



Demand for audit and accounting services

As a credible international financial centre, compliance with accounting and auditing standards is fundamental. All Cayman Islands companies must prepare and maintain books of account and if not maintained at its registered office in the Cayman Islands, it may be required by order of the Tax Information Authority to provide the books of account to its registered office or file those with the Authority.

Almost all entities that are regulated by the Cayman Islands Monetary Authority or listed with the Cayman Islands Stock Exchange, must have its accounts audited.

Licensing, Registration and Approval Registration of Accounting Firms:

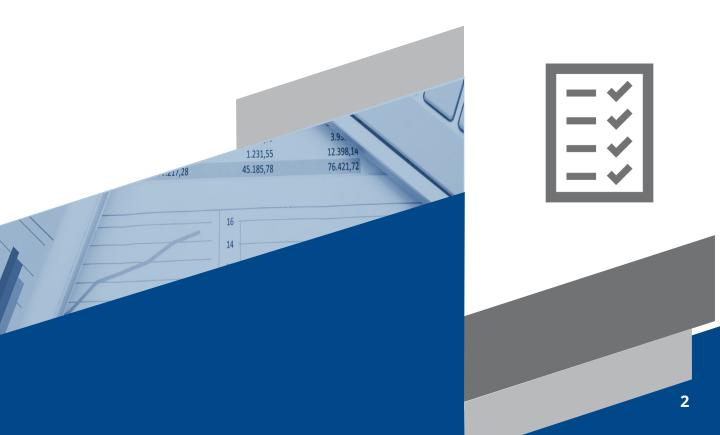
All firms providing accountancy services i.e.

"....the recording, reviewing, analyzing, calculating and reporting on financial information, in the course of business, which includes the following-

- A. bookkeeping services;
- B. payroll services;
- C. accounts preparation; or
- D. customer specific tax advisory or tax compliance services;"

must register with CIIPA.

If those firms are also engaged in relevant financial business, they will be subject to supervision by CIIPA in accordance with the Anti-Money Laundering Regulations. See the CIIPA Help sheet - Accounting Services Provider Registration and Renewal



Licensing of engagement partners ("auditors"):

All persons providing public accounting services that is to say

"Signing, affixing or associating one's name or the name of the firm of public accountants of which one is a partner, director or the holder of an equivalent public position to any report or certificate expressing or disclosing an opinion on the financial statement based on an audit or examination of that financial statement or expressing assurance on a financial statement"

must hold a CIIPA licence in accordance with the Accountants Law.

Registration of Public Practice Firms:

Once a person who is a sole practitioner is licensed under the Accountants Law or a firm has partners etc. that are licensed under the Accountants Law, then the sole practitioner or firms of licensed practitioners must also register the firm with CIIPA.

Help sheet – Public Practice Firm Registration and Renewal

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Trade and Business Licensing:

All entities (unless exempt) carrying on business in the Cayman Islands must be licensed by the Trade and Business Licensing Board. Further, if the company is less than 60% Caymanian owned and controlled, it will also require a Local Companies (Control) Licence issued under the Local Companies (Control) Law.

Section 18(2) of the Trade and Business Licensing Law requires audit and accounting firms to have registered with CIIPA to be eligible for a grant or renewal of a trade and business licence.

For details and to apply go tohttp://www.dci.gov.ky/licensing/tradebusiness-licensing/overview



For further details on the definition of Public Practice see CIIPA's Statement of Principle- Definition of Public Practice and on the licensing requirements **Help sheet – Applying for and Renewing a Public Practice Licence**

Approval by CIMA and Stock Exchange if applicable:

If the licensed practitioner (engagement partner/audit) intends to audit licensees of the Cayman Islands Monetary Authority or entities listed with the Cayman Islands Stock Exchange, then those bodies must also grant approval. You must first obtain a practitioners' licence from CIIPA and register your Firm with CIIPA.

Registration with the Auditor Oversight Authority:

If a public practice firm intends to audit entities that are listed on the Cayman Islands Stock Exchange; a market regulated by a member state of the European Union specified by the Authority by notice in the Gazette; or any other market specified by the Authority it must also register with the Auditors Oversight Authority although note that the following listed are currently exempted: Certain issuers of debt securities listed on EU markets and certain issuers of listed securities which are not freely negotiable.

