy prescribes that the major credit risk exposures exceeding a pre-defined amount or percentage of the Credit Risk Holder's capital, and credit risk exposures that are especially risky or are otherwise not in line with	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		the mainstream of the Credit Risk Holder's activities are to be decided by the Credit Risk Holder's Board or Senior Management or a credit risk management function independent of the business lines with reporting and access to the Board.	
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.5	Failure of the Credit Risk Holder to have a clearly-established process in place for approving new credits as well as the amendment, renewal and re-financing of existing credits.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.1	Failure of the Credit Risk Holder to have policies and processes to monitor the total indebtedness of entities to which they extend credit and any risk factors that may result in default including significant unhedged foreign exchange risk.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.2	Failure of the Credit Risk Holder to take the necessary steps to measure, monitor and control credit risk derived from both on and off balance sheet assets.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.3	Failure to undertake a periodic formal review of loans to which credit risk ratings are assigned to reasonably assure that those ratings are accurate and up to date.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.4	Failure of the Credit Risk Holder to include credit risk exposures in their stress testing programs for risk management purposes.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.1	Failure of the Credit Risk Holder to have a system in place to reliably classify assets on the basis of credit risk.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a)	5.5.2	Failure of a Credit Risk Holder to, at a minimum, adversely classify assets when they are contractually in arrears.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
of the Monetary Authority Law (2020 Revision)			
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.3	Failure of Credit Risk Holder to ensure that asset classification systems have as a minimum, the categories under paragraphs (a) to (e).	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.1	Failure of a Credit Risk Holder to identify an asset as a problem asset when there is reason to believe that all amounts due will not be collected.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.2	Failure of a Credit Risk Holder to formulate and document policies and processes for identifying and managing problem assets.	Minor
Rule on the Management of Credit Risk and	5.6.3	Failure of a Credit Risk Holder to conduct consistent regular reviews of their problem assets both on and off-	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		balance sheet and asset classification, provisioning and write-offs.	
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.4	Failure of a Credit Risk Holder to have organisational resources for the early identification of deteriorating assets, for ongoing oversight of problem assets, and for collecting on past due obligations.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.1	Failure of a Credit Risk Holder to have appropriate policies and processes to ensure that provisions and write-offs are timely and reflect realistic repayment and recovery expectations, taking into account market and macroeconomic conditions and past loss experience.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.2	Failure of a Credit Risk Holder to ensure that it's aggregate amount of individual and collectively assessed asset loss provisions are adequate to absorb estimated credit losses and are consistent with the objectives of the applicable accounting framework.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.3	Failure of a Credit Risk Holder to have and retain adequate documentation to support the asset classification and provisioning levels.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.4	Failure of the Credit Risk Holder to provide the Authority with full access to information concerning the classification of assets and provisioning in relevant detail, as requested from time to time.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.5	Failure of the Credit Risk Holder to have policies and procedures in place to appropriately validate a model to assess and measure expected credit losses, if it uses such a model.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a)	5.8.1	Failure of the Credit Risk Holder to have appropriate mechanisms in place for regularly assessing the value of risk mitigants, including guarantees, credit derivatives and collateral.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
of the Monetary Authority Law (2020 Revision)			
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.2	Failure of the Credit Risk Holder to periodically assess whether the types and volume of risk mitigants used pose a concentration risk and whether it is within the tolerance levels defined by the Board of directors.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9.1	Failure of the Credit Risk Holder to provide to their respective Board timely and appropriate information on the condition of their asset portfolio.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9.2	Failure of the Credit Risk Holder to provide the minimum information as outlined.	Minor
Rule on the Management of Credit Risk and	5.10.1	Failure of the Credit Risk Holder to seek the prior written approval of the Authority for the acquisition of those assets outlined at paragraphs (a) and (b).	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.11.1	Failure by a Credit Risk Holder to consider the adequacy of provisioning and the appropriateness of the classification status if assets are refinanced or rescheduled.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.1	A Credit Risk Holder classifying a problem asset as performing when paragraphs (a) to (c) are not met.	Serious
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.2	Failure of a Credit Risk Holder to follow reclassification directives issued by the Authority under any applicable provisions in the relevant regulatory laws.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.3	Failure of a Credit Risk Holder to support with evidence upgraded reclassifications with demonstrated improvements in credit risk.	Minor
Rule on the Management of Credit Risk and Problem Assets made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.13.1	Failure of a Credit Risk Holder to fully write off assets classified as Loss within 90 calendar days.	Serious
19. RULE ON INTEREST RATE RISK MANAGEMENT FOR BANKS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Interest Rate Risk Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.1	Failure of the bank to establish, implement and maintain strategies, policies, and procedures for interest rate risk management appropriate for the size, complexity, and nature of its activities.	Serious
Rule on Interest Rate Risk Management for	4.2	Failure of the bank to obtain Board of directors' approval for strategies, policies, and procedures.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Rule on Interest Rate Risk Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.3	Failure of the bank to take necessary steps to measure, monitor and control interest rate risk.	Minor
20. RULE ON THE CONTENTS OF OFFERING DOCUMENTS – LICENSED FUNDS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on the Contents of Offering Documents – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.1	Failure of the fund to include the information outlined at subparagraphs (i) to (xxii) in its Offering Document.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
21. RULES ON LARGE EXPOSURES AND CREDIT RISK CONCENTRATION FOR BANKS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2	Failure of a bank to adopt internal policies and internal limits that will ensure compliance with the exposure limits contained in Rules 5.8 to 5.17.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3	Failure of a bank to have adequate information systems to identify and measure its large exposures and identify breaches of any of these Rules.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4	Failure of a bank to report any breach of these Rules to the bank's Board of directors or audit committee.	Minor
Rules on Large Exposures and	5.5	Failure of a bank to assign a designated independent unit or officer, to monitor large exposures to ensure its	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		compliance with the limits established by these Rules and the bank's internal limits.	
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6	Failure of a bank to ensure that regular independent reviews are conducted to verify that the bank's established policies, limits and procedures are strictly adhered to in relation to large exposures.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7	Failure of a bank to report all large exposures quarterly on the Authority's Form BS and schedules.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law	5.8	Failure of a bank to obtain prior written approval of the Authority before incurring exposures to an individual counterparty or group of connected counterparties that exceeds 25% of its capital base.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)			
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9	Failure of a bank to obtain prior written approval of the Authority before exceeding 800% of the bank's total capital base of all large exposures that are not exempt.	Serious
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10	Failure of a bank to ensure that the total of all exposures to related counterparties does not exceed 25% of a bank's capital base.	Serious
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12	A bank excluding exposures to related counterparties as defined in Rules 4.8 (c) and (d) from the aggregate limits defined in Rule 5.10 without meeting the criteria under paragraphs (a) and (b).	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made	5.13	Failure of a bank to ensure that the total of unsecured exposures to any one group of related counterparties defined in Rules 4.8(c) and (d) does not exceed 1% of the bank's capital base.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.14	Failure of a bank to ensure that the total of unsecured exposures to all related counterparties defined in Rules 4.8 (c) and (d) does not exceed 5% of the bank's capital base.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.15	Failure of a bank which is subject to consolidated supervision to obtain approval by the Authority for exposures that are guaranteed by another banking institution to exceed the 25% single exposure limit contained in Rule 5.8, provided that 5.15.1 to 5.15.6 is met.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.19	Failure of a bank to notify the Authority immediately of any breach of any limits imposed by these Rules and as otherwise agreed with the Authority.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.20	Failure of a bank to take immediate action to bring the exposure within permitted limits as soon as possible.	Minor
Rules on Large Exposures and Credit Risk Concentration for Banks made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	6.1	Failure of a bank to report its twenty largest exposures on the Authority's Form BS and schedules.	Minor
22. RULE ON THE CALCULATION OF ASSET VALUES – LICENSED FUNDS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.1	Failure of a fund to establish, implement and maintain a NAV Calculation Policy that ensures a Fund's NAV is fair, reliable, of high quality and verifiable.	Serious
Rule on the Calculation of	5.2	Failure of a Fund to ensure that the NAV Calculation Policy complies with rules 5.2.1 to 5.2.8.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.3	Failure of a Fund to ensure that the NAV Calculation Policy requires the Fund to value the securities within its portfolio(s) using Market Prices.	Serious
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.4	<ol style="list-style-type: none"> 1. Failure of a Fund to justify and identify any weaknesses in Pricing Models with any Pricing Models. 2. Failure of a Fund to ensure that any Pricing Model is capable of practical implementation by the relevant Service Providers. 	Serious
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law	5.5	Failure of a Fund to require the Fund's relevant Service Providers to apply the NAV Calculation Policy and any Pricing Models consistently, unless there is satisfactory reason not to do so, in which case such derivations must be disclosed in the Fund's offering document and agreed by the Operators in advance of the determination or production of the NAV.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)			
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.6	Failure of a Fund to ensure that the NAV of a fund is calculated by a Service Provider that is independent of the Fund’s investment manager/advisor and operators, competent, and able to adhere to the NAV Calculation Policy and any relevant Pricing Models.	Serious
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.7	<ol style="list-style-type: none"> 1. Failure of the manager or advisor to provide any supporting information that is reasonably available. 2. Failure of the fund’s administrator to verify the prices and NAC to the extent possible wherever prices are provided or sourced by the investment manager/advisor or operators. 	Serious
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.9	Failure of a Fund to ensure that the Fund’s offering document explicitly describes the potential limitations and conflicts of the NAV Calculation Policy, and any material involvement by the fund’s investment manager or advisor in the pricing of the fund’s portfolio, or otherwise in the calculation, determination or production of the NAV.	Serious
Rule on the Calculation of Asset Values – Licensed Funds made by the	5.10	Failure of a Fund to ensure that the NAV reports are addressed directly to the fund’s investors.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Rule on the Calculation of Asset Values – Licensed Funds made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	5.11	Failure of the fund’s operators to approve and review, at least annually, the NAV Calculation Policy and any Pricing Models.	Serious
23. LIQUIDITY RISK MANAGEMENT RULES AND GUIDELINES MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	Rule 4.1	Failure of the bank to have a strategy for the day-to-day management of liquidity, setting out the bank’s general approach to liquidity, which is approved by the bank’s Board of directors.	Serious
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of	4.2	Failure of the bank to have a management structure in place to effectively execute the liquidity strategy and failure of senior management to ensure that liquidity is effectively managed and that appropriate policies and procedures are established to control and mitigate liquidity risk.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
the Monetary Authority Law (2020 Revision)			
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.3	Failure of the bank's Board to ensure that senior management takes the steps necessary to monitor, control and report on liquidity risk.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.5	Failure of the bank to ensure that the strategy for managing liquidity risk is communicated throughout the organisation.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.6	Failure of the bank's senior management and the appropriate personnel to have a thorough understanding of how other risks, including credit, market and operational risk, impact on the bank's overall liquidity strategy and position.	Minor
Liquidity Risk Management Rules and	4.7	Failure of a bank's management to make decisions related to the structure for managing liquidity.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.8	Failure of a bank to have adequate information systems for measuring, monitoring, controlling and reporting liquidity risk.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.9	Failure of a bank to establish a schedule of frequent routine liquidity reviews and less frequent, but more in-depth reviews.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.10	Failure of a bank's management to set limits to ensure adequate liquidity and to control liquidity risk exposures and vulnerabilities.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.11	Failure of a bank to design their management information system to provide the Board of directors, senior management and other appropriate personnel with timely information on the liquidity position of the bank.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	6.1	Failure of a bank to periodically review its efforts to establish and maintain relationships with liability holders, to maintain the diversification of liabilities, and aim to ensure its capacity to sell assets.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	7.1	Failure of a bank to have contingency plans in place that address the strategy for handling liquidity crises and include procedures for making up cash flow shortfalls in emergency situations.	Serious
Liquidity Risk Management Rules and Guidelines made by the Authority	8.1	Failure of a bank to have a measurement, monitoring and control system for its liquidity positions in the major currencies in which it is active.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	9.1	Failure of senior management to ensure that there are adequate internal controls in place to protect the integrity of the established liquidity risk management process.	Serious
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	9.6	Failure of the bank to ensure that the internal audit function periodically reviews the liquidity management process in order to identify any weaknesses or problems, which should be addressed by management in a time and effective manner.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	10.3	Failure of a Category "A" Retail bank to meet the minimum requirements of the LCR as stipulated in this Part of the Rules and Guidelines.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	11.2	Failure of a Category "A" Retail bank to ensure that the value of the LCR is less than 100%.	Serious
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	15.1	Failure of a bank to have adequate policies to identify and manage its stock of HQLA.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	20.3	Failure of a Category "A" Retail bank to meet the minimum requirements of NSFR as stipulated in Part III of the Rules and Guidelines.	Serious
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of	21.2	Failure of a bank to ensure that the value of the NSFR is less than 100%.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
the Monetary Authority Law (2020 Revision)			
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	27.4	Failure of a Category "A" Retail bank to calculate and report the additional monitoring tools included in Part IV of the Rules and Guidelines.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	32.3	Failure of a Category "A" Non-Retail bank or Category "B" bank to meet the minimum requirements of the MLR as stipulated in Part V of the Rules and Guidelines.	Minor
Liquidity Risk Management Rules and Guidelines made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	33.1	Failure of a Category "A" Non-Retail bank or Category "B" bank to hold at all times, Liquid Assets, as defined in section 34, denominated in any currency, amounting to no less than 15% of the value of its Qualifying Liabilities, as defined in section 35, denominated in all currencies	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
24. RULE ON MARKET CONDUCT – INSURERS, AGENTS AND BROKERS MADE BY THE AUTHORITY PURSUANT TO SECTION 34(1)(A) OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.1.1	Failure of insurers and intermediaries to have internal controls or adequate protection in place to safeguard customer’s assets, including money, when responsible for them.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.1.2	Failure of intermediaries to act within the limits of professional training and any limits of authorisation.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.1.3	Failure of a person who deals or may deal with clients directly to be trained and achieve a suitable level of competence in – (a) the licensee’s policies and procedures addressing this guidance; and (b) the technical and legal aspects and effects of the products sold.	Serious
Rule on Market Conduct –	5.2.1	Failure of insurers to conduct due diligence that provides satisfactory evidence that the intermediaries	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		that distribute their products maintain appropriate levels of professional knowledge and experience, integrity and competence to advise and inform customers on the features and characteristics of the products they offer.	
