



9 July 2021

NOTICE OF NON-COMPLIANCE

*(Quarterly and Annual Financial Reporting,
Licence Fee Payment and Quarterly Monitoring Data)*

THIS NOTICE APPLIES to all Utility Regulation and Competition Office ('OfReg') Information and Communications Technology Licensees ('Licensee') as defined by section 2 of Information and Communications Technology Act (2019 Revision) ('ICT Act'); and in recognition of the provisions set out at section 30 of the ICT Act, Condition 4 "Provision of Information" and Annex 2 "Licence Fees" of each ICT Licence.

THIS NOTICE comes about as a result of the Office having confirmed that some licensees are failing to meet their annual and quarterly reporting obligations, as well as their licence fee payment obligations.

THIS NOTICE serves to remind Licensees that they must meet the obligations under their respective licences and draws particular reference to the following conditions:

Annex 2 (Licence Fee Reporting and Licence Fee Payment)

1.2 (a): The obligation to submit a licence fee report showing "Quarterly Turnover", "Quarterly Revenue", "Unaudited Financial Statements" and any other related information, by no later than 15 days following the end of the "Quarter" and by the format and method prescribed by the Office.

1.2 (b): The obligation to submit at the same time as the licence fee report- payment equal to six per cent (6%) of the "Quarterly Revenue" (Royalty Fee) together with an amount equal to the Licensee's "Quarterly" "Regulatory Fee". The Royalty fee is collected by the Office on behalf of and is passed on to the Cayman Islands Government.

1.2 (c): The obligation to submit along with and in support of (a) and (b) above, a signed affidavit by an authorised officer of the Licensee attesting to the veracity and completeness of the information and that all Turnover has been reported.

1.2 (d): The obligation to deliver to the Office within three (3) months of the end of the Licensee's Financial Year, Audited Financial Statements as defined by the Office.

Condition 4 (Provision of Information- Quarterly Monitoring Data)

4.1 Any and all aspects of the Licensee's business shall be subject to examination, investigation and audit by the [Office]. The Licensee shall provide to the [Office] in the manner and at the times required by the [Office], on reasonable notice, any documents, accounts, returns, estimates, reports or other information so required, including but not limited to the



documents, accounts, returns, estimates, reports and other information specified in this Licence.

NON-COMPLIANCE WITH LICENCE OBLIGATIONS

A Licensee may be deemed non-compliant or in breach of the Law and its Licence if it fails to meet any of the obligations as set out above save for where the Office has granted an extension to the time for compliance and that extended time for compliance has not expired.

REQUIRED ACTION

This Notice requires delinquent Licensees to comply with the conditions set out in **Annex 2** (*financial reporting and licence fee payment*) and **Condition 4** (*with respect to the required Quarterly Monitoring Data*) of their Licenses, forthwith.

COMPLIANCE AND ENFORCEMENT ACTION BY THE OFFICE

Notwithstanding the Required Action noted above, following this Notice, the Office will continue formal compliance action directly with each delinquent and non-compliant Licensee. Part of such action may result in enforcement proceedings being commenced under the ICT Act and the *Utility Regulation and Competition Act (2021 Revision)* and may include the decision to apply Administrative Fines up to \$500,000.00 for each failure or contravention and a subsequent \$25,000.00 a day for every day the failure to comply or contravention continues. Enforcement action may also include suspension or revocation of licence.

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