

**GUIDANCE NOTES FOR THE COMPLETION OF MONEY
SERVICES BUSINESS SURVEY/MONEY SERVICES BUSINESS
QUARTERLY RETURN FORM**

March 2011



CAYMAN ISLANDS MONETARY AUTHORITY

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CHAPTER I. OVERVIEW

INTRODUCTION

Under Section 9(b) of the Money Services Law every holder of a licence shall, at such times as may be specified by the Authority, furnish to the Authority such returns in respect of its money services business as the Authority may specify in writing, in such form as the Authority may reasonably require. The attached schedule is designed to capture data on money transfer businesses in the Cayman Islands for regulatory and statistical purposes.

Money Services Businesses are required to complete and return the form to Monetary Authority on a quarterly basis based on the calendar year. The form should be returned to the Monetary Authority within 30 calendar days of the reporting date.

Transaction fees collected from money remittance services for transfers sent to countries outside of the Cayman Islands in accordance with Section 30A(2) of the Money Services Law (2010 Revision) as amended, should be remitted to the Monetary Authority on a quarterly basis based on the calendar year. Cheques should be made payable to the Cayman Islands Government and submitted within 30 calendar days of the reporting date.

The report should be completed in **US Dollars to the nearest thousand omitting \$000s** using the exchange rate prevailing as at the date of this report, **or as otherwise stated**.

Financial information should be reported using the accrual accounting method.

CHAPTER 2. FORM

COVER SHEET

The Cover Sheet provides the filer with the form version number. When requesting assistance with a form, you may be asked to provide this number. The version number may change from one reporting period to another. When preparing a filing, make sure the correct form version is used.

Section A. Filing Information

In Section A of the Cover Sheet, the filer will provide the name of the institution, and the associated license number. In addition, the filer will provide the quarter for which the submission is being made, and the fiscal year-end date for the institution. The fiscal year end date and the submission quarter are used by Excel to automatically compute the quarter end date for which the filing is being submitted.

Additional information provided in this section includes the person completing the return and the person authorizing the return.

FINANCIAL SUMMARY

Total assets: Report the total assets of the Cayman entity through which the money remittance services is provided. The valuation of assets should be determined on the basis of the accounting standards used to prepare the Cayman entity's audited financial statements.

Total Liabilities: Report the total liabilities of the Cayman entity through which the money remittance services is provided. The valuation of liabilities should be determined on the basis of the accounting standards used to prepare the Cayman entity's audited financial statements.

Total Shareholders' Equity: Report the total shareholders' equity of the Cayman entity through which the money remittance services is provided. Shareholders' equity is equal to the difference between total assets and total liabilities. Like the valuation of assets, liabilities should be determined on the basis of the accounting standards used to prepare the Cayman entity's audited financial statements. Note that this is the fundamental accounting equation hence the total assets reported should be equal to the sum of total liabilities and shareholders' equity.

Total Revenue: Report the total revenue for the current financial year up to the reporting date for the Cayman entity through which the money remittance services is provided. This amount should include all income gross of any expenses. Note that financial information should be reported using the accrual accounting method.

Total commission earned from remittance services: Report the total commission earned from money remittance services that is included in Total Revenue (above).

Total Expenses: Report the total expenses for the current financial year up to the reporting date for the Cayman entity through which the money remittance services is provided. Note that financial information should be reported using the accrual accounting method.

Expenses specifically related to remittance services: Report the expenses specifically related money remittance services that is included in Total Expenses (above). The amount should include commission paid to sub-agents.

Total Government transaction fee collected/paid: Report the total amount of transaction fees collected/to be paid to the Cayman Islands Government, in US dollars at the prevailing exchange rate as at the quarter end, from money remittance services for transfers sent to countries outside of the Cayman Islands in accordance with Section 30A(1) of The Money Services Law (2003 Revision) as amended.

Net Income Retained: Net income is the difference between Total Revenue and Total Expenses. Including the deduction of dividend payments and any applicable taxes, net income retained should be equal to retained earning which is a part of Shareholders Equity. A net loss should be reported in brackets to indicate a negative figure.

Gain/(Loss) on foreign exchange dealing and currency positions: Report here the gain/loss (if Loss, report as a negative number) earned by the Money Service Business on exchanges of foreign currency including foreign currency exchanges related to the transmittance of funds.

Unsettled/unclaimed funds: Report here funds transferred from affiliated Money Service Businesses to the licenced Cayman Islands Money Service Business but have not yet been paid out to/collected by the intended recipient of the transfer.

ASSETS

Item	Description	Guidance
I	CASH ITEMS	Cash on hand, demand deposits; and Cash equivalents or short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on demand but not short-term bank borrowings; these are considered to be financing cash flows.
I.1	Cash	Notes and coins regarded as legal tender held in tills, vaults and custody for which the institution is the beneficial owner.

