



9 October 2023

C3 fails to comply with licence conditions to pay fees and submit financial reports

Telecommunications operator Infinity Broadband Ltd “C3” has failed to comply with its longstanding licence obligations resulting in regulator OfReg issuing an enforcement notice¹ that lists repeated failures of C3 to pay its Licence Fees, as well as failure to submit its audited financial reports. Additionally, OfReg has issued C3 with a notice outlining the demands for payment of outstanding fees, including any interest accrued, and the proposed imposition of fines for the various breaches.

Licence fees are collected from all information and communications technology (ICT) licensees and are comprised of two parts - a “Royalty Fee” that OfReg collects on behalf of the Cayman Islands Government and is reflected as government revenue, and a “Regulatory Fee” that covers OfReg’s costs of regulating the ICT sector.

Following several reminders and requests being sent to C3, OfReg issued C3 with an initial enforcement notice in July 2022 setting out C3’s failure to pay its licence fees totalling, at that time, over CI \$500,000 (including interest). At that time C3 had also failed to submit its required audited financials for 2021.

C3 issued a response challenging OfReg’s authority to collect licence fees as per the obligation set out in C3’s own ICT licence and demanded that OfReg pay back fees already paid by C3 for previous periods.

Following this challenge, OfReg continued with enforcement action and issued a final determination in late August 2023. The determination confirmed the OfReg’s position that C3 was, and remains, obligated to pay its licence fees and submit its financial reports and as such C3’s failures amounted to a breach of its licence. As a consequence, OfReg issued C3 with a further notice on intended fines for the breaches beyond any demand to pay the outstanding fees.

C3 has now initiated a legal challenge to OfReg’s determination through the courts.

Prior to issuance of the enforcement notice in July 2023 C3 submitted its outstanding audited financial reports. C3 has also not paid licence fees beyond the amount referenced in the enforcement notices for the period from July 2022 to present.

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¹ <https://www.ofreg.ky/viewPDF/documents/2023-10-09-13-22-29-Public-Version-20230818NOTICES-to-C3-re-Enforcement-.pdf>



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UTILITY REGULATION AND COMPETITION OFFICE

ABOUT OFREG

The Utility Regulation and Competition Office ('OfReg') is the independent regulator established by section 4 of the Utility Regulation and Competition Act (as revised) (the 'URC Act') for the electricity, information, and communications technology, water, wastewater, and fuel sectors in the Cayman Islands.

OfReg provides the opportunity for consistency and collaboration in regulation across the energy, fuel, ICT, and water sectors; better utilisation of skills and resources resulting in more efficient and effective regulatory processes; encouraging competition where appropriate and feasible; championing sustainability and innovation across markets, contributing to the economic and social goals of the Cayman Islands.

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