

REGISTRATION - DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPS) - FIRMS OF ACCOUNTANTS

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IMPORTANT NOTICE

The Anti-Money Laundering Regulations require all Firms of Accountants (whether engaged in public practice or providing accountancy services) to register with CIIPA as a Designated Non-Financial Business and Profession (DNFBP). A firm commits an offence if it fails to register. Failure to register carries a maximum fine of \$50,000 for an individual or \$100,000 for a body corporate.

DO I NEED TO REGISTER MY FIRM?

1. Under the Anti-Money Laundering Regulations (AMLRs), a Firm of Accountants is a Designated Non-Financial Business and Profession (DNFBP) and is required to register with CIIPA. A Firm of Accountants includes any sole practitioner, partnership, company or other entity that:

- is engaged in public practice as defined in the Accountants Act (2024 Revision); or
- provides accountancy services.

Accountancy services include, but are not limited to:

- Accounts compilation services
- Bookkeeping services
- Payroll services
- Tax advisory and tax compliance services
- Accounting and financial reporting services

2. The obligation to register applies to all Firms of Accountants regardless of whether the firm is conducting relevant financial business as defined in Schedule 6 of the Proceeds of Crime Act (as revised).

WHAT DOES 'PROVIDING SERVICES IN THE COURSE OF BUSINESS' MEAN?

3. It means you provide the services on a commercial basis, with a contractual agreement (written or verbal) for consideration, i.e. some form of payment or value. If you provide some incidental services without separate payment, but only because of payment for another service, those services will be considered as being provided in the course of business.

4. Examples of services that would not be caught include:

- services provided by an accountant to their own employer;
- services provided to friends or family on a non-contractual basis; and
- genuine pro bono engagements for non-profit organisations where no other services are being paid for that could constitute consideration.

Accountants should exercise caution and ensure that expectations are clearly managed, standards are communicated, the use of reports is agreed, and conflicts of interest are identified and managed. This is particularly important where services are provided outside of a formal contractual agreement.

WHAT IF MY FIRM IS OUTSIDE THE CAYMAN ISLANDS?

5. If a firm is providing accountancy services from a place in or from within the Cayman Islands, it must be registered with CIIPA. This includes firms that, while physically based outside the Islands, hold themselves out as operating within the Cayman Islands, for example through marketing materials, letterheads or contact information displaying a Cayman Islands address or presence.

WHAT ARE THE REGISTRATION REQUIREMENTS?

6. Where a Firm of Accountants meets the definition of a DNFBP under the AMLRs, it must:
 - Register with CIIPA prior to commencing business; and
 - Notify CIIPA of any changes to the information provided in its DNFBP Registration Form.
7. As the Supervisory Authority for Firms of Accountants under the AMLRs, CIIPA establishes and maintains a DNFBP Register. The Register contains prescribed information in respect of each registered DNFBP as captured in the DNFBP Registration Form.

HOW DOES REGISTRATION AS A PUBLIC PRACTICE FIRM AFFECT DNFBP REGISTRATION?

8. Public Practice Firms registered with CIIPA under the Accountants Act (2024 Revision) are also required to register as DNFBPs under the AMLRs

HOW DOES REGISTRATION WITH CIMA OR ANOTHER AML SUPERVISOR AFFECT DNFBP REGISTRATION?

9. If your firm is a Cayman Islands Monetary Authority (CIMA) - regulated entity or is registered with the Department of Commerce and Investment or another AML Supervisor as a Designated Non-Financial Business or Profession, CIIPA will work with those other supervisory bodies to avoid unnecessary duplication of supervision where possible.

WHAT DO I NEED TO SUBMIT MY FIRM WITH CIIPA?

10. To register as a DNFBP, please complete the DNFBP Registration Form and submit it to CIIPA at admin@ciipa.ky.

The following documents are available on CIIPA's website at www.ciipa.ky:

- Help Sheet: Designated Non-Financial Businesses and Professions (this document)
- DNFBP Registration Form
- Fit and Proper Questionnaire

CIIPA will request the following information in the Registration Form:

- the firm's legal status and ownership structure;
- details of beneficial owners and connected persons;

- the name and date of appointment of the Anti-Money Laundering Compliance Officer (AMLCO) and Money Laundering Reporting Officer (MLRO) and Deputy MLRO (where applicable);
- the nature and scope of business and services provided;

Each beneficial owner and connected person, together with the AMLCO, MLRO and DMLRO (where applicable), will be required to complete a Fit and Proper Questionnaire and provide the supporting documentation outlined on Page 1.

NOTIFICATION OF CHANGES TO REGISTRATION INFORMATION?

11. Under Regulation 55MA of the AMLRs, a Firm of Accountants has an obligation to notify CIIPA of any change to the information submitted for registration. Notification must be made no later than thirty days after the date on which the change occurs.
12. This obligation applies to all changes to information provided in the DNFBP Registration Form, including changes to the firm's legal status, ownership, services, AML officers or contact details. Failure to notify CIIPA of a change within the required period is a breach of the AMLRs.

WHAT HAPPENS AFTER REGISTRATION?

13. Based on the information provided in the Registration Form and any further discussion or requests for information, CIIPA will determine whether the firm is conducting relevant financial business as defined in Schedule 6 of the Proceeds of Crime Act (as revised).
14. If the firm is not conducting relevant financial business, it will have no further AML/CFT supervisory obligations unless its services or circumstances change, in which case the notification obligation under Regulation 55MA applies. However, all registered Firms of Accountants are required to complete an Annual AML Return under Regulation 53AA, regardless of whether they are conducting relevant financial business.
15. If the firm is conducting relevant financial business, CIIPA's supervisory programme will commence. All registered firms are also required to complete an Annual AML Return under Regulation 53AA. The supervisory programme will include:
 - requests for further information through off-site monitoring; and
 - onsite inspections every one to five years, depending on the risk profile of the firm

WHAT ARE THE PENALTIES FOR FAILING TO REGISTER?

16. Failure to register as required by Regulation 55F of the AMLRs is a serious breach. The maximum penalties are:
 - \$50,000 for an individual; and
 - \$100,000 for a body corporate in the case of a minor fine you can apply to the Council of CIIPA to review the decision.

CONTACT CIIPA

If you have any queries prior to submitting an application for registration, please contact us:

- Email admin@ciipa.ky
- Telephone: +1345 749 3360
- Website: www.ciipa.ky