Item	Description	Guidance
1.2	Gold and bullion	Gold and silver bullion, including coins, beneficially owned by the reporting institution.
1.3	Cash items in the process of collection	Cheques and other items in course of collection which are to be paid into the reporting institution's account with another bank. Include all items sent by post or which are in transit and regarded as being in course of collection.
1.4	Balances with & Certificates of Deposits (CDs) purchased under agreements to resell:	Deposit balances with and CDs issued by banking institutions with an original maturity of one year or less. This amount should equal the sum of item 1.4.1 to 1.4.3.
1.4.1	Group Bank – Parent, Branch, Subsidiary or Affiliate	Enter values against the relevant counterparties as defined in the Sectors of the Economy and in the appropriate resident or non-resident column.
1.4.2	Group –non Bank entities	
1.4.3	Other Banks	
1.5	Due from financial institutions	Cash due from other financial institutions, that is a non-trade receivable.
1.6	Due from other companies	Cash due from all other companies.
1.7	Total	Total for Cash Items as the sum of 1.1, 1.2, 1.3, 1.4 & 1.5.
2	INVESTMENTS	All investments held should be reported in the appropriate category.
2.1	Investments – Available for Sale	Those non-derivative financial assets that are designated as available for sale or are not classified as: <ul style="list-style-type: none"> a. Loans and receivables b. Held-to-maturity investments; or c. Financial assets at fair value through profit and loss
2.2	Investments – Held to Maturity	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see IAS 39 paragraphs AG16-A25) other than: <ul style="list-style-type: none"> a) Those that the entity upon initial recognition designates as at fair value through profit or loss; b) Those that the entity designates as available for sale; and c) Those that meet the definition of loans and receivables. <p>An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial</p>

Item	Description	Guidance
		<p>year or during the two preceding financial years sold or reclassified more than an insignificant amount of held to maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:</p> <ul style="list-style-type: none"> i. Are so close to maturity or the financial asset's call date (for example less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; ii. Occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or <p>Are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.</p>
2.3	Other Investments	<p>Financial assets not defined as:</p> <ul style="list-style-type: none"> a. Loans and advances, b. Available-for-Sale Investments, c. Held-to-maturity investments; or d. Other Assets.
2.4	Total	Total for Investments as the sum of 2.1, 2.2, & 2.3.
3	LOANS AND ADVANCES	<p>Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:</p> <ul style="list-style-type: none"> a. Those the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit and loss; b. Those that the entity upon initial recognition designates as available for sale; or c. Those for which the holder may not recover substantially all of its investment, other than because of credit deterioration, which shall be classified as available for sale. <p>An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund is not a loan or receivable). Enter all loans and advances (whether secured or not) direct to customers, not included elsewhere on the MSB form. Include the value of finance leases in accordance with</p>

Item	Description	Guidance
		<p>the accounting standards used by the reporting institution. Also include advances arising from discounted acceptances, factoring and overdrafts (debit balances on deposit accounts). Do not net overdraft balances against credit balances on deposit. Where funds which have been placed with another bank are hypothecated as security for advances granted to a borrower by that bank, record such funds as a direct loan to the borrower. Do not offset loans and advances against deposits even where a legal right of set-off exists under a hypothecation agreement. Back-to-back loans are to be recorded under memoranda item 8. Also, do not deduct provisions for loan losses but report these balances under item 4.1. Unearned interest not applied to the corresponding asset accounts should be reported under item 4.2.</p>
3.1	Sovereigns and Central Banks	<p>Enter values against the relevant counterparties.</p>
3.2	Non Central Government Public Sector Entities (PSEs)	
3.3	Multilateral Development Banks	
3.4	Group Bank – Parent, Branch, Subsidiary, Affiliate	
3.5	Group non-bank entities	
3.6	Other Banks	
3.7	Non-Financial Corporations – Industrial & commercial private sector	
3.8	Non-Financial Corporations – Commercial Mortgages	<p>Enter all mortgages secured by real estate and in which the real estate is used for business purposes. e.g. tenant occupied housing</p>
3.9	Other Financial Corporations – Financial Intermediaries & auxiliaries	<p>Enter values against the relevant counterparties.</p>
3.10	Retail Lending/Consumer Loans – Households	<p>Include all loans and advances such as credit cards debts, travel, consolidated debts, education, and medical expenses.</p>
3.11	Residential Mortgage – Households	<p>Include all loans to individuals which are fully secured by a first priority charge on residential property that is (or is to be) occupied by the borrower.</p>
3.12	Other loans and advances	<p>Any other loans not defined above.</p>

