



August 22, 2022

President, Association of Legal Professionals and Advocates (Cayman)
President, Alternative Investment Management Association (Cayman)
President, Blockchain Association of the Cayman Islands
Chief Executive Officer, Cayman Finance
President, Cayman Islands Association of Financial Advisors
President, Cayman Islands Bankers Association
President, Cayman Islands Company Managers Association
President, Cayman Islands Compliance Association
President, Cayman Islands Directors Association
President, Cayman Islands Fund Administrators Association
President, Cayman Islands Insurance Association
President, Cayman Islands Legal Practitioners Association
President, Cayman International Reinsurance Companies Association
Chief Executive Officer, Cayman Islands Institute of Professional Accountants
President, CFA Society of the Cayman Islands
President, Insurance Managers Association of Cayman
President, Recovery and Insolvency Specialists (Cayman) Association
President, Society of Trust and Estate Practitioners (Cayman Islands)

Dear Heads of Private Sector Associations:

Re: **Private Sector Consultation Paper: Amendment to certain Regulatory Measures for applicability to Virtual Asset Service Providers and other Regulated Entities.**

The Cayman Islands Monetary Authority ("the Authority") forwards herewith for comments the proposed:

- Amendment to certain Regulatory Measures for applicability to Virtual Asset Service Providers and other Regulated Entities.

A Private Sector Consultation Paper ("PSCP") is being forwarded along with the proposed measures to provide the relevant Associations with the consultation documents as required by the Monetary Authority Act (as amended). Please refer to the PSCP for further details on the Background, Purpose and Rationale of the proposed amendments to the relevant Regulatory Measures, and Significant Costs and Benefits.

It should be noted that the PSCP and the accompanying draft measures were previously issued for consultation on May 27, 2022. However, the Authority upon reflection, felt it important to revise the PSCP to ensure clarity in respect of the applicability of the scope of the proposed amendments. **No changes have been made to the Regulatory Measures previously provided for private sector consultation.**

If your association has comments, please forward a consolidated response on its behalf, on or before **Friday September 23, 2022**.

Before proceeding with the proposed measures, the Authority shall have regard to any representations made by the private sector associations only. Feedback submitted by individuals, entities, or other bodies, unless acting on behalf of private sector associations, will not be accepted by the Authority. Representations from private sector associations must be submitted as a consolidated document, and a listing of the entities which provided feedback should be included. Private sector associations should ensure that conflicting positions are resolved prior to submission to the Authority. Where positions conflict within or across associations, the Authority will consider all available information in taking a decision, which will be at its sole discretion.

To ensure that all responses are given due consideration, it is important that private sector associations make clear reference to the sections of the measure being commented on, and that responses are unambiguous, clearly articulated and based on fact. The consultation process is not designed to address complaints or grievances. Feedback of this nature should be submitted through the established complaints process.

In cases where the feedback proposes to change a policy position of the Authority or substantially amend any requirement of the draft measure, information to support the position of the association must be provided. The table below provides an example of the Authority’s expectation with regard to feedback for the proposed measures.

Reference	Example of a Helpful Comment	Examples of Comments needing more Support
Rule 4.2 ¹	<p>In Rule 4.2 the current text omits the fair value measurement of liabilities. Also, as defined it is not asymmetrical with the Market Price definition and thus scenarios exists that fall into neither category.</p> <p><u>Suggested wording:</u> <i>Hard-to-Value Securities means an asset or liability for which there is no Market Price which is required to be measured at fair value pursuant to 5.2</i></p>	<ul style="list-style-type: none"> × This is not what is done in other jurisdictions. × I don't think we should do this. × CIMA is not considering the position of the experts.

The consultation document will be posted to the Authority’s website at www.cima.ky.

We look forward to your responses. If you have any queries, please contact Kavita Maharaj-Alexander, Chief Policy and Development Officer at KavitaMaharajAlexander@cima.ky or Rayford Britton, Head of the Policy and Development Division at contactpolicy@cima.ky.

Sincerely,



Patrick Bodden
Acting Managing Director

¹ This example is not reflective of the content of the proposed measure.