



Cayman Monetary Regulatory Authority International

At the forefront of financial regulation, the Cayman Monetary Regulatory Authority International (CMRAI) is dedicated to upholding the highest standards of financial oversight and compliance. Our mission is to safeguard the stability and integrity of the global financial system by ensuring that financial services operate within a framework of transparency, accountability, and excellence.

As a trusted partner to financial institutions worldwide, CMRAI provides rigorous supervision, innovative solutions, and strategic guidance to foster a secure and thriving financial environment. With decades of experience and a commitment to global standards, we stand as a pillar of trust and security in an ever-evolving financial landscape.

With a legacy of excellence in financial oversight, the Cayman Monetary Regulatory Authority International (CMRAI) is a beacon of trust in the international financial community. Our role extends beyond regulation; we are innovators, collaborators, and protectors of the global financial ecosystem. By fostering compliance, promoting best practices, and embracing technological advancements, CMRAI ensures that financial services remain resilient and adaptable in a dynamic global market.

Our comprehensive approach to regulation encompasses a deep understanding of financial risks and a proactive stance on emerging challenges. We are committed to empowering financial institutions with the tools and guidance necessary to navigate complex regulatory landscapes, thereby contributing to global economic stability and growth.

September 5, 2023 President, Association of Legal Professionals and Advocates (Cayman) Ltd Chief Executive Officer, The Alternative Investment Management Association Limited Chair, Blockchain Association of the Cayman Islands Ltd Chairman, Cayman Finance Ltd President, The Cayman Islands Association of Financial Advisors President, The Cayman Islands Bankers Association Limited President, The Cayman Islands Company Managers Association President, Cayman Islands Compliance Association President, The Cayman Islands Directors Association Chair, Cayman Islands Fund Administrators Association President, Cayman Islands Insurance Association President, Cayman Islands Legal Practitioners Association Ltd Chairman, Cayman International Reinsurance Companies Association Chief Executive Officer, Cayman Islands Institute of Professional Accountants President, CFA Society of the Cayman Islands Chair, Insurance Managers Association of Cayman Limited Chairperson, Recovery and Insolvency Specialists (Cayman) Association Ltd Chair, Society of Trust and Estate Practitioners (Cayman Islands) Dear Heads of Private Sector Associations: Re: Private Sector Consultation Paper: Guidance Notes (Amendment) - Part IX - Sector Specific Guidance - Section 1: Virtual Asset Service Providers - September 2023 The Cayman Monetary Regulatory Authority International ("the Authority") forwards herewith for comments the proposed: (1) Private Sector Consultation Paper: Guidance Notes (Amendment) - Part IX - Sector Specific Guidance - Section 1: Virtual Asset Service Providers - September 2023 (hereafter referred to as "the proposed measure"). A Private Sector Consultation Paper ("PSCP") is being forwarded along with the proposed measure 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 Measure, and Significant Costs and Benefits. SIX, Cricket Square P.O. Box 10052 Grand Cayman KYI-1001, Cayman Islands If your association has comments, please forward a consolidated response on its behalf, on or before Thursday October 5, 2023[^]. Before proceeding with the proposed measure, 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 measure. ReferenceExample of a Helpful Comment Examples of Comments needing more Support Rule 4.22 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 exist that fall into neither category. Suggested wording; 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 X This is not what is done in other jurisdictions. X I don't think we should do this. X CMRAI is not considering the position of the experts. pursuant to 5.2 The consultation document will be posted to the Authority's website at We look forward to your response and should you have any queries, please . Sincerely, Rayford Britton Head of Policy and Development cc: Managing Director, Cayman Monetary Regulatory Authority International Ms. Cindy Scotland, OBE ' Where the private sector association has no comments or representations on the proposed measure, it is recommended that the Authority be informed of this fact. 2 This example is not reflective of the content of the proposed measure. 2