Item	Description	Guidance
3.13	Total	Total for Loans and Advances as the sum of 3.1 to 3.12
4	LOAN LOSS PROVISIONS	A provision is a liability of uncertain timing or amount.
4.1	Specific Loan Loss Provisions	Accumulated provisions or charges made against operating earnings in current and prior years, net of loss charge-offs , with respect to <i>known and identified</i> losses on loans and advances. Enter amounts as positive numbers.
4.2	Unearned Interest	Deduct all unearned interest income on loans and advances to the extent that it is not deducted from items 3.1 through 3.12 above. If the reporting institution reports each loan item net of unearned interest income, enter a zero or “nil” balance here. Enter amounts as positive numbers.
4.3	Total	Sum of 4.1 and 4.2
4.4	Net Loans and Advances	Equals 3.13 less 4.3
5	OTHER ASSETS	Any other resource controlled by an entity as a result of past events; and from which the future economic benefits are expected to flow to the entity.
5.1	Premises	Book value (cost less accumulated depreciation) of real estate owned and occupied by the reporting institution adjusted for any asset revaluation. Real estate not currently occupied but acquired with the intention to occupy it for the institution’s business shall also be reported here.
5.2	Other real estate owned (net of accumulated depreciation)	Book value of other real estate owned, such as those acquired in foreclosure proceedings, and not intended to be occupied for the reporting institution’s business.
5.3	Equipment and other fixed assets (net of accumulated depreciation)	Book value of equipment, furniture, fixtures and other depreciable assets owned and used in connection with the reporting institution’s business. Any amounts outstanding under lease financing agreements with customers should be reported as advances under item 6. (A lease is generally an agreement that transfers the right to use land, buildings, or equipment for a specified period of time and is essentially an extension of credit evidenced by an obligation between a lessee and a lessor.)
5.4	Goodwill and other intangible assets (net of amortisation)	Unamortised amount of goodwill and other intangible assets.
5.5	Commissions Receivable	Report commissions that are due from other Money Service Businesses in regards to funds sent to those businesses.

Item	Description	Guidance
5.6	Accrued interest receivable	Accrued and uncollected interest on loans and other interest-bearing assets which have not been specifically added to the corresponding asset balances.
5.7	Prepaid expenses	Report assets that arise on a balance sheet as a result of the making payments for goods and services to be received in the near future.
5.8	Other assets	Report all other assets not reported elsewhere under items 1 through 6.5 on this return.
5.9	Total	Total for Other Assets as the sum of 5.1 to 5.8.
6	TOTAL ASSETS	Sum of 1.7, 2.4, 4.4, 5.9 which must equal Item 19 (Total Liabilities and Shareholders' Equity)
	<u>ASSET MEMORANDA ITEMS</u>	
7	DIRECTORS' / CONTROLLERS LOANS AND ADVANCES	Loans and advances granted to directors, controllers and their associates.
7.1	Due from directors, controllers and their associates	<p>Loans and advances due from directors, controllers and their associates.</p> <p>For this purpose, a director (including an alternate) includes any person who holds such a position by whatever name called.</p> <p>A controller includes:</p> <ol style="list-style-type: none"> 1) Any person who, either alone or with any associate or associates, is entitled to exercise or control the exercise (whether directly or indirectly such as through nominees) of 15% or more of the voting power over the reporting institution or over a company of which it is a subsidiary; 2) a person, whether a shareholder or not, in accordance with whose directions or instructions the directors or officers of the reporting institution or of another company of which it is a subsidiary are accustomed to act; 3) the chief executive officer of the reporting institution or of another company of which the reporting institution is a subsidiary (in this context a chief executive officer means an employee of the company who is responsible under the authority of

Item	Description	Guidance
		<p>the Board of Directors for the conduct of the company's business.)</p> <p>An associate of a controller or director includes the immediate family (the husband, wife, parent or remoter forebear, child or remoter issue, brother or sister and trustees of trusts formed for their benefit) and persons with whom the director or controller is associated through non-group companies.</p>
7.2	Due from non-group companies with which directors and controllers are associated	
7.3	Due from non-group banks with which directors and controllers are associated	
8	LOANS COVERED BY COLLATERAL OR GUARANTEES	This item should be used to report the balances of any loans and advances or other assets which are secured by collateral held by the reporting institution or guarantees granted in its favour.
8.1	Loans covered by cash with legal right to set off	Only report here loans and advances that are 100% backed by cash deposits, where the deposits and loans are in the same country, the same currency, and where deposits have maturities at least equal to those of the corresponding loans. In addition, the reporting institution should have an independent legal opinion which confirms that the collateral agreement includes a legally binding right of set-off between the deposit and the loan. If a loan is only partially secured by cash, only the portion of the loan which is so covered should be reported here.
8.2	Loans covered by Bank Guarantees	Report here claims that have been explicitly, irrevocably and unconditionally guaranteed by banks.
9	ENCUMBERED ASSETS	Total of assets of the reporting institution over which a charge, lien or other encumbrance has been taken by any company, individual or party e.g. property which has been mortgaged, securities which have been pledged as collateral for borrowing (such as those subject to Repurchase Agreements accounted for as secured financing), investments in deposits and bank balances serving as security for advances to others, etc. Also include any restrictions on assets arising from actions