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.2	Failure of insurers to have a framework, including practices, policies and procedures to manage compliance or conduct issues with any intermediaries employed.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.3	Failure of insurers to ensure that their contractual provisions with an intermediary allow the fulfilment of their legal and regulatory obligations.	
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law	5.2.4	Failure of the insurer to ensure that the written agreement between an insurer and an intermediary includes the information at (a) to (f).	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.5	Failure of the insurer to ensure that the information they provide to an intermediary about their products is clear, accurate and not misleading.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.6	Failure of the insurer to act appropriately to deal with potential and confirmed instances of mis-selling, inappropriate policy replacement or sales to customers for which a product is clearly unsuitable.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.2.7	Failure of the insurer to act upon and inform the appropriate regulatory authorities where there is on-going concern that an intermediary may be acting contrary to relevant regulation in any jurisdiction.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the	5.3.1	Failure of an insurer and intermediary to act with due skill, care and diligence when dealing with customers.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.2	Failure of an insurer and intermediary to ensure that their sales representatives are trained and equipped to adequately advise customers on the features and characteristics of the products they sell or introduce or provide information about.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.3	Failure of the insurer or intermediary to retain an acknowledgement by the customer to this effect in cases where advice would normally be expected, but the customer chooses not to receive advice.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.4	Failure of an insurer or intermediary to establish and implement policies and procedures on the fair treatment of customers that are an integral part of their business practices.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.5	Failure of an insurer to have policies and procedures in place for dealing with intermediaries so as to ensure fair treatment of customers.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.3.6	Failure of an insurer or intermediary to seek to exclude or restrict any duty or liability to a customer that they have under Cayman legislation or this Rule, or other voluntary code of conduct to which the insurer or intermediary has subscribed and declared.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.1	Failure of an insurer or intermediary to have policies and procedures for the protection of private information on customers.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to	5.4.2	Failure of an insurer or intermediary to inform customers about which personal information might be disclosed and to whom.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.4.3	Failure of an insurer or intermediary to adhere to relevant data protection and provisions in any jurisdiction in which they operate.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.1	Failure of an insurer or intermediary to provide information before and at the point of sale that will enable customers to make an informed decision before entering into a contract.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.2	Failure of an insurer or intermediary to provide pre-contractual and contractual information in a timely manner.	Serious
Rule on Market Conduct –	5.5.3	Failure of an insurer or intermediary to provide customers with sufficient information to enable them to	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		understand the characteristics of the product, whether and for what reasons it meets their requirements.	
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.4	Failure of an insurer or intermediary to provide information to customers in plain language that is fair, clear and not misleading.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.5	Failure of an insurer which uses an intermediary to ensure that the intermediary provides timely, clear and adequate pre-contractual and contractual information to customers.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law	5.5.6	Failure of an insurer or intermediary to inform customers of (a) to (d).	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.7	Failure of an insurer to disclose any commission payable to an intermediary and intermediaries must disclose any commission receivable when creating a quotation for the sale of investment-linked life insurance products.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.8	Failure of an insurer or intermediary to ensure that they inform the customer of any potential conflicts of interest and ensure that any conflicts are properly managed.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.9	Failure of an insurer to give the customer at the time of conducting the contract the information at (a) to (h).	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the	5.5.10	Failure of an insurer or intermediary to inform customers about their duty of disclosure and the implications of a failure to disclose material information.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.11	Failure of an insurer or intermediary operating in a host country to inform the customer of (a) and (b).	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.12	Failure of an insurer or intermediary to demonstrate to the Authority that customers have received information necessary to understand the product and their obligations as a customer, before and at the point of sale.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.5.13	Failure of an insurer or intermediary to inform customers, on an ongoing basis, of any changes to the features, costs, or returns associated with the product offered.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.1	Failure of an insurer or intermediary to ensure that, when advice is provided, all advice is communicated in a clear and accurate manner that the customer can easily understand.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.2	Failure of an insurer or intermediary to ensure that any financial or product advice given to a customer is appropriate; taking into account the customer's disclosed and specific needs, risk tolerance levels and ability to absorb loss.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.6.3	Failure of an insurer or intermediary to inform customers of the true cost of any advice given and its effects on any financial pay-outs or returns.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a)	5.7.1	Failure of an insurer to identify (a) to (c) when developing a new product or revising an existing product.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.2	Failure of an insurer to review their products to determine whether they are continuing to meet the general needs of the target market for which they were designed on a periodic basis.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.3	Failure of an insurer to ensure product features respect and adhere to applicable requirements, including laws, rules, statement of guidance and regulatory procedures in the jurisdiction in which a product is sold.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.7.4	Failure of an insurer to ensure that the name of the product is not misleading in terms of the nature of the benefit that the product can deliver.	Serious
Rule on Market Conduct – Insurers, Agents	5.7.5	Failure of an insurer to have clearly documented processes for product approval and review that are	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)		incorporated in their overall framework for governance and oversight.	
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.1	Failure of an insurer to notify the Authority, in advance, of the launch of any new product that may have a material impact on its risk profile or the launch into a new territory.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.2	Failure of an insurer or intermediary to assess the customer’s individual requirements to determine which insurance products are appropriate. Insurers must also document and keep record of the results of the assessment.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.3	Failure of an insurer or intermediary which is conducting an assessment of a customer’s requirements to evaluate – <ul style="list-style-type: none"> (a) the customer’s desired outcomes, (b) the customer’s risk appetite, (c) the customer’s ability to absorb loss, and (d) how the factors under paragraphs (a) to (c) may change over time. 	



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.8.4	Failure of an insurer or intermediary to ensure that they comply with all applicable sales and remuneration rules and legislation in force in the jurisdiction where products are sold.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9.1	Failure of an insurer or intermediary to service policies appropriately through to the point at which all obligations under the policy have been satisfied.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9.2	Failure of an insurer or intermediary to have sufficient safeguards in place to ensure that obligations under a policy are satisfied in an appropriate manner.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a)	5.9.3	Failure of an insurer or intermediary to disclose to the customer information on any contractual changes during the life of the contract.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.9.4	Failure of an insurer or intermediary to disclose to the policyholder further relevant information depending on the type of insurance product.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.1	Failure of an insurer or intermediary to have policies and procedures in place to review and approve financial promotions prior to their use.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.2	Failure of the policies and procedures to provide for an independent review, within the organisation of promotional material, intended for customers, other than by the individual or organisation that prepared or designed it.	Serious
Rule on Market Conduct – Insurers, Agents	5.10.3	Failure of an insurer or intermediary to advertise, market and promote their products in a manner that is accurate and not misleading to the customer.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.4	Failure of an insurer or intermediary to withdraw any advertisement, marketing or promotional material if it they become aware that the information contained within is not accurate, clear or is misleading.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.10.5	Failure of an insurer or intermediary to inform the insurer or intermediary responsible for that material and notify any person known to be relying on the information as soon as possible.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.11.1	Failure of an insurer or intermediary to establish written policies and procedures to deal in a fair manner with complaints which they receive.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.11.2	Failure of an insurer or intermediary to respond to complaints without unnecessary delay.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.11.3	Failure of an insurer or intermediary to maintain a log of all complaints.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.1	Failure of an insurer or intermediary to have written procedures in place for the effective handling of claims in a timely and fair manner.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a)	5.12.2	Failure of an insurer or intermediary to maintain written documentation on their claims handling procedures, which include all steps from the claim being raised to its settlement.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.3	Failure of an insurer or intermediary to inform customers about procedures, formalities and common timeframes for claims settlement.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.4	Failure of an insurer or intermediary to provide information to claimants about the status of their claim in a timely and fair manner.	Serious
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.5	Failure of an insurer or intermediary to have appropriate internal controls in place for reviewing declined claims.	Serious
Rule on Market Conduct – Insurers, Agents	5.12.6	Failure of an insurer or intermediary to provide reasons in writing for denying a claim.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)			
Rule on Market Conduct – Insurers, Agents and Brokers made by the Authority pursuant to section 34(1)(a) of the Monetary Authority Law (2020 Revision)	5.12.7	Failure of an insurer or intermediary to keep the record for all claims after settlement or rejection in accordance with the Authority’s Statement of Guidance on Retention of Records.	Serious
25. RULE ON OPERATIONAL RISK MANAGEMENT FOR BANKS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF THE MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Operational Risk Management for Banks made by the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)	4.1	Failure of the bank to establish, implement and maintain strategies, policies, and processes to identify, assess, monitor, and mitigate operational risk that are appropriate for the size, complexity, and nature of its activities.	Serious
Rule on Operational Risk Management for Banks made by	4.2	Failure of the bank’s Board to undertake the duties listed at (a) to (c).	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
the Authority pursuant to section 34 of the Monetary Authority Law (2020 Revision)			
26. LEVERAGE RATIO RULES AND GUIDELINES MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF MONETARY AUTHORITY LAW (2020 REVISION)			
Leverage Ratio Rules and Guidelines made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	Rule 3.2	Failure of a bank to maintain a minimum leverage ratio of 3% at all times.	Serious
Leverage Ratio Rules and Guidelines made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	3.3	Failure of a bank to comply with the minimum requirements with respect to the computation of the leverage ratio, as specified in these Rules and Guidelines.	Serious
Leverage Ratio Rules and Guidelines made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	5.3	Failure by a bank to ensure that liability items are not deducted from the leverage ratio exposure measure.	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Leverage Ratio Rules and Guidelines made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	5.4	Failure of a bank to include all balance sheet assets in their leverage ratio exposure measure.	Serious
Leverage Ratio Rules and Guidelines made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	5.9	Failure of a bank to calculate its exposures associated with all derivative transactions, including where a bank sells protection using a credit derivative, as the RC for the current exposure plus an add-on for PFE, as described in paragraph 5.10.	Minor
27. RULE ON INVESTMENTS, SECURITIES AND DERIVATIVES RISK MANAGEMENT FOR BANKS MADE BY THE AUTHORITY PURSUANT TO SECTION 34 OF MONETARY AUTHORITY LAW (2020 REVISION)			
Rule on Investments, Securities and Derivatives Risk Management for Banks made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	4.1	Failure of the bank to establish, implement and maintain strategies, policies, and procedures for investments, securities, and derivatives risk management appropriate for the size, complexity, and nature of its activities that create and appropriate investment management process.	Serious
Rule on Investments, Securities and	4.2	Failure of the bank to obtain Board of directors' approval for strategies, policies, and procedures.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Derivatives Risk Management for Banks made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)			
Rule on Investments, Securities and Derivatives Risk Management for Banks made by the Authority pursuant to section 34 of Monetary Authority Law (2020 Revision)	4.3	Failure of the bank to take necessary steps to measure, monitor and control the risks associated with investments, securities and derivatives business.	Minor
28. MONEY SERVICES LAW (2020 REVISION)			
Money Services Law (2020 Revision)	4(1)	Failure of a person to carry on money services business without first obtaining a licence under section 5.	Very serious
Money Services Law (2020 Revision)	5(9)	<p>1. Failure of the holder of a licence to pay —</p> <p>(a) the prescribed annual fee for a licence to carry on a money services business; and</p> <p>(b) the prescribed annual fee for each subsidiary, branch, agency or representative office of that business,</p> <p>on or before every 15th day of January after the first grant of the licence.</p> <p>2. Failure of a licensee who fails to pay the surcharge not exceeding one-twelfth of that fee for every month or part of a month that the fee is not paid where the licensee fails to pay the prescribed annual fees on or before every 15th day of January after the first grant</p>	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		of the licence.	
