

**Memorandum of Understanding**

**between**

**The Cayman Islands Monetary Authority**

**and**

**North Carolina Department of Insurance**

**on the Exchange of Information  
for Co-operation and Consultation**

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**WHEREAS:**

- A.** The Cayman Islands Monetary Authority (“CIMA”) was established as a body corporate on 1 January 1997, as a result of the merger of the former Financial Services Supervision Department and Cayman Islands Currency Board. Its statutory functions are set out in the Monetary Authority Act (2020 Revision), namely (a) currency management, (b) regulation and supervision of financial services (including monitoring procedures for the prevention of money laundering), (c) advice to the government and (d) liaison with overseas regulators.
- B.** The North Carolina Department of Insurance (“NCDOI”) is an independent state agency charged with executing the insurance laws of the State of North Carolina (“State”). Pursuant to N.C. General Statute § 58-2-125, every insurance company that conducts business in the State must be licensed and supervised by NCDOI. Among other things, NCDOI regulates all authorized insurers, managing general agents, and accredited reinsurers for compliance with the solvency laws of the State. The ultimate objective of this regulation is to reduce the likelihood of any of these entities failing or to mitigate the effect of any of these entities insolvency on the insurance consumers of the State.
- C.** CIMA and the NCDOI and together hereinafter referred to as “the Authorities” recognise the need for mutual cooperation between the Authorities in the carrying out of their regulatory and supervisory functions under the relevant acts, laws, regulations and rules in their respective countries.
- D.** The Authorities further acknowledge the importance of compliance with relevant international standards established by international standard setting bodies such as the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors (IAIS), the International Organisation of Securities Commissions (IOSCO) and the Financial Action Task Force (FATF).
- E.** The arrangements outlined below are intended to enhance the existing working relationship between the Authorities.

**1. DEFINITIONS**

For the purposes of this Memorandum of Understanding, unless otherwise specified, the following definitions shall apply:

**“Applicable laws, regulations and requirements”** means any law, regulation, or requirement applicable in North Carolina and/or the Cayman Islands, and where the context permits, includes any rule, direction requirement, guidance or policy made or given by, or to be taken into account by either Authority.

**“Authorities”** means the Cayman Islands Monetary Authority and the North Carolina Department of Insurance.

“**CIMA**” means the Cayman Islands Monetary Authority.

“**Confidential Information**” means any documents, materials or information that is protected from disclosure by the applicable laws of the jurisdiction that is the source of the document, material or information.

“**Financial Institutions**” means the institutions and persons regulated and supervised by either of the Authorities.

“**Jurisdiction**” means the country, state or other territory, as the case may be, in which either of the Authorities has legal authority, power and/or jurisdiction by law.

“**NCDOI**” means the North Carolina Department of Insurance.

“**Person**” means a natural person, body corporate, partnership, or unincorporated association, government or political subdivision, agency or instrumentality of a government.

“**Registered Person**” means any person carrying on banking or other financial business activities requiring registration or authorisation by either of the Authorities in order to carry out those functions, who may or may not be subject to individual registration or authorisation but who is subject to the operative legislation within the jurisdiction.

“**Requesting Authority**” means the Overseas Regulatory Authority, within the terms of s. 2 of the Monetary Authority Act (2020 Revision), making a request under this Memorandum of Understanding.

“**Responding Authority**” means the Authority responding to a request under this Memorandum of Understanding;

## 2. INTENTION

- 2.1. This Memorandum of Understanding sets forth a statement of intent of the Authorities to establish a framework for mutual assistance and to facilitate the exchange of information between the Authorities to enforce or secure compliance with any acts, laws, regulations, or rules relating to the functions and duties of the Authorities in their respective jurisdictions.
- 2.2. The Authorities intend to provide one another with assistance under this Memorandum of Understanding to the full extent permitted by the acts, laws, regulations, and rules of their respective jurisdictions.
- 2.3. This Memorandum of Understanding shall serve to promote the integrity, efficiency, and financial soundness of financial institutions by improving the effective regulation, enhancing the supervision of cross-border transactions, and preventing fraudulent and other prohibited practices in North Carolina and the Cayman Islands.