Item	Description	Guidance
		such as court injunctions, confiscation, restraining and charging orders.

LIABILITIES

Item	Description	Guidance
10	TERM DEBT AND OTHER BORROWINGS	Grouping of items 10.1, 10.2, and 10.3
10.1	HYBRID DEBT AND SUBORDINATED DEBT	
10.1.1	Unsecured subordinated debt(over 5 years original term maturity)	Report here all unsecured debt instruments with a minimum original fixed term to maturity of at least 5 years which are subordinated in respect of both capital and interest to all other liabilities/debt of the reporting institution, except those to equity shareholders . During the last five years to maturity of any debt issue, a discount factor of 20% per year is applied. The amount reported under this item is to be reduced by the cumulative discount, i.e., only the discounted amount is to be reported here. The ineligible portion of the debt issue should be reported under item 10.2.
10.1.2	Hybrid debt/equity instruments (over 5 years original term to maturity)	Report here capital instruments which meet the following requirements/criteria: <ul style="list-style-type: none"> ▪ they are unsecured, subordinated and fully paid-up; ▪ they are not redeemable at the option of the holder or without the prior consent of the Monetary Authority; ▪ they are available to participate in losses without the Bank being obliged to cease trading; and ▪ they should allow for the deferment of debt service/payment obligations (as with cumulative preference shares) where the profitability or liquidity of the Bank would not support payment, even though the debt/capital instrument may carry an obligation to pay interest that cannot be permanently reduced or waived (unlike dividends on shareholders' equity).
10.1.3	Subtotal	Sum of 10.1.1 to 10.1.2

Item	Description	Guidance
10.2	OTHER NOTES, BONDS AND COMMERCIAL PAPER	<p>Notes Payable: Written promises to pay stated sums of money at future dates, classified as current (if due within 12 months) or non-current (if due after 12 months) of the balance sheet date.</p> <p>Bonds Payable: Amounts payable to others relating to the issue of a bond</p> <p>Commercial Paper: An unsecured debt issued by corporations with high credit ratings to finance its short-term needs. Commercial paper is available in a variety of denominations and usually ranges in maturity from 2 to 270 days.</p>
10.2.1	Group Bank - Parent, Branch, Subsidiary, or Affiliate	Enter values against the relevant counterparties as defined in the Sectors of the Economy and in the appropriate resident or non-resident column
10.2.2	Group non-bank entities	
10.2.3	Other Banks	
10.2.4	Other	
10.2.5	Subtotal	
10.3	OTHER BORROWINGS (loans, overdrafts, credit facilities, etc.)	Report here all other borrowings not reported above including loans, overdraft balances and other similar credit facilities.
10.3.1	Group Bank - Parent, Branch, Subsidiary, or Affiliate	Enter values against the relevant counterparties as defined in the Sectors of the Economy and in the appropriate resident or non-resident column.
10.3.2	Group non-bank entities	
10.3.3	Other Banks	
10.3.4	Other	
10.3.5	Subtotal	
10.4	TOTAL TERM DEBT AND OTHER BORROWINGS	Sum of 10.1.3, 10.2.5, 10.3.5
11	CREDITORS AND OTHER LIABILITIES	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
11.1	Interest payable	Accrued but unpaid interest expense which have not been paid or credited to individual accounts
11.2	Dividends payable	Report unpaid dividends which have been declared by the reporting institution.
11.3	Items in suspense	Any unallocated deposits such as amounts under investigation. This can be entered as a positive or negative number.