Money Services Law (2020 Revision)	5A	Failure of a licensee to — (a) maintain at least one account as approved by the Authority; or (b) enter into an arrangement as agreed by the Authority, through which its money services business transactions are to be conducted.	Very serious
Money Services Law (2020 Revision)	6(2)	Failure of a licensee to maintain its net worth at an amount not less than that prescribed by subsection (1).	Serious
Money Services Law (2020 Revision)	6(3)	Failure of a licensee to increase its net worth by increasing its paid-up capital to such greater sum as the Authority may determine for the nature of the licensee's business, current or proposed.	Serious
Money Services Law (2020 Revision)	6A(1)	1. A licensee that is a company issuing shares totalling more than ten per cent of the authorised share capital of the company without the prior written approval of the Authority. 2. A licensee that is a company transferring or disposing of issued shares totalling more than ten per cent of the issued share capital or total voting rights of the company without the prior written approval of the Authority.	Serious
Money Services Law (2020 Revision)	7(1)(a)	A person other than a licensee using words representing that the person is carrying on money services business, in English or in any other language, in the description or title under which that person carries on business within the Islands.	Serious
Money Services Law (2020 Revision)	7(1)(b)	A person other than a licensee making any representation in any billhead, letter, letterhead, circular, paper, notice or advertisement or in any other manner that that person is carrying on money services business within the Islands.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Money Services Law (2020 Revision)	7(1)(c)	A person other than a licensee soliciting or receiving money from any person in any manner, for the purpose of carrying on money services business within the Islands.	Serious
Money Services Law (2020 Revision)	8	<p>1. Failure of a licensee to —</p> <ul style="list-style-type: none"> (a) cause accounting records to be kept; and (b) establish and maintain systems of control of the business and records, and systems of inspection and report, <p>in respect of its money services business in accordance with section 8.</p> <p>2. Failure of a licensee to keep accounting records which —</p> <ul style="list-style-type: none"> (a) explain its transactions; (b) disclose, with reasonable accuracy and promptness, the state of the business at any time; (c) enable the directors properly to discharge their duties; and (d) enable the business properly to discharge its duties. <p>3. Failure of a licensee to keep accounting records which contain —</p> <ul style="list-style-type: none"> (a) entries from day to day of all sums received and paid by the business and the matters in respect of which they are received or paid; and (b) a record of the assets and liabilities of the business. <p>4. Failure of a licensee to establish and maintain systems of control and systems of inspection and report that ensure that the money services business is conducted so that —</p> <ul style="list-style-type: none"> (a) the information necessary to enable the directors and the business to discharge their duties and functions is sufficiently accurate, and is available with sufficient regularity or at need and with sufficient promptness, for those purposes; and (b) the information obtained by or furnished to the Authority under or for the purposes of the 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>Law is sufficiently accurate for the purpose for which it is obtained or furnished.</p> <p>5. Failure of a licensee to keep the records of the systems of control and of inspection and report so that —</p> <p>(c) the information necessary to enable the directors and the business to discharge their duties and functions is sufficiently accurate, and is available with sufficient regularity or at need and with sufficient promptness, for those purposes; and</p> <p>(d) the information obtained by or furnished to the Authority under or for the purposes of the Law is sufficiently accurate for the purpose for which it is obtained or furnished.</p>	
Money Services Law (2020 Revision)	8A(1)	Failure of a licensee and any sub-agent of the licensee to take such steps as may be necessary to comply with the <i>Anti-Money Laundering Regulations (2020 Revision)</i> and such rules or statements of principle or guidance as may be prescribed by the Authority that are consistent with anti-money laundering procedures and the combatting of terrorist financing in respect of the money services business.	Serious
Money Services Law (2020 Revision)	8A(2)	<p>1. Failure of a licensee to monitor the compliance of the licensee's sub-agent, if any, with the prescribed rules or statements of principle or guidance under subsection (1).</p> <p>2. Failure of a licensee to provide a report on the compliance in such form and subject to such conditions as may be prescribed where the licensee is required by the Authority to do so.</p>	Serious
Money Services Law (2020 Revision)	9	<p>Failure of the holder of a licence to furnish to the Authority, at such times as may be specified by the Authority and in such form as the Authority may reasonably require —</p> <p>(a) written confirmation that the information set out in the application for the licence remains correct, and gives a full and fair picture of its money services business; and</p>	Serious



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		(b) such returns in respect of its money services business as the Authority may specify in writing.	
Money Services Law (2020 Revision)	10(1)	Failure of a licensee to have the accounts of its money services business audited annually or at such other times as the Authority may require by an auditor, who is a chartered accountant, a certified public accountant, or some other professionally qualified accountant, approved by the Authority.	Serious
Money Services Law (2020 Revision)	10(2)	Failure of a licensee to forward its audited accounts to the Authority within three months of the end of the financial year of the licensee's money services business, unless prior written approval for an extension has been granted by the Authority.	Minor
Money Services Law (2020 Revision)	11	Failure of a licensee to obtain an auditor's report on the licensee's anti-money laundering systems and procedures for compliance with the <i>Anti-Money Laundering Regulations (2020 Revision)</i> at the licensee's expense where the licensee is required by the Authority to do so.	Serious
Money Services Law (2020 Revision)	13	<p>1. Failure of an auditor appointed by a licensee to give written notice to the Authority where the auditor —</p> <ul style="list-style-type: none"> (a) intends to resign during the currency of that auditor's appointment; or (b) has given written notice to the licensee of that auditor's unwillingness to be considered for reappointment at the expiration of the period for which that person is appointed. <p>2. Failure of an auditor appointed by a licensee to state in the auditor's written notice the reasons for that auditor's intention to resign or that auditor's unwillingness to be considered for reappointment.</p>	Serious
Money Services Law (2020 Revision)	14	<p>1. Failure of a licensee to notify the Authority where the licensee —</p> <ul style="list-style-type: none"> (a) intends to terminate the appointment of its auditor; or (b) decides that the auditor will not be 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>reappointed.</p> <p>2. Failure of a licensee to state in the licensee's notification, the reason for the licensee's intention or decision.</p>	
<p>Money Services Law (2020 Revision)</p>	<p>14A(1)</p>	<p>1. Failure of an auditor to immediately give written notice to the Authority where the auditor, in the course of carrying out an audit of the accounts of a licensee, obtains information or suspects that the licensee is —</p> <ul style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or (e) carrying on or attempting to carry on business without compliance with — <ul style="list-style-type: none"> (i) the Law or any regulations made hereunder; (ii) the <i>Monetary Authority Law (2020 Revision)</i>; (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or (iv) a condition of the licence. <p>2. Failure of an auditor who gives the Authority written notice of a suspicion, the reason for the suspicion.</p>	<p>Serious</p>
<p>Money Services Law (2020 Revision)</p>	<p>14A(3)</p>	<p>A licensee appointing a person disqualified under subsection (2) as an auditor.</p>	<p>Serious</p>
<p>Money Services Law (2020 Revision)</p>	<p>16</p>	<p>A licensee incorporated under the Companies Law (2020 Revision) opening, in or outside the Islands, a subsidiary, branch, agency or representative office</p>	<p>Serious</p>



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		without the prior written approval of the Authority.	
Money Services Law (2020 Revision)	17(1)	A licensee having less than two directors.	Serious
Money Services Law (2020 Revision)	17(2)	Failure of a licensee to apply to the Authority for its written approval of the appointment of a director or other senior officer before appointing the director or other senior officer, unless it is exempt from such a requirement by the Authority.	Serious
Money Services Law (2020 Revision)	18(3)	Failure of a licensee to comply with a requirement under subsection (3).	Serious
Money Services Law (2020 Revision)	23(5)	A person obstructing the Authority or any other person in the exercise of any powers conferred under section 23.	Serious
Money Services Law (2020 Revision)	24	A licensee or any director or officer of a licensee knowingly or wilfully supplying false or misleading information to the Authority.	Very serious
Money Services Law (2020 Revision)	30	Failure of a licensee to put into effect and to carry out such policy directions for the guidance of licensees in the exercise of their duties under the Law that the Authority may, from time to time, issue.	Very serious
Money Services Law (2020 Revision)	30A(1)	Failure of a licensee to pay into the revenues of the Islands, a transaction fee in the amount of two per cent of the gross amount transferred overseas up to a maximum of ten dollars for each transaction.	Minor
Money Services Law (2020 Revision)	30A(2)	Failure of a licensee to pay into the revenues of the Islands the transaction fee under subsection (1) on a quarterly basis in such form as the Authority may prescribe.	Minor
Money Services Law (2020 Revision)	30A(3)	Failure of a licensee to pay into the revenues of the Islands a surcharge not exceeding one-twelfth of that fee for every month or part of a month that the fee under	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		subsection (1) is not paid.	
29. MUTUAL FUNDS LAW (2020 REVISION)			
Mutual Funds Law (2020 Revision)	4(1)	<p>1. A mutual fund which does not comply with subsection (3) or (4) carrying on or attempting to carry on business in or from the Islands without —</p> <p>(a) holding a Mutual Fund Licence, and having—</p> <p>(i) a registered office in the Islands; or</p> <p>(ii) if a unit trust, a trust company licensed under the <i>Banks and Trust Companies Law (2020 Revision)</i> as its trustee; or</p> <p>(b) being registered with the Authority in the prescribed manner and having a licensed mutual fund administrator providing its principal office in the Islands.</p> <p>2. A mutual fund which does not comply with subsection (3) or (4), carrying on or attempting to carry on business in or from the Islands without filing with the Authority, in respect of the mutual fund, a current offering document that complies with subsection (6).</p>	Very serious
Mutual Funds Law (2020 Revision)	4(8)	Failure of a mutual fund to file an amended offering document or amended prescribed details with the Authority within twenty-one days of becoming aware of any change that materially affects any information in the offering document filed with the Authority or in the prescribed details of the offering document or the prescribed details of a master fund that is without an offering document filed with the Authority.	Serious
Mutual Funds Law (2020 Revision)	4(9)	A mutual fund changing —	Serious
Mutual Funds Law	5(5)	Failure of the operator of a mutual fund to ensure that, when carrying on or attempting to carry on business in	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(2020 Revision)		or from the Islands, the mutual fund complies with any conditions contained in its licence.	
Mutual Funds Law (2020 Revision)	5(7)	A person supply to the Authority information that that person knows or should reasonably know is false or misleading in connection with an application for a Mutual Fund Licence.	Very serious
Mutual Funds Law (2020 Revision)	7	A person other than a regulated mutual fund or a mutual fund referred to in section 4(4) representing in any way that the person is carrying on or attempting to carry on business in or from the Islands as a mutual fund.	Very serious
Mutual Funds Law (2020 Revision)	8(1)	Failure of a regulated mutual fund to have its accounts audited annually by an auditor approved by the Authority.	Serious
Mutual Funds Law (2020 Revision)	8(1A)	Failure of a regulated mutual fund to prepare its accounts in accordance with the International Financial Reporting Standards or the generally accepted accounting principles of the United States of America, Japan, Switzerland or a non-high risk jurisdiction.	Serious
Mutual Funds Law (2020 Revision)	8(1B)	Failure of an auditor approved by the Authority to carry out the annual audit under subsection (1) in accordance with the International Standards on Auditing or the generally accepted auditing standards of the United States of America, Japan, Switzerland or a non-high risk jurisdiction.	Serious
Mutual Funds Law (2020 Revision)	8(2)	Failure of a regulated mutual fund to send its audited accounts in respect of a financial year of the fund to the Authority, in such manner as the Authority may from time to time direct, within six months of the end of that financial year or within such extension of that period as the Authority may allow.	Serious
Mutual Funds Law (2020 Revision)	9(1)	Failure of a licensed regulated mutual fund to pay to the Financial Secretary for the benefit of the revenue, the prescribed annual licence fee on or before the 15th	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		January in each year.	