- 2.4. This Memorandum of Understanding does not create any binding legal obligations upon the Authorities.
- 2.5. The Authorities intend, where legal authorisation is lacking, to actively pursue all avenues towards obtaining, by law, all the necessary powers for the effective achievement of the objectives of the Memorandum of Understanding and to keep each other informed of developments in connection therewith.
- 2.6. The provisions of this Memorandum of Understanding do not lead to the right of any person, directly or indirectly, to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this Memorandum of Understanding
- 2.7. The Authorities shall use reasonable efforts to provide each other, as permitted by the acts or laws of their respective jurisdictions, with any information that they discover which leads to a suspicion of a breach or anticipated breach of rules, acts, or laws in the jurisdictions of the Authorities.

### **3. SCOPE**

- 3.1. This Memorandum of Understanding is intended to establish a framework by which the Authorities agree to promote mutual assistance and exchange of information to enable the Authorities to perform their respective duties and functions effectively according to the acts, laws, regulations, and rules of their respective jurisdictions.
- 3.2. The scope of this Memorandum of Understanding includes the following:
  - (a) Assisting in the discovery of and taking of action against unlawful activities and practices contrary to international standards subscribed to by the Authorities in relation to activities they regulate;
  - (b) Enforcement of the acts, laws, regulations, and rules relating to financial institutions subject to regulation by the Authorities in their respective jurisdictions;
  - (c) Promoting and securing the fit and proper qualities of registered persons and the promotion of high standards of fair dealing and integrity of their conduct of business; and
  - (d) Any other matters agreed upon between the Authorities.

### **4. UNDERTAKING OF INSPECTION VISITS**

- 4.1. The Requesting Authority may undertake or accompany inspection visits on financial institutions having business operations in or from the jurisdiction of the Responding Authority. Inspection visits shall take place on-site or via

another manner agreed upon in writing by the Authorities and in accordance with the acts or laws of the Responding Jurisdiction.

- 4.2. All members of the inspection team shall be required to give an undertaking of confidentiality prior to the commencement of any inspection.
- 4.3. In the course of carrying out an inspection pursuant to this Memorandum of Understanding, an inspection team, as referenced above in 4.1 and 4.2, shall include a member of the Responding Authority's staff.

## **5. REQUESTS FOR ASSISTANCE OR INFORMATION**

- 5.1. This Memorandum of Understanding does not affect the ability of the Authorities to obtain information from persons on a voluntary basis, provided that the existing Authorities observe procedures in the jurisdiction of each Authority for the obtaining of such information.
- 5.2. To facilitate communication and ensure continuity in the co-operation between the Authorities, each Authority designates the contact persons set forth in Appendix A, attached hereto, for communications under this Memorandum of Understanding.
- 5.3. A Requesting Authority shall make requests for assistance in writing addressed to the contact officer of the Responding Authority.
- 5.4. A request for assistance or information shall include the following, as applicable:
  - (a) A description of both the subject matter of the request and the purpose for which the Requesting Authority seeks the assistance or information;
  - (b) A description of the assistance, documents, or information sought by the Requesting Authority;
  - (c) Any information in the possession of the Requesting Authority that might assist the Responding Authority in identifying the persons, bodies, or entities believed by the Requesting Authority to possess the information sought, or the places where the Responding Authority may obtain such information;
  - (d) The legal provisions concerning the matter that is the subject matter of the request and the relevance of the requested information to the specified acts, laws or regulatory requirements;
  - (e) Whether any other authorities, governmental or non-governmental, are co-operating with the Requesting Authority or seeking information from the confidential files of the Requesting Authority and to whom onward disclosure of information is likely to be necessary; and the desired period of time for the reply;

- (f) In urgent circumstances, the Responding Authority shall accept a request for assistance and shall expedite to the extent possible a reply thereto by summary procedures or by means of communication other than the exchange of letters. Such urgent communications must be confirmed in writing as prescribed above by the contact person set out in Appendix A within five business days.