Item	Description	Guidance
11.4	Unclaimed/Unsettled funds	Report here funds transferred from affiliated Money Service Businesses to the licenced Cayman Islands Money Service Business but have not yet been paid out to/collected by the intended recipient of the transfer.
11.5	Other liabilities	Any other obligation not reported elsewhere.
11.6	TOTAL	Sum of 11.1 to 11.5
12	OTHER LOSS PROVISIONS	Provisions other than specific loan loss provisions.
12.1	General loan loss reserves	Credit provisions other than specific loans loss provisions.
12.2	Other loss reserves	Non – credit provisions
12.3	TOTAL	Sum of 12.1 and 12.2
13	TOTAL LIABILITIES	Sum of 10.4, 11.6, and 12.3
	<u>LIABILITY MEMORANDA ITEMS</u>	
14	DIRECTORS' PAYABLES	Related party memoranda items
19.1	Due to directors, controllers and their associates	Report balances due to directors, controllers and their associates.
19.2	Due to non-group companies with which directors and controllers are associated	For this purpose, a director (including an alternate) includes any person who holds such a position by whatever name called.
19.3	Due to non-group banks with which directors, controllers are associated	<p>A controller includes:</p> <ul style="list-style-type: none"> any person who, either alone or with any associate or associates, is entitled to exercise or control the exercise (whether directly or indirectly such as through nominees) of 15% or more of the voting power over the reporting institution or over a company of which it is a subsidiary; a person, whether a shareholder or not, in accordance with whose directions or instructions the directors or officers of the reporting institution or of another company of which it is a subsidiary are accustomed to act; the chief executive officer of the reporting institution or of another company of which the reporting institution is a subsidiary (in this context a chief executive officer means an employee of the company who is responsible under the authority of

Item	Description	Guidance
		<p>the Board of Directors for the conduct of the company's business.)</p> <p>An associate of a controller or director includes the immediate family (the husband, wife, parent or remoter forebear, child or remoter issue, brother or sister and trustees of trusts formed for their benefit) and persons with whom the director or controller is associated through non-group companies.</p>

SHAREHOLDERS' EQUITY

Item	Description	Guidance
15	SHARE CAPITAL	Equity raised from owners
15.1	Issued and fully paid up common stock (at par or nominal value)	Aggregate par or nominal value of common stock which has been issued and is fully paid-up. For companies with shares that have no par or nominal value, report here the aggregate consideration for which such shares were issued.
15.2	Perpetual non-cumulative issued and fully paid up preference shares	The aggregate par or nominal value of outstanding perpetual preferred stock plus any amounts received in excess of its par or nominal value. Perpetual non-cumulative preferred stock is preferred stock that does not have a stated maturity date or that cannot be redeemed at the option of the holder, and for which dividends can be deferred and accumulated for payment at a future date. It includes those issues of preferred stock that automatically convert into common stock at a stated date
15.3	Additional paid-up capital in excess of par or nominal value	Amount received for common stock in excess of par or nominal value, including any capital contributions made by existing common stock shareholders.
15.4	TOTAL	Sum of 15.1 to 15.3
15.5	Treasury stock (a deduction from capital)	An entity's own equity instruments, held by the entity or other members of the consolidated group.
15.6	TOTAL	Total: Difference of 15.4 less 15.5
16	RETAINED PROFITS AND CURRENT YEARS EARNINGS	The percentage of net earnings not paid out as dividends, but retained by the company to be reinvested in its core business or to pay debt.
16.1	Unappropriated retained earnings	Report the amount of accumulated retained earnings representing net income retained in previous years and which are available for distribution. These retained earnings must be free, unimpaired and unencumbered. Do not include the current year's net income or loss which is to be reported under item 16.2.

Item	Description	Guidance
16.2	Current year's net income/(loss)	The balance on the income and expense account as reported from the institution's in-house management accounts. This amount should equal the amount reported under item 22.16 in the Income Statement, which can be negative or positive.
16.3	TOTAL	Total being sum of Items 16.1 and 16.2
17	RESERVES	Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss.
17.1	Foreign currency translation reserve	Enter values against the relevant categories as either positive or negative numbers.
17.2	Unrealised net gains/(losses) on assets available for sale	Enter values against the relevant categories as either positive or negative numbers
17.3	Unrealized net gains (losses) on cash flow hedges	Enter values against the relevant categories as either positive or negative numbers
17.4	Asset revaluation reserves	Report the amount by which the value of the reporting institution has been increased to reflect estimated fair market value. Such revaluation should be based on an independent appraisal of current market value by a professional appraiser and should not be carried out frequently. The amount reported under this item will not be counted as equity for purposes of meeting the institution's capital requirements. This is the sum of 17.4.1 to 17.4.7.
17.4.1	Owner occupied property	Enter values against the relevant categories.
17.4.2	Plant and equipment	
17.4.3	Intangibles revaluation surplus	
17.4.4	Investments in subsidiaries	
17.4.5	Investments in associates/shares of associates	
17.4.6	Relating to non-current assets or disposal groups held for sale	
17.4.7	Other	
17.5	Share based payments reserve	
17.6	Other reserves	
17.7	TOTAL	Sum of 17.1, 17.2,17.3,17.4,17.5 & 17.6
18	TOTAL SHAREHOLDERS	Sum of 15.6, 16.3, & 17.7