Mutual Funds Law (2020 Revision)	9(2)	Failure of a regulated mutual fund that is complying with section 5(3) to pay to the Financial Secretary for the benefit of the revenue the prescribed annual registration fee on or before the 15th January in each year.	Minor
Mutual Funds Law (2020 Revision)	9(3)	Failure of a regulated mutual fund which does not pay the annual fee on or before the 15 th January in each year to pay to the Authority, an additional fee equal to one twelfth of that annual fee for each month or part of a month during which the annual fee and any additional fee imposed under subsection (3) remains unpaid.	Minor
Mutual Funds Law (2020 Revision)	10	A person who is not acting with and in accordance with the authorisation of the Authority, acting or carrying on business as a mutual fund administrator without being authorised to do so by a Mutual Fund Administrators Licence.	Very serious
Mutual Funds Law (2020 Revision)	12(5)	A licensed mutual fund administrator which has a principal office in the Islands or a body corporate or individuals acting as its agent in the Islands changing that principal office or the body corporate or any individual acting as its agent without first giving the Authority notice of its intention to do so.	Very serious
Mutual Funds Law (2020 Revision)	12(7)	Failure of a licensed mutual fund administrator to comply with any conditions contained in its Mutual Fund Administrators Licence when carrying on or attempting to carry on business as a mutual fund administrator.	Very serious
Mutual Funds Law (2020 Revision)	12(8)	A person supplying information in connection with an application for a Mutual Fund Administrators Licence that the person knows or should reasonably know is false or misleading to the Authority.	Very serious
Mutual Funds Law (2020 Revision)	13(1)	1. A licensed mutual fund administrator which is a company issuing shares without the approval of the Authority.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		2. A person owning or having an interest in shares in the company transferring or otherwise disposing of or dealing in those shares or that interest without the approval of the Authority.	
Mutual Funds Law (2020 Revision)	14(1)	1. Failure of a licensed mutual fund administrator to immediately upon starting to provide the principal office of a regulated mutual fund, give the Authority the prescribed details in respect of the mutual fund. 2. Failure of a licensed mutual fund administrator to immediately upon starting to provide the principal office of a regulated mutual fund to pay the prescribed fee in respect of the mutual fund to the Authority.	Very serious
Mutual Funds Law (2020 Revision)	14(2)	Failure of a licensed mutual fund administrator to pay the prescribed annual fee in respect of that mutual fund to the Financial Secretary for the benefit of the revenue on or before the 15th January in each year after the date when it started to provide the principal office of a regulated mutual fund.	Minor
Mutual Funds Law (2020 Revision)	14(3)	Failure of a licensed mutual fund administrator to pay the prescribed annual licence fee to the Financial Secretary for the benefit of the revenue on or before the 15th January in each year.	Minor
Mutual Funds Law (2020 Revision)	14(4)	Failure of a licensed mutual fund administrator to pay to Authority an additional fee equal to one twelfth of that annual fee for each month or part of a month during which the annual fee and any additional fee imposed by virtue of subsection (4) remains unpaid.	Minor
Mutual Funds Law (2020 Revision)	15(2)	Failure of a licensed mutual fund administrator to comply with a direction given under subsection (1).	Serious
Mutual Funds Law (2020 Revision)	17	Failure of a mutual fund administrator to immediately give the Authority written notice of the mutual fund administrator's knowledge or belief and its reasons for its knowledge or belief if it knows or has	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		reason to believe that a regulated mutual fund for which it provides a principal office, or a promoter or operator of such a mutual fund — <ul style="list-style-type: none"> (a) is or is likely to become unable to meet its obligations as they fall due; (b) is carrying on business otherwise than in accordance with this or any other law; or (c) is carrying on business in a manner that is or is likely to be prejudicial to investors or creditors of the mutual fund. 	
Mutual Funds Law (2020 Revision)	19	A person other than a licensed mutual fund administrator representing in any way that the person is carrying on or attempting to carry on business in or from the Islands as a mutual fund administrator.	Very serious
Mutual Funds Law (2020 Revision)	20(1)	Failure of a licensed mutual fund administrator to have its accounts audited annually by an auditor approved by the Authority.	Serious
Mutual Funds Law (2020 Revision)	20(2)	Failure of a licensed mutual fund administrator to send its audited accounts in respect of a financial year of the administrator in such manner as the Authority may from time to time direct, to the Authority within six months of the end of that financial year or within such extension of that period as the Authority may allow.	Serious
Mutual Funds Law (2020 Revision)	21	A licensed mutual fund administrator appointing a director or similar senior officer, or a general partner without — <ul style="list-style-type: none"> (a) obtaining the Authority's written approval of the appointment; or (b) being exempt by the Authority from the obligation to obtain the Authority's approval. 	Serious
Mutual Funds Law (2020 Revision)	22	Failure of a licensed mutual fund administrator to have at least two directors at all times.	Serious
Mutual Funds Law (2020 Revision)	22C(1)	Failure of an EU Connected Fund that is marketing in a country or territory within the EEA to notify the Authority within three months of a date to be specified by Order made by Cabinet and in the manner designated by the	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		Authority that the EU Connected Fund is marketing in a country or territory within the EEA.	
Mutual Funds Law (2020 Revision)	22C(2)	Failure of an EU Connected Fund that commences marketing in a country or territory within the EEA after the date specified in subsection (1) to notify the Authority, in the manner designated by the Authority, that the EU Connected Fund is marketing in a country or territory within the EEA within twenty-one days of the commencement of marketing in a country or territory within the EEA.	Serious
Mutual Funds Law (2020 Revision)	22F	Failure of an EU Connected Fund that elects to apply to be licensed or registered pursuant to section 22B and is granted a licence or is registered under the Law, to comply with the applicable provisions set out in Part IIIA of this Law.	Serious
Mutual Funds Law (2020 Revision)	23(2)	Failure of the operator of a regulated mutual fund or a regulated EU Connected Fund to ensure that an instruction given to the mutual fund or the EU Connected Fund in accordance with subsection (1) is complied with within the specified time.	Serious
Mutual Funds Law (2020 Revision)	24(2)	Failure of a person to comply with an instruction given to that person in accordance with subsection (1).	Serious
Mutual Funds Law (2020 Revision)	24(3)	A person giving information or an explanation for the purpose of subsection (1) that the person that person knows or should reasonably know is false or misleading.	Very serious
Mutual Funds Law (2020 Revision)	26(2)	Failure of a licensed mutual fund administrator to comply with an instruction given to it under subsection (1).	Serious
Mutual Funds Law (2020 Revision)	27(2)	Failure of a person to comply with an instruction given to him under subsection (1).	Serious
Mutual Funds	27(3)	A person giving information or an explanation for the	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Law (2020 Revision)		purpose of subsection (1) giving to the Authority information or an explanation that that person knows or should reasonably know is false or misleading.	
Mutual Funds Law (2020 Revision)	30(9)	<p>Failure of a person appointed in respect of a mutual fund or a regulated EU Connected Fund under subsection (3)(d) or (e) to —</p> <ul style="list-style-type: none"> (a) supply the Authority with such information in respect of the mutual fund or the EU Connected Fund as is specified by the Authority when requested to do so; (b) prepare and supply to the Authority a report on the affairs of the mutual fund or the EU Connected Fund making, where appropriate, recommendations in respect of the mutual fund or the EU Connected Fund within three months of his appointment, or within such other period as the Authority may specify; (c) supply to the Authority such other information, reports and recommendations as the Authority specifies after supplying the report referred to in paragraph (b) if that person's appointment is not terminated after supplying the report under (b). 	Very serious
Mutual Funds Law (2020 Revision)	31(8)	<p>Failure of a person appointed in respect of a licensed mutual fund administrator under subsection 3(d) or (e) to —</p> <ul style="list-style-type: none"> (a) supply the Authority with such information in respect of the administrator's administration of mutual funds as is specified by the Authority when requested to do so by the Authority; (b) prepare and supply to the Authority a report on the administrator's administration of the mutual fund making, where appropriate, recommendations in respect of the administrator within three months of that person's appointment, or within such other period as the Authority may specify; or (c) supply to the Authority such other information, reports and recommendations as the Authority specifies after supplying the 	Very serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		report referred to in paragraph (b), if that person's appointment is not terminated after supplying the report under paragraph (b).	
Mutual Funds Law (2020 Revision)	34	A person hindering the Authority in the exercise of any of its powers under the Law.	Serious
Mutual Funds Law (2020 Revision)	35(1)	<p>Failure of an auditor to immediately give the Authority written notice of that auditor's information or suspicion and, in the case of suspicion, that auditor's reason for that suspicion if an auditor, in the course of carrying out an audit of the accounts of a regulated mutual fund or a regulated EU Connected Fund, obtains information or suspects that the mutual fund or the EU Connected Fund is —</p> <ul style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or winding-up its business voluntarily in a manner that is prejudicial to its investors or creditors; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or (e) carrying on or attempting to carry on business otherwise than in compliance with — <ul style="list-style-type: none"> (i) this Law or any regulations made hereunder; (ii) the <i>Monetary Authority Law (2020 Revision)</i>; (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or (iv) a condition of the licence. 	Serious
Mutual Funds Law (2020 Revision)	35(2)	Failure of an auditor to immediately give the Authority written notice of that person's information or suspicion and, in the case of suspicion, that person's reason for that suspicion If an auditor, in the course of carrying out	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>an audit of the accounts of a licensed mutual fund administrator, obtains information or suspects that the mutual fund administrator is —</p> <ul style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or winding-up its mutual fund administration business voluntarily in a manner that is prejudicial to investors in any mutual fund it is administering or to its creditors or the creditors of any such mutual fund; or (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or (e) carrying on or attempting to carry on business otherwise than in compliance with — <ul style="list-style-type: none"> (i) this Law or any regulations made hereunder; (ia) in respect of a licensed mutual funds administrator, Part XVIIIA of the <i>Companies Law (2020 Revision)</i>, Part 12 of the <i>Limited Liability Companies Law (2020 Revision)</i> and Part 8 of the <i>Limited Liability Partnership Law, 2017 [Law 13 of 2017]</i>, if the licensee is a "corporate services provider" as defined in that Part; (ii) the <i>Monetary Authority Law (2020 Revision)</i>; (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or (iv) a condition of the licence. 	
Mutual Funds Law (2020 Revision)	35(4)	A regulated mutual fund or a regulated EU Connected Fund or a licensed mutual fund administrator appointing as an auditor a person disqualified under subsection (3).	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
30. MUTUAL FUNDS (ANNUAL RETURNS) REGULATIONS (2018 REVISION)			
Mutual Funds (Annual Returns) Regulations (2018 Revision)	2(1)	Failure of a regulated mutual fund to complete and submit accurate and complete returns for — (a) the fund containing the particulars set forth in the Schedule to the Authority; or (b) each sub-fund in its structure if the fund has sub-funds in its structure, in such manner as the Authority may from time to time direct, within six months after the end of the financial year to which it relates or within such extension of that period as the Authority may allow.	Serious
Mutual Funds (Annual Returns) Regulations (2018 Revision)	2(4)	Failure of the operator of a regulated mutual fund to ensure that the fund complies with paragraphs (1) and (1A).	Minor
31. MUTUAL FUNDS (EU CONNECTED FUND (ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE)) REGULATIONS, 2016			
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	2(a)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit the name of the Member State in which the marketing takes place or is expected to take place to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations,	2(b)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit the date on which such marketing commenced, or is expected to commence to the Authority.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
2016			
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	2(c)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit the name of the competent authority or authorities in the Member State in which the marketing takes place, or is expected to take place, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	2(d)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit the name and contact details of the EU Connected Fund's manager and country of authorisation to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	2(e)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit a declaration that the EU Connected Fund is marketed in each Member State referred to in paragraph (a) in accordance with the laws in force in that Member State to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	2(f)	Failure of an EU Connected Fund that is a regulated mutual fund, including an EU Connected Fund which has elected to be licensed or registered pursuant to section 22B of the Law to submit the prescribed fee to the Authority.	Minor
Mutual Funds	3(a)	Failure of an EU Connected Fund that is not a regulated	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016		mutual fund to submit the name of the EU Connected Fund to the Authority.	
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(b)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the type of fund, setting out why the EU Connected Fund is not required to be regulated, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(c)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the name or contact details of operators of the EU Connected Fund and its administrator to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(d)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the name or address of the EU Connected Fund's registered office to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative	3(e)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the name or contact details of the EU Connected Fund's Cayman Islands legal counsel to the Authority.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Investment Fund Managers Directive)) Regulations, 2016			
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(f)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit each name of each Member State in which the marketing takes place, or is expected to take place, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(g)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the date on which such marketing commenced, or is expected to commence, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(h)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the each name of each competent authority in each corresponding Member State in which the marketing takes place, or is expected to take place, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive))	3(i)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the name or contact details of the EU Connected Fund's manager, to the Authority.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Regulations, 2016			
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(j)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit a declaration that the EU Connected Fund is marketed in each Member State in accordance with the laws and Regulations in force in the Member State, to the Authority.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(k)	Failure of an EU Connected Fund that is not a regulated mutual fund to submit the prescribed fee to the Authority.	Minor
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	4	Failure of an EU Connected Fund to — (a) notify the Authority within 21 days of the date upon which marketing ceased in all Member States; or (b) notify the Authority of any change made to the information provided pursuant to regulation 2 or regulation 3, as the case may be, within twenty-one days of the date of the change.	Serious
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	5	Failure of an EU Connected Fund to submit to the Authority in the manner designated by the Authority — (a) written confirmation that the information in the notification filed pursuant to regulation 2 or regulation 3 has not changed; and (b) a declaration that the EU Connected Fund is being marketed in each Member State in accordance with the applicable laws of that Member State, within six months after the date of the end of the	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		financial year of an EU Connected Fund.	