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Immigration Requirements:

Where firms anticipate a need to employ persons that have not existing legal right to work in the Cayman Islands, then approval from the Cayman Islands Department of Immigration must be obtained.

Note the Accountants Law requires that engagement partners have the legal right to work in the Cayman islands and CIIPA's licensing policy regarding the accessibility of engagements partners and their commitment to the Cayman Islands.



FAQs

WHAT IF MY FIRM IS OUTSIDE OF THE CAYMAN ISLANDS?

If an engagement partner for any assurance engagement is carrying on public practice in or from within the Cayman Islands, then they must be licensed and the firm will also need to be registered.

Thus, the location of the firm and where the audit work is conducted is key. As an example, where a firm outside of Cayman is asked to provide an audit opinion on an entity whose ultimate holding company is a company incorporated in Cayman Islands but:

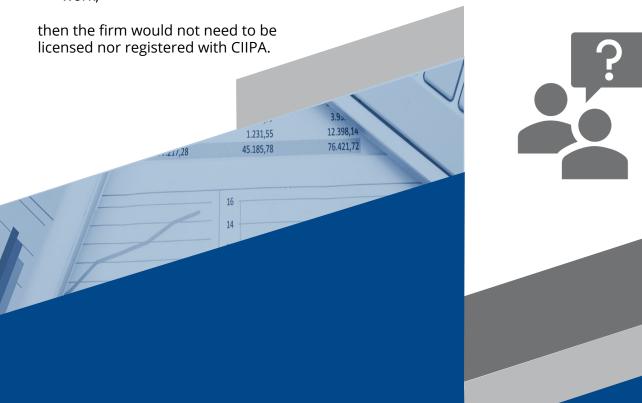
- a. the client engagement letter is on the letterhead of firm outside Cayman Islands,
- b. the report is in the name of firm outside of Cayman Islands, and
- no one from audit team nor partner visit Cayman to conduct any audit work,

In certain cases, members of the audit team may visit the Cayman Islands to conduct some of the field work and that may not constitute public practice in or from within the Cayman Islands. The extent of the work conducted from within the Cayman Islands could vary and impact the requirement to be licensed and register.

In these cases, we suggest you contact CIIPA in order to confirm if licensing and registration is required.

WHAT DO I NEED TO SUBMIT TO REGISTER MY FIRM WITH CIIPA?

Go to www.ciipa.ky for an application form and the Help sheet Public Practice Firm Registration and Renewal.



FAQs

DO ANY SPECIFIC STANDARDS APPLY?

You must conduct audits using either International Standards of Auditing ("ISAs") or United States Generally Accepted Auditing Standards ("GAAS") as per the Accountants (Quality Assurance) Regulations or equivalent standards.

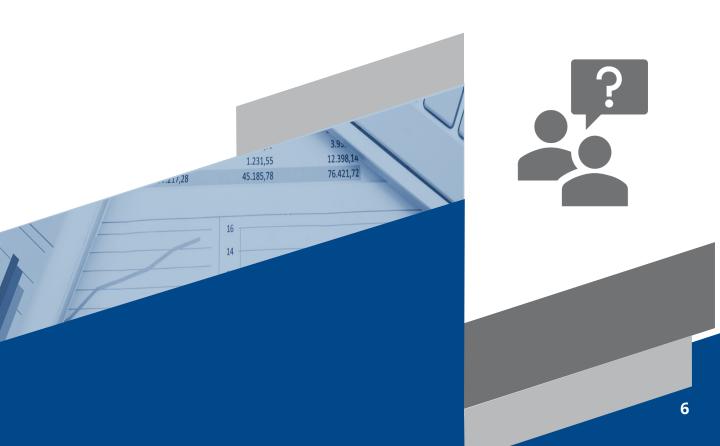
Your firm must also comply with ISQC1. See CIIPA Statement of Principle-Equivalent Auditing Standards

APPLYING CONDITIONS TO FIRM REGISTRATIONS

CIIPA may register your firm unconditionally or subject to such conditions, including –

- a) limiting the nature and scope of the public practice services which may be carried on by your firm; and
- b) specifying the number and type of clients that your firm may service.

In the event of imposing conditions, CIIPA may consider informing the Cayman Islands Monetary Authority ("CIMA") or other equivalent bodies that may have an interest in the firm, according to the Accountants Law and the information sharing and cooperation agreement with CIMA.





www.ciipa.ky

