HELPSHEET

REGISTRATION – PUBLIC PRACTICE FIRMS

IMPORTANT NOTICE
Registration as a Public Practice Firm under the Accountants Act (2024 Revision) does not constitute registration as a Designated Non-Financial Business and Profession (DNFBP) under the Anti-Money Laundering Regulations. Public Practice Firms are also required to complete a separate DNFBP registration with CIIPA. See the section on DNFBP Registration below.

Do I need to register my firm?

1. Under section 38(3) of the Accountants Act (2024 Revision), a relevant sole practitioner and a relevant firm of licensed practitioners are required to register with CIIPA. Registration is required once any engagement partner or sole practitioner carrying on public practice holds a licence granted under the Accountants Act.
2. A licence is required for engagement partners who sign audit reports or opinions. For details on what constitutes public practice and how to obtain a licence, see the Help Sheet: Applying for a Practitioner Licence.
3. CIIPA will determine whether it is in the public interest to register the firm, and in particular whether the firm will comply with applicable legislation and professional standards. In making this determination, CIIPA will take account of the firm's:
   - legal form, governance and ownership structure;
   - business plan and the nature and scope of services to be provided;
   - system of quality management; and
   - history, stability and place of business.
4. Before submitting an application, ensure you are fully briefed on the requirements of applicable legislation including the Accountants Act (2024 Revision), the Immigration Act, the Trade and Business Licensing Act, the Proceeds of Crime Act (as revised) and any other applicable laws. Legal advice should be sought where necessary.

What if my firm is outside the Cayman Islands?

5. If an engagement partner for any assurance engagement is carrying on public practice in or from within the Cayman Islands, they must be licensed and the firm must be registered with CIIPA.
6. Where all of the following conditions are met, the firm would not ordinarily need to be licensed or registered with CIIPA:
   - the client engagement letter is on the letterhead of a firm outside the Cayman Islands;
   - the audit report is issued in the name of a firm outside the Cayman Islands; and
   - no member of the audit team, including the engagement partner, visits the Cayman Islands to conduct any audit work.
7. In cases where members of the audit team visit the Cayman Islands to conduct some field work, whether that constitutes public practice in or from within the Cayman Islands will depend on the nature and extent of the work conducted. In these cases, please contact CIIPA to confirm whether licensing and registration are required.

How does registration with CIIPA affect approval of audit firms by CIMA?

8. If a client to be audited is a Cayman Islands Monetary Authority (CIMA) -regulated entity, CIMA approval of the firm as an approved auditor is required separately from, and in addition to, any registration with CIIPA. For CIMA-registered mutual funds and private funds, a local auditor sign-off requirement applies, meaning the firm must hold a practitioner's licence from CIIPA and be registered with CIIPA as a condition of providing audit services to those funds.
9. CIMA has regulatory policies on the approval of auditors for regulated institutions. Whilst CIMA will take account of CIIPA's grant of a practitioner's licence, firm registration and past Quality Assurance Reviews, it also separately considers the risk profile of the particular client and the firm's resources and expertise in relation to that client.
10. For further information on CIMA's auditor approval process, please refer to CIMA's website at www.cima.ky.

What do I need to submit to register my firm with CIIPA?

11. To register as a Public Practice Firm, please complete the Public Practice Firm Registration Form and submit it to CIIPA at admin@ciipa.ky .
12. CIIPA will request the following information in the Registration Form:
    - details of the firm's Managing Partner and the person assigned responsibility for quality control;
    - information regarding the firm's legal status, ownership structure and group structure (including any affiliated or parent firms);
    - a copy of the firm's business plan;
    - a copy of the firm's employment and staffing arrangements;
    - information on the nature and scope of public practice services and expected client industries; and
    - evidence of internal quality controls and, where available, a recent quality review report for the firm or an affiliate.

What are the fees?

The following fees apply to Public Practice Firm registration:

	Application Fee (CI$)	Fee on First Grant of Registration (CI$)	Annual Renewal Fee (CI$)
Public Practice Firm Registration	$2,000	$4,500 plus CI$1,000 per licensed practitioner affiliated with the firm.	$4,500 plus CI$1,000 per licensed practitioner affiliated with the firm.

Fees are payable in Cayman Islands Dollars. CIIPA will confirm the applicable fee at the time of application.

Is renewal annual?

13. Yes. Registration is valid for one year and must be renewed annually. Renewal applications must be submitted by 30 November each year, and renewals are effective from 1 January.
14. On renewal, the firm must confirm any changes to the information previously provided and submit an updated declaration and the applicable renewal fee.
15. On renewal, CIIPA will review the information provided and may request updated documentation. CIIPA will reconsider the initial decision to register the firm where information provided at renewal gives cause to do so.

What are the continuing obligations of registered firms?

16. Registered firms are required to:
    - maintain in force professional indemnity insurance coverage;
    - comply with the International Standard on Quality Management issued by the International Auditing and Assurance Standards Board (or any successor standard adopted by CIIPA);
    - implement and maintain adequate business continuity arrangements; and
    - notify CIIPA within thirty (30) days of any change in managing partner or any change to information previously provided to CIIPA that may affect the firm's ability to meet its continuing obligations.

Do any specific standards apply?

17. Audits must be conducted using either International Standards on Auditing (ISAs) or United States Generally Accepted Auditing Standards (GAAS) as provided for in the Accountants (Quality Assurance) Regulations, or equivalent standards as determined by CIIPA.
18. Your firm must also comply with the International Standard on Quality Management (ISQM 1) issued by the International Auditing and Assurance Standards Board.

DNFBP Registration?

19. Practice Firms are also required to register with CIIPA as DNFBPs under the Anti-Money Laundering Regulations. Registration as a Public Practice Firm under the Accountants Act does not satisfy this requirement.
20. For information on DNFBP registration requirements, firms should refer to the Help Sheet: Registration – Designated Non-Financial Businesses and Professions and the DNFBP Registration Form available on the CIIPA website.

Applying conditions to firm registrations?

21. CIIPA may register a firm unconditionally or subject to such conditions as it considers appropriate, including:
    - limiting the nature and scope of the public practice services which may be carried on by the firm; and
    - specifying the number and type of clients that the firm may service.

22. In the event of imposing conditions, CIIPA may notify the Cayman Islands Monetary Authority or other bodies with an interest in the firm, in accordance with the Accountants Act (2024 Revision) and any applicable information sharing and cooperation agreements.

What are the penalties for failing to register?

23. Under section 38(6) of the Accountants Act (2024 Revision), contravention of the registration requirement is a criminal offence. On conviction, a firm is liable to a fine of CI$10,000 plus CI$100 per day for each day that the offence continues.
24. Individual partners, directors and other personnel of the firm may also be subject to prosecution under section 38(7) of the Accountants Act.
25. Where a licensed practitioner or a member of CIIPA is responsible for a firm's failure to register or renew, or for non-compliance with conditions of registration, CIIPA may refer the matter to its Investigation Committee under Part 4 of the Accountants Act.
26. Where the person responsible is not a member of CIIPA, CIIPA may refer the failure to register to the relevant criminal authorities.

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