Mutual Funds (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	6	Failure of an EU Connected Fund to, at all times when requested by the Authority, provide the Authority with all information necessary for the Authority to be satisfied that the EU Connected Fund is being marketed in each Member State in accordance with the applicable laws of that Member State.	Serious
32. PRIVATE FUNDS LAW, 2020			
Private Funds Law, 2020	4(1)	Failure of an operator of a private fund to ensure compliance by that private fund with this Law.	Very Serious
Private Funds Law, 2020	5(1)	Subject to subsection (3) and (6), where a private fund carries on or attempts to carry on business in or from the Islands unless — (a) it has submitted an application for registration to the Authority in accordance with section 6 within twenty-one days after its acceptance of capital commitments from investors for the purposes of investments; (b) the prescribed details in respect to the private fund are filed with the Authority; (c) the prescribed annual registration fee under section 10 has been paid in respect of the private fund; (d) it complies with any conditions of its registration imposed under section 7; and (e) it complies with the provisions of this Law.	Very Serious
Private Funds Law, 2020	5(6)	Where a private fund which is required to be registered under subsection (1) accepts capital contributions from investors in respect of investments while the private fund is not registered by the Authority in accordance with section 7.	Very Serious
Private Funds	10(1)	Failure of a private fund to pay to the general revenue	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Law, 2020		of the Islands the prescribed annual registration fee on or before 15th January in each year.	
Private Funds Law, 2020	10(2)	Failure of a private fund which does not pay the prescribed annual registration fee on or before 15th January in each year to pay the additional fee equal to one twelfth of that annual registration fee for each month or part of a month during which the annual registration fee and any additional fee imposed by virtue of this subsection.	Minor
Private Funds Law, 2020	11(1)	Failure of a private fund which — (a) makes any change, or becomes aware of any change, that materially affects any information submitted to the Authority under section 6 or otherwise under this Law; or (b) changes its registered office or the location of its principal office, to, within twenty-one days after making the change or becoming aware of the change, as the case may be, file with the Authority the details of the change.	Serious
Private Funds Law, 2020	12(1)	Where a person other than a private fund represents in any way that the person is carrying on or attempting to carry on business in or from the Islands as a private fund.	Very Serious
Private Funds Law, 2020	13(1)	Failure of a private fund to have its accounts audited annually by an auditor approved by the Authority.	Serious
Private Funds Law, 2020	13(2)	Failure of a private fund to prepare its accounts in accordance with the International Financial Reporting Standards or the generally accepted accounting principles of the United States of America, Japan, Switzerland or a non-high risk jurisdiction.	Serious
Private Funds Law, 2020	13(3)	Failure of an auditor approved by the Authority to carry out the annual audit under subsection (1) in accordance with the International Standards on Auditing or the generally accepted auditing standards of the United States of America, Japan, Switzerland or a non-high risk jurisdiction.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Private Funds Law, 2020	13(4)	Failure of a private fund to send its audited accounts in respect of each financial year of the private fund to the Authority in such manner as the Authority directs and within six months of the end of that financial year or within such extension of that period as the Authority may allow.	Serious
Private Funds Law, 2020	14	Failure of a private fund to, in respect of each financial year of the private fund, submit an annual return in the prescribed form.	Minor
Private Funds Law, 2020	15	Failure of a private fund to maintain its records in an accessible manner and in accordance with rules, statements of principle and guidance issued by the Authority under section 34 of the <i>Monetary Authority Law (2020 Revision)</i> .	Serious
Private Funds Law, 2020	16(1)	Failure of a private fund to have appropriate and consistent procedures for the purposes of proper valuations of its assets, which will ensure that valuations are conducted in accordance with the requirements in this Law.	Serious
Private Funds Law, 2020	16(3)	Failure of a private fund to ensure that valuations of the assets of the private fund are carried out at a frequency that is appropriate to the assets held by the private fund and, in any case, on at least an annual basis.	Serious
Private Funds Law, 2020	16(4)	<p>Failure of a private fund to ensure that valuations of the assets of the private fund are performed by —</p> <ul style="list-style-type: none"> (a) an independent third party that is appropriately professionally qualified to conduct valuations in a non-high risk jurisdiction; (b) the manager or operator of the private fund, or a person who has a control relationship with the manager of the private fund, provided that — <ul style="list-style-type: none"> (i) the valuation function is independent from the portfolio management function; or (ii) potential conflicts of 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>interest are properly identified and disclosed to the investors of the private fund; or</p> <p>(c) an administrator not falling under paragraph (a) who is appointed by the private fund.</p>	
Private Funds Law, 2020	16(5)	Failure of a private fund which did not have the valuation of its assets performed by an independent third party in accordance with subsection 4(a) to have its valuations verified by an auditor or independent third party, where the Authority so requires.	Serious
Private Funds Law, 2020	16(6)	<p>Failure of a private fund to ensure that valuation of the assets of the private fund are carried out by —</p> <p>(a) an independent third party;</p> <p>(b) the manager or operator of the private fund or a person who has a control relationship with the manager of the private fund; or</p> <p>(c) an administrator not falling under subsection 4(a) appointed by the private fund to carry out, a valuation of the assets of the private fund in accordance with any requirements in relation to valuations, including in respect of the degree and regularity.</p>	Serious
Private Funds Law, 2020	17(1)	Subject to subsection (3), failure of a private fund to appoint a custodian to perform the duties set out in subsection (2).	Serious
Private Funds Law, 2020	17(2)	<p>Failure of a custodian to —</p> <p>(a) hold in custody, in segregated accounts opened in the name, or for the account, of the private fund, the custodial fund assets; or</p> <p>(b) verify, based on information provided by the private fund and available external information, that the private fund holds title to any other fund asset and maintain a record of those other fund assets.</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Private Funds Law, 2020	17(3)	<p>Failure of a private fund which notifies the Authority of its intention not to appoint a custodian pursuant to subsection (3) to appoint one of the following persons to carry out the title verification described in subsection (2)(b) —</p> <ul style="list-style-type: none"> (a) an administrator or another independent third party; or (b) the manager or operator, or a person with a control relationship with the manager of the private fund, provided that — <ul style="list-style-type: none"> (i) the title verification function is independent from the portfolio management function; or (ii) potential conflicts of interest are properly identified and disclosed to the investors of the private fund. 	Serious
Private Funds Law, 2020	17(5)	<p>Failure of a private fund which did not have the title verification described in subsection (2)(b) performed by a custodian, an administrator or another independent third party appointed in accordance with subsection (1) or (4)(a), to have its title verification verified by an appropriately professionally qualified independent third party, where the Authority so requires.</p>	Serious
Private Funds Law, 2020	18(1)	<p>Failure of a private fund to appoint one of the following persons to perform the cash monitoring duties set out in subsection (2) —</p> <ul style="list-style-type: none"> (a) an administrator, custodian or another independent third party; or (b) the manager or operator, or a person who has a control relationship with the manager of the private fund, provided that — <ul style="list-style-type: none"> (i) the cash monitoring function is independent from the portfolio management function; or (ii) potential conflicts of interest are properly identified and disclosed to the investors of the private 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		fund.	
Private Funds Law, 2020	18(2)	Failure of an administrator, custodian or another independent third party, or the manager or operator or a person who has a control relationship with the manager of the private fund, appointed under subsection (1) to — <ul style="list-style-type: none"> (a) monitor the cash flows of the private fund; (b) ensure that all cash of the private fund has been booked in cash accounts opened in the name, or for the account, of the private fund; or (c) ensure that all payments made by investors to the private fund in respect of investment interests have been received. 	Serious
Private Funds Law, 2020	18(3)	Failure of a private fund which did not have the cash monitoring duties described in subsection (2)(b) performed by an administrator, a custodian or another independent third party appointed in accordance with subsection (1)(a), to have its cash monitoring verified by an independent third party, where the Authority so requires.	Serious
Private Funds Law, 2020	20(1)	Failure of a private fund to comply with an instruction by the Authority to — <ul style="list-style-type: none"> (a) have the private fund's accounts audited by an auditor approved by the Authority and to submit them to the Authority within such time as the Authority specifies; or (b) provide a one-off or periodic report to the Authority on certain matters requested by the Authority in connection with the private fund in such form and within such time as the Authority specifies. 	Very Serious
Private Funds Law, 2020	21(1)	Failure of a private fund to comply with a request by the Authority to provide to the Authority with such documents, statements or other information in respect of a private fund as the Authority may reasonably require in connection with the Authority's functions under this Law.	Very Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Private Funds Law, 2020	22(1)	Failure of a person who the Authority has reasonable grounds for believing is carrying on business or attempting to carry on business as a private fund in contravention of section 5, to, where instructed by the Authority, give to the Authority such information or explanation as the Authority may reasonably require to enable the Authority to carry out its duty under this Law.	Very Serious
Private Funds Law, 2020	22(2)	Where a person who is instructed to give information or an explanation for the purpose of subsection (1) gives to the Authority information or an explanation that the person knows or should reasonably know is false or misleading.	Very Serious
Private Funds Law, 2020	25(8)	Failure of a person appointed in respect of a private fund under subsection 2(d) or 2(e) to — (a) when requested to do so by the Authority, supply the Authority with such information in respect of the private fund as may be specified by the Authority; (b) within three months of the person's appointment, or within such other period as the Authority may specify, prepare and supply to the Authority a report on the affairs of the private fund making, where appropriate, recommendations in respect of the private fund; or (c) if the person's appointment is not terminated after supplying the report referred to in paragraph (b), supply to the Authority such other information, reports and recommendations as the Authority specifies.	Very Serious
Private Funds Law, 2020	27	Where a person hinders the Authority in the exercise of any of its powers under this Law.	Very Serious
Private Funds Law, 2020	29(1)	Failure of an auditor to immediately give to the Authority written notice of any information or a suspicion, and in the case of suspicion, the reason for that suspicion, where the auditor, in the course of carrying out an audit of the accounts of a private fund pursuant to section 13(1), obtains information or suspects that the private fund is —	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<ul style="list-style-type: none"> (a) unable or likely to become unable to meet its obligations as they fall due; (b) carrying on or attempting to carry on business or winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow its accounts to be properly audited; (d) carrying on or attempting to carry on business in a fraudulent or criminal manner; or (e) carrying on or attempting to carry on business otherwise than in compliance with — <ul style="list-style-type: none"> (i) this Law or any regulations made under this Law; (ii) the <i>Monetary Authority Law (2020 Revision)</i>; (iii) the <i>Anti-Money Laundering Regulations (2020 Revision)</i>; or (iv) a condition of its registration imposed under this Law. 	
