



PO Box 2502  
Grand Cayman KY1-1104  
Cayman  
Islands  
Tel: (345) 946-4282  
Fax: (345) 945-8284

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Utility Regulation and Competition Office

## PRESS RELEASE

# OFREG RECEIVES PARTIAL INTERIM FUNDING FROM CIG FOR 2018

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OfReg, the independent multi-sector regulatory authority protecting Cayman consumers in the areas of Information and Communications Technology (ICT), fuels, electricity and water, has received confirmation that the 2018 funding from the Cayman Islands Government is now in place for the fuels sector. Arrangements for sustainable revenue sources from the water sector are still in discussion with Cabinet.

The regulator, officially set up through the amalgamation of three separate regulatory entities on 16 January 2017, was initially promised that funding arrangements to finance the transition and startup costs would have been forthcoming, however, that funding was not received during 2017 and, as a result, OfReg ran a loss in its first year of operation.

With kick start operating funding is in place for the fuels sector, and the ICT already being self-sufficient, long term funding solutions based on a regulatory fee structure to the respective sectors is in development. It is the intention of OfReg to be completely self-sufficient through the charging of regulatory fees, as required by Law, to the sectors by the end of 2018, eliminating the need for the sale of outputs to the Cayman Islands Government to cover its operating costs.

Mr. J Paul Morgan, CEO of OfReg clarified the situation by saying: "it is common practice for Government to provide initial funding to get regulatory bodies organised and functioning efficiently so that they can become self-sustaining. This means covering initial staffing costs, training and development and other operational costs such as office rental and equipment. Although OfReg ran a loss in its first year of operation because it did not receive this initial funding, the ICT and electricity and sectors are already self-sustaining, proving that the model does work as the regulator ramps up its activities in providing the consumer protection services which it is mandated to provide without being a drain on the public purse".

While the discussions are ongoing with Cabinet, OfReg continues to work from a 2018 budget as noted in its [Annual Plan](#) for the 2018 financial year.

ENDS

For further information or to schedule an interview, please contact:  
Denise Gower  
[denise.gower@fountainhead.ky](mailto:denise.gower@fountainhead.ky)



+ 1 345 945 8188

## PRESS NOTES

OfReg (the Utility Regulation and Competition Office) is the independent regulator for the electricity, information and communications technology, water, wastewater and fuels sectors in the Cayman Islands. OfReg also regulates the use of electromagnetic spectrum and manages the .ky internet domain.