Item	Description	Guidance
	EQUITY	
19	TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	Sum of 13 and 18 (Must equal Item 6 – Total Assets)
	<u>GENERAL MEMORANDA ITEMS</u>	Non-balance sheet financial data
20	NUMBER OF STAFF EMPLOYED	Total number of permanent and temporary staff, resident and non-resident, excluding consultants or outsourced positions, as defined in Table 2 of the QPR section. This line item should have no scaling . For example one thousand employees would be entered as 1,000.
21	NUMBER OF AGENCIES, SUBSIDIARIES, BRANCHES, & REPRESENTATIVE OFFICES	Total number of agencies, subsidiaries, branches, & representative offices of the Money. For example five subagents and three subsidiaries would be entered as 8.

INCOME STATEMENT

Item	Description	Guidance
22.1	REMITTANCE SERVICE COMMISSION	Report here all commissions earned from remittance services. This amount should reconcile with the amount reported on the Financial Summary sheet for Total commissions earned from remittance services.
22.2	COMMISSION EXPENSE	Report the expenses specifically related money remittance. The amount should include commission paid to sub-agents. This amount should reconcile with the amount reported on the Financial Summary sheet for Expenses specifically related to remittance services.
22.3	NET COMMISSION INCOME/(LOSS)	Enter here the difference between items 22.1 and 22.2 above. Where commission expense exceeds remittance service commission, the net figure should be shown in brackets to indicate a negative figure.
22.4	PROVISIONS FOR CREDIT LOSSES /RECOVERIES	
22.4.1	Loans and advances	Report here charges for possible loan and other losses which are credited to the general and specific loan loss reserve accounts on items 4 and 12 of the balance sheet. Adjust for recoveries of loans previously written off plus reversals of provisions made in earlier
22.4.2	Other assets contingent liabilities and commitments	

Item	Description	Guidance
		years which are no longer required and are now returned to the current year's profit and loss account.
22.4.3	TOTAL	Sum of 22.4.1 and 22.4.2
22.5	FEES AND COMMISSIONS INCOME	Report here all income earned from the provision of fiduciary services including trustee, nominee, agency, company management, custody, fund administration, asset management and other similar services.
22.5.1	Investment management fees	
22.5.2	Trust and company administration fees	
22.5.3	Trustee/Custodian fees	
22.5.4	Fund management fees	
22.5.5	Investment dealing profits and commissions	
22.5.6	Other non-interest income	
22.5.7	TOTAL	Sum of 22.5.1 to 22.5.6
22.6	NON-INTEREST EXPENSE	All expenses other than interest, including fees and commissions.
22.6.1	Other non-interest expenses	
22.6.2	TOTAL	Sum of 22.6.1
22.7	NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS	
22.7.1	Gain/(Loss) on foreign exchange dealing and currency positions	Report here net gains or losses arising from trading in foreign exchange and revaluation of foreign currency positions and other foreign exchange transactions. Trading operations include those where the Bank buys and sells currency in the spot, forward, futures and options markets to assist its customers in meeting their business needs, as well as for its own account. Do not include fees and commissions on foreign exchange which should be reported under item 29.6.1 of this report. A net loss should be shown in brackets to indicate a negative figure. Enter losses as a negative number.
22.7.2	Gain/(Loss) on investments held for trading	Report the net position of changes in the financial assets at fair value through profit or loss as defined in item 2 in accordance with generally accepted accounting principles. Enter losses as a negative

Item	Description	Guidance
		number.
22.7.3	Realized gains/(Losses) on assets available-for-sale	Report recognised net gains or losses for assets categorised as available for sale as defined in item 4 in accordance with generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.7.4	Net gain/(Loss) on fair value hedges	Report the net gain or loss based on generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.7.5	Gains/(Losses) on disposal of held-to-maturity investments	Report the net gain or loss based on generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.7.6	Other net gain/(Loss) on financial instruments	Report the net gain or loss based on generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.7.7	TOTAL	Sum of 22.7.1 to 22.7.6. A loss should be shown in brackets to indicate a negative figure.
22.8	OTHER INCOME	Include dividends declared payable by other corporations or cooperatives in which the reporting entity has an equity state.
22.8.1	Net Interest Incom/(Loss)	This is the difference between Item 22.8.1.1 and Item 22.8.1.2. This number will be reported in brackets if Interest Expense exceeds Interest Income.
22.8.1.1	Interest Income	Interest income is a form of income that accrues on debt instruments such as deposits, loans, debt securities, and other accounts receivable; and dividends received on equity securities owned. Do not report any interest income on non-performing loans and advances, that is, those which have been placed on a non-accrual basis.
22.8.1.2	Interest Expense	Interest expense is the cost of the use of another entity's funds. Report all interest paid or payable on all deposit liabilities of the reporting institution, all interest paid or payable on debt securities (e.g. notes, bonds, debentures and other similar securities) issued by the reporting institution as well as interest on loans and other borrowed funds, including repurchase agreements.
22.8.2	Share of profits/(losses) from subsidiaries and associated companies	Report the net gain or loss based on generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.8.3	Income/(Loss) attributable to minority interest	Report the net gain or loss based on generally accepted accounting principles. A net loss should be