Private Funds Law, 2020	29(3)	Where a private fund appoints as an auditor a person removed under subsection (2), unless the Authority is satisfied that the person will in future comply with subsection (1).	Serious
33. SECURITIES INVESTMENT BUSINESS LAW (2020 REVISION)			
Securities Investment Business Law (2020 Revision)	4B(1)	Failure of a licensee or registered person — <ul style="list-style-type: none"> (a) to cease or refrain from — <ul style="list-style-type: none"> (i) committing an act that is an unsafe or unsound practice in conducting the business of the licensee or a registered person; or (ii) pursuing a course of conduct that is an unsafe or unsound practice in 	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>conducting the business of the licensee or registered person; or</p> <p>(b) to perform such acts as in the opinion of the Authority, are necessary to remedy or ameliorate the situation,</p> <p>if it is directed by the Authority to so in relation to the securities investment business of the licensee or registered person.</p>	
Securities Investment Business Law (2020 Revision)	5(1)	A person carrying on or purporting to carry on securities investment business unless that person holds a licence or registration granted under this Law or is exempt from holding a licence or registration.	Very serious
Securities Investment Business Law (2020 Revision)	5(4)	<p>Failure of a person specified in Schedule 4 to —</p> <p>(a) file an application in the prescribed form or</p> <p>(b) pay the prescribed registration fee to the Authority,</p> <p>in order to register with the Authority.</p>	Very serious
Securities Investment Business Law (2020 Revision)	5(4C)	Failure of a registered person to notify the Authority within twenty-one days after any material change in the information filed by the registered person in its application or annual declaration.	Minor
Securities Investment Business Law (2020 Revision)	5(4D)	Failure of a registered person to pay the prescribed annual fee to pay a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the annual fee is not paid.	Minor
Securities Investment Business Law (2020 Revision)	5(4E)	<p>Failure of a registered person to —</p> <p>(a) file with the Authority, on or before the 15th day of January in each year, an annual declaration in such form as the Authority may approve; or</p> <p>(b) pay to the Authority the prescribed annual fee at the time of the filing of the declaration.</p>	Minor
Securities Investment Business Law (2020 Revision)	5(5)	Failure of a registered person to provide the report specified under section 17(2A)(e).	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business Law (2020 Revision)	8(1)	<ol style="list-style-type: none"> 1. A licensee issuing shares without the prior approval of the Authority. 2. A licensee voluntarily transferring or disposing of issued shares or interests without the prior approval of the Authority. 	Serious
Securities Investment Business Law (2020 Revision)	9(a)	Failure of a licensee or registered person with a name which is identical with that of another person, whether within the Islands or not, or which so nearly resembles that name as to be likely to deceive to forthwith change its name within three calendar months of the receipt of notice from the Authority of its requirements.	Very serious
Securities Investment Business Law (2020 Revision)	9(b)	Failure of a licensee or registered person with a name which in the opinion of the Authority connotes, falsely, the patronage of or connection with a person whether within the Islands or not, to forthwith change its name within three calendar months of the receipt of notice from the Authority of its requirements.	Very serious
Securities Investment Business Law (2020 Revision)	9(c)	Failure of a licensee or registered person with a name which in the opinion of the Authority connotes, falsely, that it has a special status in relation to or derived from the Government, or has the official backing of or acts on behalf of the Government or of any of its departments or officials, to forthwith change its name within three calendar months of the receipt of notice from the Authority of its requirements.	Very serious
Securities Investment Business Law (2020 Revision)	9(d)	Failure of a licensee or registered person with a name which in the opinion of the Authority is liable to mislead investors, or constitute a misrepresentation, to forthwith change its name within three calendar months of the receipt of notice from the Authority of its requirements.	Very serious
Securities Investment Business Law (2020 Revision)	9(e)	Failure of a licensee or registered person with a name which includes any prescribed word or expression, to forthwith change its name within three calendar months of the receipt of notice from the Authority of its requirements.	Very serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business Law (2020 Revision)	10	Failure of a licensee or a registered person to separately account for the funds and property of each client and for the licensee's or registered person's own funds and property.	Very serious
Securities Investment Business Law (2020 Revision)	13(1)	Failure of a licensee to have its accounts audited annually, or at such other time as the Authority may require, by an auditor who is a member of — (a) the Institute of Chartered Accountants in England and Wales; (b) the Canadian Institute of Chartered Accountants; (c) the Chartered Association of Certified Accountants; (d) the American Institute of Certified Public Accountants; or (e) any other professional body or institute approved by the Authority.	Very serious
Securities Investment Business Law (2020 Revision)	13(2)	Failure of a licensee under subsection to forward to the Authority — (a) the auditor's or the licensee's audited accounts for the financial year just ended; or (b) a certificate of compliance with the provisions of this Law and any regulations made under this Law or the <i>Monetary Authority Law (2020 Revision)</i> , signed by the licensee or if a company, a director of the licensee, within six months of the end of a licensee's financial year.	Minor
Securities Investment Business Law (2020 Revision)	13(3)	1. A licensee changing its auditor without the prior written approval of the Authority. 2. Failure of a licensee to explain the circumstances giving rise to the change of its auditor prior to approval being given.	Minor
Securities Investment Business Law (2020 Revision)	14(1)	1. A licensee opening a subsidiary, branch, agency or representative office outside the Islands without the prior written approval of the Authority. 2. A licensee changing its name without the prior	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		written approval of the Authority.	
Securities Investment Business Law (2020 Revision)	14(2)	Failure of a licensee to notify the Authority immediately of any change of address of its place of business.	Serious
Securities Investment Business Law (2020 Revision)	15(4)(a)	Failure of a registered person which is a company incorporated under the <i>Companies Law (2020 Revision)</i> , to have a minimum of — (a) two directors who are individuals; or (b) one corporate director, each of whom is complying with the <i>Directors Registration and Licensing Law, 2014</i> .	Serious
Securities Investment Business Law (2020 Revision)	15(4)(b)	Failure of a registered person which is a general partnership established, or a limited partnership registered under the <i>Partnership Law (2013 Revision)</i> , to have a minimum of two partners.	Serious
Securities Investment Business Law (2020 Revision)	15(4)(c)	Failure of a registered person which is an exempted limited partnership registered under the <i>Exempted Limited Partnership Law (2018 Revision)</i> , to have a minimum of two directors (or equivalent officers) appointed in respect of its general partner (or where the general partner is itself an exempted limited partnership registered under the <i>Exempted Limited Partnership Law (2018 Revision)</i> at the level of the ultimate general partner).	Serious
Securities Investment Business Law (2020 Revision)	15(4)(d)	Failure of a registered person which is a foreign company registered under Part IX of the <i>Companies Law (2020 Revision)</i> , to have a minimum of two directors (or equivalent officers).	Serious
Securities Investment Business Law (2020 Revision)	15(4)(e)	Failure of a registered person which is a limited liability company formed and registered under the <i>Limited Liability Companies Law (2020 Revision)</i> , to have a minimum of two managers complying with the <i>Directors Registration and Licensing Law, 2014 [Law 10 of 2014]</i> .	Serious
Securities Investment	15(4)(f)	Failure of a registered person which is a limited liability partnership formed and registered under the <i>Limited</i>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business Law (2020 Revision)		<i>Liability Partnership Law, 2017 [Law 13 of 2017], to have a minimum of two managing partners.</i>	
Securities Investment Business Law (2020 Revision)	15(5)	Failure of a registered person to notify the Authority of any alteration made in the senior officers of a registered person within twenty-one days of the alteration.	Minor
Securities Investment Business Law (2020 Revision)	16(1A)	Failure of a registered person to provide information related to its securities investment business to the Authority when required by the Authority to do so.	Serious
Securities Investment Business Law (2020 Revision)	16(4)	A person knowingly or recklessly providing any information to the Authority which is false or misleading in a material particular.	Very serious
Securities Investment Business Law (2020 Revision)	17(1)	Failure of a licensee or a registered person to comply with a written notice given by the Authority.	Very serious
Securities Investment Business Law (2020 Revision)	19(1)	<p>Failure of an auditor to immediately give the Authority and the licensee or registered person written notice of that person's knowledge or belief if an auditor, in the course of carrying out an audit or producing a report under section 17(2A)(e) becomes aware of or has reasonable grounds to believe that the licensee or registered person —</p> <ul style="list-style-type: none"> (a) is or is likely to become unable to meet its obligations as they fall due; (b) is carrying on business in breach of this Law or any regulations made hereunder; (c) is carrying on or attempting to carry on business in a manner that is prejudicial to its clients or is winding up its business voluntarily in a manner that is prejudicial to its clients or creditors; or (d) is carrying on or attempting to carry on business without maintaining any or sufficient accounting records or record keeping systems to enable the auditor to 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		carry out an audit or produce a report under section 17(2A)(e).	
34. SECURITIES INVESTMENT BUSINESS (CONDUCT OF BUSINESS) REGULATIONS, 2003			
Securities Investment Business (Conduct of Business) Regulations, 2003	4(1)	Failure of a licensee to at all times maintain insurance to cover, at least — (a) professional indemnity; (b) the professional liability of senior officers and corporate secretaries; and (c) business interruption, in an amount appropriate to the size, complexity and nature of the securities investment business of the licensee.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	4(2)	Failure of a licensee to file with the Authority current details of the insurance required under paragraph (1) prior to the renewal of a licensee's securities investment business licence.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	5(1)	Failure of a licensee to ensure that the fact that it is regulated by the Authority is disclosed in all correspondence, advertisements and other documents relating to the licensee's securities investment business.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	5(2)	A licensee representing to any person that, because of its status as a licensee, it is indemnified by the Authority or by the government against any loss or damage which may arise from the conduct of its business as a licensee.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	6(1)	Failure of a licensee to ensure that every senior officer and employee of the licensee enters into a written undertaking to observe the requirements of paragraph (3).	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	6(2)	Failure of a licensee to designate its senior officers' and employees' own accounts, and any other accounts subject to the requirements in sub-regulation (3), in a manner that enables such accounts to be distinguished from client accounts.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	6(3)	<p>1. Failure of a senior officer or employee to obtain the prior written consent of the licensee in order to deal with the senior officer or employee's own accounting securities of any kind in respect of which the licensee carries on securities investment business which may be general or specific.</p> <p>2. A senior officer or employee —</p> <ul style="list-style-type: none"> (a) dealing in securities for the senior officer's or employee's own account with any of the licensee's clients; or (b) dealing for the senior officer or employee's own account at a time or in a manner, which the senior officer or employee knows or should know, is likely to have a direct adverse effect on the particular interests of any client of the licensee. <p>3. Failure of a senior officer or the employee to report promptly to the licensee within two business days any transaction for the senior officer's or the employee's own account for which permission is required which the senior officer or employee enters into otherwise than through the licensee unless the senior officer or employee has arranged for the licensee to receive promptly a copy of the contract or similar note issued in respect of the transaction.</p>	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	6(4)	A senior officer or employee who is precluded from entering into a transaction for the senior officer's or employee's own account procuring any other person to enter into a transaction on behalf of the senior officer or employee.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	7	Failure of a licensee to establish and maintain compliance procedures designed to ensure that no senior officer accepts any gift or inducement that is likely to conflict with the senior officer's or employee's duties to any client of the licensee.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	8(1)	Failure of a licensee to establish and maintain procedures to ensure that sufficient information is recorded and retained about its securities investment business, in relation to the persons under paragraphs (a) to (e).	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	8(2)	Failure of a licensee to retain records for a minimum period of five years from the relevant date.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	9	Failure of a licensee to notify the Authority immediately in writing of the occurrence of any of the activities in paragraphs (a) to (s) in relation to the licensee or its securities investment business as the case may be.	Serious
Securities Investment Business	10(2)	Failure of a licensee to ensure that an advertisement does not contain or include any of the statements, promises, forecasts or comparisons set out in	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(Conduct of Business) Regulations, 2003		paragraphs (a) to (g).	
Securities Investment Business (Conduct of Business) Regulations, 2003	10(3)	1.Failure of a licensee to ensure that the content and format of an advertisement — (a) is not so designed as to be likely to be misunderstood; (b) is not so designed as to disguise the significance of any warning statement or information which is required to be included or provided under Part III; (c) is not presented in such a way that it is not clearly identifiable as an advertisement; or (d) does not signify in any way that the advertisement is approved by the Authority.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	10(4)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that an advertisement — (a) identifies the licensee who issued or made it or caused it to be issued or made including a full address; or (b) discloses the identity of the licensee's regulator.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	10(5)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that an advertisement specifies all of the terms and conditions that attach to an investment unless — (a) the terms and conditions which are specified give a fair indication of the nature of the investment and the risks involved; and (b) the advertisement contains or provides information as to how a written statement of all the terms and conditions can be obtained.	Serious
Securities Investment Business (Conduct of Business)	10(6)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that an advertisement discloses any special areas of risk relating to the investment including limited marketability.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Regulations, 2003			
Securities Investment Business (Conduct of Business) Regulations, 2003	10(7)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that where the value of an investment may fluctuate or is not guaranteed (or both), that an advertisement states that fact prominently.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	10(8)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that where the value of an investment is guaranteed, that an advertisement states clearly the nature of the guarantee and to what it relates and whether there are any matters that may affect the investor's ability to benefit from it.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	10(9)	<ol style="list-style-type: none"> 1. The holder of a securities investment business license issued under section 6 of the Law publishing an advertisement which specifies a rate of return without specifying how it is calculated. 2. Failure of the holder of a securities investment business licence issued under section 6 of the Law to ensure that the return or calculation on an advertisement to includes any element that involves any potential reduction of the investor's capital. 	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	10(10)	Failure of the holder of a securities investment business license issued under section 6 of the Law to ensure that an advertisement inviting investment in futures, options and contracts for differences and other derivatives, contains or provides a warning of the financial risks attached to such type of investment.	Serious
Securities Investment Business (Conduct of Business)	10(11)	Failure of a licensee to keep a record of all advertisements issued or made by it in accordance with regulation 8 and any relevant guidance issued by the Authority under that regulation.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Regulations, 2003			
Securities Investment Business (Conduct of Business) Regulations, 2003	11(1)	<p>Failure of a licensee to —</p> <ul style="list-style-type: none"> (a) act with high standards of market conduct, integrity and fair dealing in the conduct of securities investment business; (b) act with due skill, care and diligence in providing any service which he provides or holds himself out as willing to provide; (c) ensure that clients are provided with sufficient and timely disclosure regarding — <ul style="list-style-type: none"> (i) the licensee's fees, commission and recoverable disbursements; (ii) any risks associated with an investment strategy recommended to a client by the licensee; or (iii) any other matter reasonably to be regarded as necessary to enable the client to make informed decisions regarding securities investment business conducted with or through a licensee; or (d) take reasonable steps to ensure that, in relation to a private client any investment strategy in connection with securities investment business recommended to or executed on behalf that client, is suitable, having regard to all the relevant facts, except where execution-only services are being provided by the licensee. 	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	11(2)	<p>Failure of a licensee to take reasonable steps to ensure that clients are given fair treatment where there is or may be in respect of a securities investment business transaction, a conflict of interest between a licensee and a client or between clients of a licensee.</p>	
Securities Investment Business (Conduct of	12(1)	<p>Failure of a licensee to classify all persons with or for whom it transacts securities investment business as either private clients, professional clients or market counterparties.</p>	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business) Regulations, 2003			
Securities Investment Business (Conduct of Business) Regulations, 2003	12(2)	A licensee classifying a client who would otherwise be a private client as a professional client where that client does not fall within the definition of a high net worth person where an individual or within the definition of a sophisticated person under paragraph (d)(i) or (ii) of regulation 2 and the licensee has not, in coming to the decision to classify the client as a professional client, complied with the requirements set out in subparagraphs (i), (ii) or (iii).	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	12(3)	A licensee classifying a client who would otherwise be a professional client as a market counterparty where the requirements set out in paragraphs (a), (b) and (c) have not been met.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	12(4)	Failure of a licensee to review classifications at least annually, to ensure that the classifications remain appropriate where a licensee has classified a client as a professional client or a market counterparty under the provision of paragraphs (2) or (3).	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	13	Failure of a licensee to ensure that any business that is outstanding is properly completed or is transferred to another licensee where a licensee decides to cease any securities investment business.	Minor
Securities Investment Business (Conduct of Business)	14	A licensee knowingly lending money or extending credit to a private client in connection with securities investment business or arranging for any other person to do so, without — (a) making and recording an assessment of	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Regulations, 2003		<p>the private client's financial standing, based on information disclosed by that client and being satisfied that the arrangements for the loan or credit and the amount concerned are suitable in relation to the type of securities investment agreement proposed or likely to be entered into by the licensee; or</p> <p>(b) the client giving the client's prior written consent to both the maximum amount of the loan or credit and the amount or basis of any charges to be levied in connection with the loan or credit.</p>	
Securities Investment Business (Conduct of Business) Regulations, 2003	15	Failure of a licensee to which conducts securities investment business with any client to, subject to regulation 16, do so by means of a written agreement which includes, at a minimum, the matters set out in regulation 17.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	18	<p>Failure of a licensee which is effecting transactions in a contingent liability investment on behalf of a private client, to specify in a client agreement, in addition to the items in regulation 17 —</p> <p>(a) the circumstances in which the licensee may require additional money from the client by way of margin;</p> <p>(b) that the minimum margin to be required for an on-exchange transaction must be equal to the margin requirements of the relevant securities investment business intermediary;</p> <p>(c) the form in which the margin may be provided, and the timing thereof; or</p> <p>(d) the steps that the licensee may be required or entitled to take in the event that the client fails to provide the required margin.</p>	Serious
Securities Investment Business (Conduct of	19(1)	<p>Failure of a licensee which is exercising discretionary portfolio management for a client to specify in the client agreement, in addition to the items in regulation 17 —</p> <p>(a) the extent of discretion to be exercised by</p>	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business) Regulations, 2003		<p>the licensee, including any restrictions on the category of investment in which the funds comprised in the portfolio may be invested, or on the amount, or the proportion of the fund which may be invested in any category or any one investment;</p> <p>(b) the frequency with which the client is to be supplied with a statement of the money and the investments comprised in the portfolio and a valuation thereof and the basis of the valuation;</p> <p>(c) if the agreement is to include a measure of portfolio performance, the basis on which that performance is to be measured; or</p> <p>(d) whether hedging or borrowing powers are to be used, and the nature of such powers and limits on their use.</p>	
Securities Investment Business (Conduct of Business) Regulations, 2003	19(2)	Failure of a licensee, on accepting the portfolio referred to under paragraph (1) to, as soon as is practical, send to the client a statement showing the current market value and composition of the portfolio.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	20	Failure of a licensee to, subject to paragraph (2) and after a transaction has been carried out for a client, send to the client or to the client's order promptly, a contract note with the essential features of the transaction in accordance with regulation 21.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	22	<p>Failure of a licensee to establish effective complaints handling systems and procedures that ensure that —</p> <p>(a) adequate records of complaints, including a central register, are established and maintained; and</p> <p>(b) all complaints are responded to in writing within fourteen days of receipt of such complaints.</p>	Minor

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	23	<p>Failure of a licensee to make available to any client, on request, within a reasonable period of time after such request is made —</p> <ul style="list-style-type: none"> (a) those parts of any written material and records which relate to that client and which the licensee has sent, or is required to send, to that client under these regulations; or (b) copies of any correspondence received from that client relating to securities investment business, <p>for the period during which it is required to keep relevant records under these regulations.</p>	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	24	<p>Failure of a licensee that manages a portfolio for a client to provide a written statement to the client which contains adequate information on the value and composition of the portfolio as at the end of the period covered by the statement —</p> <ul style="list-style-type: none"> (a) annually at the request of the client unless paragraph (c) applies; (b) once every quarter unless paragraphs (a) or (c) applies; or (c) monthly where the client's portfolio includes an uncovered open position in a contingent liability investment. 	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	26	<p>Failure of a licensee to establish and maintain adequate records and internal controls in respect of any mandate from a client under which the licensee may control a client's assets or liabilities in connection with securities investment business.</p>	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	27	<p>Failure of a licensee to ensure that it secures adequate protection for assets belonging to a client when it is accountable for them, in accordance with Part V and any guidance issued by the Authority.</p>	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	28	Failure of a licensee to ensure that it maintains adequate records to enable it to meet any future obligations including the return of equivalent assets to the client where it holds assets as collateral and has exercised any associated rights to treat the assets as its own.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	29	Failure of a licensee to ensure that where assets belonging to a client are held with a custodian, the custodian's records show clearly that the assets belong to one or more clients of the licensee.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	30	<p>Failure of a licensee to effect appropriate registration or recording of legal title to client assets in the name of —</p> <ul style="list-style-type: none"> (a) the client; (b) a nominee company; or (c) a custodian, where the licensee has notified the client in writing, or the licensee, where the licensee has obtained the prior written consent of a private client, or in the case of a professional client or a market counterparty, has notified the client, <p>in the case where the asset is subject to the law or market practice of a jurisdiction outside the Islands and the licensee has taken reasonable steps to determine that it is in the best interests of the client to register or record it in that way or that it is not feasible to do otherwise, having regard to the applicable law or market practice, or</p> <ul style="list-style-type: none"> (d) any other person, at the written direction of the client, provided that in the case of a private client, that other person is not a company within the same group of companies as the licensee. 	Serious
Securities Investment Business (Conduct of Business)	31	<p>Failure of a licensee or a custodian to have physical possession of any documents of title.</p> <p>Failure of a licensee to have physical possession the documents of title in accordance with the written</p>	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Regulations, 2003		instructions of a market counterparty or professional client.	
Securities Investment Business (Conduct of Business) Regulations, 2003	32	A licensee engaging in stock lending activity with or for a private client or professional client where the activity is not covered in the client agreement under regulation 17.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	33	Failure of a licensee to, not less than once every 5 weeks, or with the permission of the Authority, not less than once every six months, perform a reconciliation of its records of client assets for which it is accountable but which are not in the licensee's physical custody, with statements obtained from custodians or other persons responsible for maintain records of legal entitlement.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	34	Failure of a licensee to, not less than once every six months, carry out — (a) a count of all client assets it (or a nominee company or group company) physically holds and a reconciliation with its records of such holdings; or (b) a reconciliation between the licensee's (or a nominee company's or group company's) records of holdings of client assets and the records of the location of such holdings.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	35	Failure of a licensee to promptly correct any discrepancies revealed by the reconciliations and make good, or provide the equivalent of, any unreconciled shortfall for which there are reasonable grounds for concluding that the licensee is responsible.	Serious
Securities Investment Business	36	1. Failure of a licensee to, as often as necessary or on at least one date during its financial year and not less than six months after the previous statement	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
(Conduct of Business) Regulations, 2003		<p>date, provide all active clients within five weeks of the date as at which the statement is made with a statement listing all client assets for which the licensee is accountable.</p> <p>2. Failure of a licensee to ensure that a statement under sub-regulation (1) —</p> <ul style="list-style-type: none"> (a) identifies assets registered in the client's own name separately from those registered otherwise; (b) identifies separately any client assets that are being used as collateral; (c) shows the market value as at the statement date of any collateral held; or (d) in respect of a private client, bases the statement on either the trade date or the settlement date and notifies the client which basis has been used. 	
Securities Investment Business (Conduct of Business) Regulations, 2003	37	Failure of a licensee to secure the proper accounting for and handling of client money.	Very serious
Securities Investment Business (Conduct of Business) Regulations, 2003	39	<p>Failure of a licensee which receives client money to either —</p> <ul style="list-style-type: none"> (a) pay it as soon as possible and in any event no later than the next business day after receipt, into a client bank account; or (b) pay it out in accordance with regulation 46, in order to comply with section 10. 	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	40(1)	Failure of a licensee to, subject to regulation 42, ensure that client money is held at all times in a client bank account with one or more approved banks.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	40(2)	Failure of a licensee to, no less than once in each financial year, take reasonable steps to confirm that the bank or banks used for client bank accounts remain appropriate for that purpose in accordance with the relevant guidance issued by the Authority.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	41(1)	Failure of a licensee that holds or intends to hold client money with an approved bank that is a group company to disclose this fact to the client in writing, together with the name of the bank, and comply with regulation 40(2).	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	41(2)	Failure of a licensee to either — (a) deposit the client's money with another approved bank; or (b) return the client's money to, or to the order of, the client, where the client gives written notification to a licensee that the client does not want the client's money to be held with an approved bank that is a group company.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	42	Failure of a licensee to notify a private client that the private client's money may be held or controlled by a securities investment business intermediary.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	43	Failure of a licensee to ensure that the approved bank at which client money is held confirms to the licensee by means of provisions in the approved bank's custody agreement with the licensee, mandate provisions or otherwise in writing that — (a) it understands that all money in any client bank account of a licensee is held by the licensee as trustee; and (b) the bank is not entitled to combine any money in such account with any other	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		account of the licensee or to exercise any right of lien, set-off or counterclaim against money in a client bank account in respect of any debt owed by the licensee.	
Securities Investment Business (Conduct of Business) Regulations, 2003	44	Failure of a licensee to, in respect of each business day, ensure that the aggregate balance on its client bank accounts is, by the close of business that day, at least equal to the client money requirement as defined in guidance issued by the Authority, as at the close of business of the previous business day and ensure that — (a) any shortfall is paid into a client bank account by the close of business on the day the calculation is performed; or (b) any excess is withdrawn within the same time period.	Serious
Securities Investment Business (Conduct of Business) Regulations, 2003	45(1)	Failure of a licensee to, as often as is necessary to ensure the accuracy of its records, and at least once in every five weeks, perform reconciliations on — (a) the balance on each client bank account as recorded by the licensee with the balance on that account as recorded by the approved bank with which those accounts are held; (b) the balance, currency by currency, on each client transaction account with securities investment business intermediaries as recorded by the licensee, with the balance as recorded by the intermediaries; or (c) its records of collateral received from clients within ten business days of the date to which the reconciliation relates.	Minor
Securities Investment Business (Conduct of Business) Regulations, 2003	45(2)	Failure of a licensee to correct any discrepancy which arises in any of the reconciliations in subsection (1), as soon as possible, unless the discrepancy arises solely as a result of timing differences between the accounting systems of the approved bank or securities investment business intermediary and those of the licensee.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Conduct of Business) Regulations, 2003	45(3)	Failure of a licensee to cover the shortfall, for the period that a discrepancy remains unsolved where one set of records involved in the reconciliation indicates a shortfall in client money balances.	Serious
35. SECURITIES INVESTMENT BUSINESS (EU CONNECTED FUND (ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE)) REGULATIONS, 2016			
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(1)	<p>Failure of a person who is required to make a notification to the Authority pursuant to section 5(2) or 5(2A) of the Law and —</p> <p>(a) is not a licensee and who is an EU Connected Manager who is not a person who carries on or purports to carry on securities investment business in relation to any of the activities set out in paragraph 7 of Schedule 2 of the Law; or</p> <p>(b) is a licensee and who is an EU Connected Manager who is not a person who carries on or purports to carry on securities investment business in relation to any of the activities set out in paragraph 7 of Schedule 2 of the Law,</p> <p>to provide to the Authority in the form designated by the Authority, the information set out in paragraphs (aa) to (ff).</p>	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	3(2)	Failure of a person who is required to comply with regulation 3(1) who intends to obtain or who has obtained an EU Passport to further provide to the Authority the information set out under paragraphs (a) and (b).	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	4(1)	Failure of a person who has complied with regulation 3 to, for each EU Connected Fund in relation to which the activities in paragraphs 5 or 6 of Schedule 2 of the Law are carried on, provide the Authority with the information set out under paragraphs (a) to (d).	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	4(2)	Failure of a person who complies with regulation 4(1) who intends to obtain or who has obtained an EU Passport to further provide to the Authority the information set out under paragraphs (a) to (c).	Minor
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	6(1)	Failure of a Cayman Islands AIFM to at all times, maintain such amount of capital that is the greater of — (a) the amount of capital and own funds the Cayman Islands AIFM is required to maintain in compliance with the Schedule; or (b) the financial resource requirement the Cayman Islands AIFM is required to maintain under the <i>Securities Investment Business (Financial Requirements and Standards) Regulations (2003)</i> .	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers	6(2)	1. Failure of a Cayman Islands AIFM to notify the Authority forthwith in writing where the Cayman Islands AIFM has reason to believe that the Cayman Islands AIFM is in breach of the capital requirements stipulated in paragraph (1) or anticipates being in breach within a period of one month. 2. Failure of a Cayman Islands AIFM to specify in the	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Directive)) Regulations, 2016		notice the steps which the Cayman Islands AIFM is taking or has taken to remedy the breach.	