Item	Description	Guidance
		shown in brackets to indicate a negative figure.
22.8.4	Other Income	Report the net gain or loss based on generally accepted accounting principles. A net loss should be shown in brackets to indicate a negative figure.
22.8.5	Total	Sum of 22.8.1, 22.8.2, 22.8.3, and 22.8.4.
22.9	OPERATING INCOME	This is the sum of items 22.3, (22.4.3), 22.5.7, (22.6.2), 22.7.7 and 22.8.5 above.
22.10	OPERATING EXPENSES	Report operating expenses against the following sub categories of expenses.
22.10.1	Directors Remuneration	Report operating expenses against the following sub categories of expenses.
22.10.2	Management Charge	
22.10.3	Staff costs	
22.10.4	Depreciation	
22.10.5	Premises & Equipment	
22.10.6	Audit, Legal and other professional fees	
22.10.7	Other operating expenses	
22.10.8	TOTAL	
22.11	EXTRAORDINARY ITEMS	Report extraordinary items here as either a negative or positive amount in accordance with generally accepted accounting principles.
22.12	INCOME BEFORE TAXES	Report pre-tax income after extraordinary items. This should be the calculated as 22.9 less 22.10.8 plus 22.3.
22.13	APPLICABLE TAXES	Report here any taxes on income and gains the reporting institution has paid or expects to be liable (e.g. withholding taxes on foreign income).
22.14	NET INCOME	Report here Item 22.12 less 22.13. A net loss should be reported in brackets to indicate a negative amount.
22.15	DIVIDEND/DUE TO HEAD OFFICE/(DUE FROM HEAD OFFICE)	Report here the amount of dividends that have been declared by the institution and which are intended to be paid out of current year earnings.
22.16	NET INCOME RETAINED	Report here 22.14 less 22.15. This should be equal to item 16.2.
	<u>MEMORANDA ITEMS</u>	
22.17	Net earnings from related transactions	Report here all income, net of expenses, earned in connection with transactions carried out with the Bank's parent, head office, subsidiaries and associated entities or persons as defined under items 10 and 19 above.
22.18	Loan loss charged-off	Report here all loan losses charged off during the reporting period against the Specific Loan Loss Reserve account (item 7.1).



Item	Description	Guidance
22.19	Recoveries on loan charged-off	Report here collections of loan balances previously written off. These recoveries are to be credited to the current period's provision for loan losses under item 29.4.1 of this statement.

CHAPTER 3. REMITTANCE SCHEDULES

REMITTANCE ACTIVITIES (ITEMS 23 AND 24)

Money services providers are reminded that under the PCCL Money Laundering Regulations (2009 Revision) they have an obligation to report suspicious transactions to the Financial Reporting Unit. Money services providers should therefore take care when requested to transfer especially unusually large amounts of cash. They should also be mindful of structured transaction that is cases where requests are made to transfer smaller amounts of cash but when aggregated turn out to be a large amount.

SENDING/RECEIVING ACTIVITIES (ITEMS 25 - ITEM 30)

Number of Transactions

Report the aggregate number of transactions for each month in the reporting quarter. For example if in week 1 of Jan. - 500 transactions, week 2 - 300, week 3 - 600 and week 4 - 700, then aggregate number of transaction to be reported for Jan. is 2,100.

Value of Transactions

Report the aggregate value of transactions for each month in the reporting quarter. The value of transactions should be reported in US Dollars. For example, if the value of the 500 transactions in week 1 of Jan was US\$100,000, week 2 - US\$60,000, week 3 - US\$120,000 and week 4 - US\$140,000, then for the month of the Jan the total value of transactions would be US\$420,000.

Largest Single Transaction

Report the largest single transaction for each month in the reporting quarter. For example, if of the 2,100 transactions reported for the month of Jan. in the example above one transaction was for US\$250 and all the other were less than US\$200, then report US\$250 as the single largest transaction for the month of Jan.

Amount Transferred To/From

Report the total value of amounts transferred to/from for each month in the reporting quarter to each of the following countries: Jamaica, Honduras, Philippines, Dominic Republic and Other Countries.