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	7	Failure of a licensee to inform the Authority in writing within seven days of ceasing to be a Cayman Islands AIFM and to submit the following and any other information required by the Authority to amend the licensee's licence — (a) the licensee's licence certificate; (b) the reason why the licensee is no longer an EU Connected Manager; or (c) written confirmation indicating whether the EU Connected Funds previously managed or marketed by the licensee have been wound up or transferred.	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	8(a)	Failure of a licensee to inform the Authority in writing of a change in any of the information provided to the Authority pursuant to regulation 3 within seven days.	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	8(b)	Failure of a licensee to inform the Authority in writing of a change in any of the information provided to the Authority pursuant to regulation 4 within twenty-one days.	Serious
Securities Investment	8(c)	Failure of a licensee to inform the Authority in writing of a change in any of the information provided to the	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016		Authority upon making a notification under regulation 4, within twenty-one days of commencing activities in respect of the EU Connected Fund.	
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	8(d)	Failure of a licensee to inform the Authority in writing of a change in any of the information provided to the Authority immediately upon submitting an application for an EU Passport, the information required at regulation 3(1)(ff) and regulation 4.	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	9	<p>Failure of a Cayman Islands AIFM to, within six months of its financial year, provide together with the documents required to be submitted to the Authority pursuant to section 13 of the Law and the <i>Securities Investment Business (Financial Requirements and Standards) Regulations (2003)</i> —</p> <ul style="list-style-type: none"> (a) a declaration confirming compliance with regulations 3, 4 and 8 as at the end of the financial year; (b) evidence of authorisation of the Cayman Islands AIFM from the relevant EU Member State, if applicable; or (c) a declaration that the Cayman Islands AIFM is compliant with all of the requirements of the AIFMD that are applicable to the Cayman Islands AIFM and the requirements of the Cayman Islands AIFM's Member State of reference under the AIFMD if authorised as an AIFM in a Member State. 	Serious
Securities Investment	10	Failure of a Cayman Islands AIFM to comply at all times with the requirements of the Schedule applicable to the	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016		Cayman Islands AIFM to the extent required in accordance with the AIFMD.	
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	13(a)	Failure of an EU Connected Manager referred to in regulation 12 to notify the Authority within twenty-one days of any change to the information provided under that regulation.	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations, 2016	13(b)	Failure of an EU Connected Manager referred to in regulation 12 to notify the Authority within twenty-one days of the EU Connected Manager ceasing to be an EU Connected Manager.	Serious
Securities Investment Business (EU Connected Fund (Alternative Investment Fund Managers Directive)) Regulations,	14	Failure of an EU Connected Manager, at all times when requested by the Authority, to provide the Authority with all information necessary for the Authority to satisfy itself that the EU Connected Manager is in compliance with the provisions of these Regulations and the AIFMD as are applicable to the EU Connected Manager.	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
2016			
36. SECURITIES INVESTMENT BUSINESS (FINANCIAL REQUIREMENTS AND STANDARDS) REGULATIONS, 2003			
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	4	Failure of a licensee to maintain adequate financial resources to meet its securities investment business commitments or to withstand the risk to which its business is subject.	Serious
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	5	A licensee using a currency other than the Cayman Islands dollar or United States dollar as the licensee's reporting currency without the prior approval of the Authority.	Serious
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	6	<ol style="list-style-type: none"> 1. Failure of a licensee to — <ol style="list-style-type: none"> (b) maintain adequate and current accounting records; or (c) maintain internal systems and controls and risk management processes that are adequate for the size, nature and complexity of its securities investment business activities. 2. Failure of a licensee to maintain accounting records which provide accounting information for any period during the five years immediately preceding the date on which a license was first granted to the licensee by the Authority. 	Serious
Securities Investment Business (Financial	7	Failure of a licensee to perform reconciliations — <ol style="list-style-type: none"> (a) at least once every five weeks on all balances with banks or building societies and correct any difference forthwith, unless 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Requirements and Standards) Regulations, 2003		<p>the difference arises solely as a result of identified differences in timing between the records of the licensee and the bank or building society;</p> <p>(b) at least once every five weeks, on all balances and positions with securities investment business intermediaries and correct any differences by agreement with the relevant intermediary on a timely basis;</p> <p>or</p> <p>(c) at least once every business day, on the licensee's own margin accounts with securities investment business intermediaries and correct any differences by agreement with the relevant intermediary on a timely basis.</p>	
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	8	<ol style="list-style-type: none"> 1. Failure of a licensee to submit to the Authority the documents and supplementary information under paragraphs (a) to (c). 2. Failure of a licensee to submit the audited accounts of each subsidiary and consolidated audited accounts, together with the annual audited accounts of the licensee itself, where the license has a subsidiary or subsidiaries. 	Serious
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	9	<ol style="list-style-type: none"> 1. Failure of a licensee to calculate its financial resources and its financial resource requirement in accordance with Schedule 1 and any relevant guidance issued by the Authority under section 12. 2. Failure of a licensee to ensure that the licensee's base requirement in Schedule 1 is greater of one quarter of relevant annual expenditure and — <ol style="list-style-type: none"> (d) in the case of broker-dealers, market makers and securities managers, one hundred thousand dollars; or (e) in the case of all other licensees, fifteen thousand dollars. 3. Failure of a licensee to maintain financial resources in excess of its financial resources requirement at all times. 	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Financial Requirements and Standards) Regulations, 2003	10	Failure of a licensee to — (a) obtain the written consent of the Authority before seeking to reduce or change the nature of its issued capital, or the rights and obligations of shareholders; (b) report to the Authority the acquisition of ten per cent or more of the voting shares of another company; or (c) obtain the prior written consent of the Authority regarding any agreement to sell or merge the whole or any part of the licensee to or with a third party.	Serious”.
37. SECURITIES INVESTMENT BUSINESS (REGISTRATION AND DEREGISTRATION) REGULATIONS, 2019			
Securities Investment Business (Registration and Deregistration) Regulations, 2019	2(1)	Failure of an applicant for registration as a registered person under the Law to submit to the Authority — (a) the completed application form; (b) any other information requested by the Authority for the purposes of assessing the application; or (c) the registration fee specified in regulation 9.	Very Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	3(1)	Failure of a registered person that ceases to carry on any regulated activity listed in Schedule 2 of the Law to apply to the Authority for deregistration in accordance with regulation 3.	Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	3(2)	Failure of an applicant, prior to applying for deregistration, to ensure that — (a) the relevant fees are paid; (b) the applicant's required annual declarations have been submitted; or (c) the applicant has no outstanding queries from, or regulatory filings with, the Authority.	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Securities Investment Business (Registration and Deregistration) Regulations, 2019	3(3)	Failure of an applicant for deregistration to submit to the Authority, all or any of the following — <ul style="list-style-type: none"> (a) written notice of the applicant’s intention to deregister in accordance with section 5(4B) of the Law; (b) the fee for deregistration specified in regulation 9; (c) a certified copy of the resolution of its senior officers which indicates the date on which the registered person has ceased to carry on, as a business, the relevant regulated activities listed in Schedule 2 of the Law; and (d) an affidavit which is filed in accordance with paragraph (4). 	Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	3(4)	Failure of a senior officer of the applicant for deregistration to file an affidavit for, or on behalf of, the applicant, that attests to the following — <ul style="list-style-type: none"> (a) the reason for the cessation of business; (b) that, as far as the senior officer is aware, the applicant has operated in accordance with its articles or other constitutional documents; (c) that all client relationships have been properly terminated or transferred to another service provider; (d) that the applicant has not conducted its securities investment business and has not wound up such business in a manner that is prejudicial to its clients and creditors; and (e) that the applicant intends either — <ul style="list-style-type: none"> (i) to continue as a legal entity in the Islands; (ii) to apply to be struck-off from the relevant register by the respective Registrar in the Islands; or (iii) to merge with another registered person. 	Serious
Securities Investment	4	1. Failure of a registered person that ceases to carry on securities investment business due to the	Serious



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business (Registration and Deregistration) Regulations, 2019		<p>commencement of voluntary liquidation of the registered person to apply to the Authority for deregistration.</p> <p>2. Failure of a registered person that ceases to carry on securities investment business due to the commencement of voluntary liquidation of the registered person to provide the following to the Authority —</p> <ul style="list-style-type: none"> (a) notice of voluntary winding up of the registered person (Form No. 19 of the <i>Companies Winding Up Rules, 2018</i>); (b) voluntary liquidator's consent to act (Form No. 20 of the <i>Companies Winding Up Rules, 2018</i>); or (c) a declaration of solvency (Form No. 21 of the <i>Companies Winding Up Rules, 2018</i>). 	
Securities Investment Business (Registration and Deregistration) Regulations, 2019	5	<p>1. Failure of a registered person that ceases to carry on securities investment business due to the court supervised or appointed liquidation of the registered person to apply to the Authority for deregistration.</p> <p>2. Failure of a registered person that ceases to carry on securities investment business due to the court supervised or appointed liquidation of the registered person to provide to the Authority a certified copy of the supervision or winding up order issued by the Grand Court.</p>	Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	6(1)	<p>1. Failure of a registered person that ceases to carry on securities investment business in the Islands by reason of its intended merger with another registered person to apply to the Authority for deregistration.</p> <p>2. Failure of a registered person that ceases to carry on securities investment business in the Islands by reason of its intended merger with another registered person to provide any or all of the following to the Authority —</p> <ul style="list-style-type: none"> (a) an application to the Authority for prior approval of the merger which is accompanied by — 	Serious

Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
		<p>(i) resolutions of the merging and surviving parties; or</p> <p>(ii) the plan of merger and appendices; or</p> <p>(b) such other documents as the Authority may specify.</p>	
Securities Investment Business (Registration and Deregistration) Regulations, 2019	6(2)	Where the Authority approves the application referred to in paragraph (1)(a), failure of the surviving registered person, upon the merger becoming effective, to provide to the Authority a certified copy of the certificate of merger within seven days of its issuance.	Minor
Securities Investment Business (Registration and Deregistration) Regulations, 2019	7	Failure of a registered person that ceases to carry on securities investment business in the Islands by reason of the transfer of its legal entity to another jurisdiction to apply for deregistration in accordance with paragraph (2).	Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	8(1)	Failure of a registered person that has never carried on business as a registered person to apply for deregistration in accordance with paragraph (2).	Serious
Securities Investment Business (Registration and Deregistration) Regulations, 2019	9(1)	Failure of an applicant for registration as a registered person under the Law to pay the prescribed registration fee to the Authority.	Minor
Securities Investment	9(2)	Failure of a registered person to pay the prescribed annual fee to the Authority.	Minor



Column 1 Title of Law, Regulation or Rule	Column 2 Prescribed provision	Column 3 Description of breach	Column 4 Category of breach
Business (Registration and Deregistration) Regulations, 2019			
Securities Investment Business (Registration and Deregistration) Regulations, 2019	9(3)	Failure of a registered person that seeks to deregister a securities investment business to pay the prescribed deregistration fee to the Authority.	Minor ² .

Made in Cabinet the 24th day of June, 2020.

Kim Bullings
Clerk of the Cabinet