Single or Aggregate Transaction(s) Exceeding US\$3,500 (Sent/Received)

For each month in the quarter for which you are completing this report, please report **all** single/aggregate transaction(s) from the same sender/receiver exceeding US\$3,500 (Submit additional spreadsheet(s) as necessary).

Complete Appendix A – Large Transaction Report for **all** single/aggregate transaction(s) based on each sender/receiver exceeding US\$3,500 (See Appendix A below).

FEE SCHEDULE (ITEM 31 - 33)

31. All Single Transactions Exceeding and Including Transaction of CI\$500/US\$609.76 (Sent Overseas)

For each month in the quarter for which you are completing this report, please report the number of **single** transactions exceeding/equal to CI\$500 or its USD equivalent (US\$609.76) based on country transferred to, and including the total value of **all** of these transactions in the spaces provided. **DO NOT INCLUDE** transfers sent from the Cayman Islands to the Cayman Islands. **ONLY REPORT USD** amounts in this table using a conversion of CI\$0.82 = US\$1 when converting original figures to USD prior to inputting amounts.

32. All Single Transactions Not Exceeding and Not Including Transactions of CI\$500/US\$609.76 (Sent Overseas)

For each month in the quarter for which you are completing this report, please report the number of **single** transactions NOT exceeding/NOT equal to CI\$500 or its USD equivalent (US\$609.76) based on country transferred to, and including the total value of **all** of these transactions in the spaces provided. **DO NOT INCLUDE** transfers sent from the Cayman Islands to the Cayman Islands. **ONLY REPORT USD** amounts in this table only using a conversion of CI\$0.82 = US\$1 when converting original figures to USD prior to inputting amounts.

33. Government Fee Summary Schedule

For Official Use Only. The USD amount recorded in **Total Amount to be Paid to Cayman Islands Government in USD** should be remitted to the Cayman Islands Government by way of the Cayman Islands Monetary Authority on a quarterly basis (alternatively the KYD equivalent which is reported in **Total Amount to be Paid to Cayman Islands Government in KYD** may be remitted in lieu of the USD amount). Applicable conversion rate is CI\$0.82 = US\$1.

APPENDIX I – LARGE TRANSACTION REPORT

Complete this form to report single/aggregate large transactions (i.e. Equal to/in excess of US\$3,500) based on the individual in the Cayman Islands sending. Note: Complete one form for each sender which has single/aggregate large transaction(s) equal to/exceeding US\$3,500.

Section I

1. **Name of Sender:** Report here the name of the person sending (“the Sender”) single/aggregate large transactions (i.e. Equal to/in excess of US\$3,500). Print name with Surname first, and Given Name second separated by comma.
2. **Address:** Report the number, street, and apartment/suite number for the Sender’s residence or main place of contact.
3. **City/District:** Report the city or district of residence or main place of contact related to location reported in **2. Address**.
4. **Country:** Report the country of residence or main place of contact related to location reported in **2. Address**.
5. **I.D. Number:** Report the specific number associated with the identification provided by the Sender.
6. **I.D. Type:** Report the type of identification provided by the Sender (e.g. passport, driver licence, voters card, etc)
7. **Issuing Country of I.D.:** Report the country that has issued the identification provided by the Sender.
8. **Proof of Address:** Report the type of documentation collected, if other than the identification, to ensure the address provided by the Sender is correct (e.g. utility bill).
9. **Occupation:** Report the Sender’s current occupation including job title if applicable.
10. **Employer:** Name the company or entity with which the Sender is employed.
11. **Proof of Employment:** Report the type of documentation obtained confirming the Sender’s employment (e.g. job letter).
12. **Source of Funds:** Identify the source of funds to be transferred, whether income from occupation or otherwise (e.g. sender’s personal income generating business).
13. **Date Sender Information Last Updated:** For numbers 1 through 12 of this form report the oldest date of any one of these documents/items if this data is historical data. If Sender is required to provide this information for each transaction then report the date of last Sender transaction.

Section 2

Name of Recipient: List all receiver(s) of funds sent by the Sender. Record these with Given Name first and Surname last. For each recipient break out each transaction included in aggregate transaction amount into single transactions in the table provided.

Amount Sent: List amounts in US dollars of funds sent by the Sender. For each recipient break out each transaction included in aggregate transaction amount into single transactions in the table provided.

Country Funds Sent to: List the country which funds have been sent to by the



Sender. Record these with full country name. For each recipient break out each country included in aggregate transaction amount into single transactions in the table provided.

Date Funds Sent: Report the appropriate date the funds were sent. For this date, please report the value date attributed to the funds.

Relationship to Sender: Report the relationship (e.g. spouse, friend, business partner) of the person receiving funds to the Sender.