## **6. EXECUTION OF REQUESTS**

- 6.1. Each request shall be assessed on a case-by-case basis by the Responding Authority to determine whether information can be provided under the terms of this Memorandum of Understanding.
- 6.2. Where the Responding Authority is satisfied in accordance with this Memorandum of Understanding and the acts or laws governing the Requesting Authority that the assistance should be given, the Responding Authority shall;
  - (a) Provide information held in the files of the Responding Authority;
  - (b) Obtain information, and gather documents in accordance with the applicable laws, regulations, and requirements in the jurisdiction of the Responding Authority.
- 6.3. Notwithstanding any other provision of this Memorandum of Understanding, any person providing information or documents as a result of a request made under this Memorandum of Understanding shall be entitled to all applicable rights and privileges of the acts or laws in the jurisdiction of the Responding Authority. Assertions regarding rights and privileges arising exclusively under the acts or laws applicable in the jurisdiction of the Requesting Authority shall be preserved for consideration by Courts in that jurisdiction.

## **7. UNSOLICITED INFORMATION**

Where one Authority has information that will assist the other Authority in the performance of its regulatory functions, the former may provide such information, or arrange for such information to be provided, to the extent permitted by the acts or laws of its respective jurisdiction even if the other Authority has made no request. The terms and conditions of this Memorandum of Understanding shall apply if the providing Authority specifies that it is passing the information under this Memorandum of Understanding.

## **8. PERMISSIBLE USES OF INFORMATION**

- 8.1. Any assistance or information provided under the terms of this Memorandum of Understanding shall be used by the recipient only for the purpose of enabling the Responding Authority to exercise regulatory functions, including the conduct of civil or administrative investigations and proceedings to enforce the

acts, laws, regulations or rules of the Responding Authority as specified in the request.

- 8.2. The Requesting Authority may not use information furnished for any purpose other than those identified in terms of paragraph 5.4(a) without the consent of the Responding Authority.
- 8.3. If the Requesting Authority wants to use the information obtained for any purpose other than that stated in terms of paragraph 5.4(a), the Requesting Authority must notify the Responding Authority of its intention and provide the Responding Authority with an opportunity to consent to or oppose such use.
- 8.4. Where the Responding Authority believes that sharing confidential information with a third party is necessary, it shall inform the Responding Authority of the third party's interest in this information and provide the Responding Authority with the opportunity to consent to or oppose such use.
- 8.5. The Requesting Authority may consult with the Responding Authority concerning the reasons for the objection if the Responding Authority opposes such use.

## **9. CONFIDENTIALITY**

- 9.1. The Authorities shall, to the full extent permitted by the acts, laws, regulations, and rules of their respective jurisdictions, keep confidential:
  - (a) Any request for assistance or information made pursuant to this Memorandum of Understanding;
  - (b) Any information received or provided pursuant to this Memorandum of Understanding; and
  - (c) Any matter arising during the operation of this Memorandum of Understanding, including consultations and unsolicited assistance.
- 9.2. The Requesting Authority shall not disclose to third parties that assistance or information was obtained pursuant to this Memorandum of Understanding without the prior consent of the Responding Authority.
- 9.3. Notwithstanding the provisions of paragraphs 9.1 and 9.2, the confidentiality provisions of this Memorandum of Understanding shall not prevent the Authorities from informing the law enforcement or regulatory bodies in its jurisdiction of the request or from passing information received pursuant to a request, provided that:
  - (a) Such agencies or bodies have responsibility for prosecuting, regulating, or enforcing rules, acts, or laws falling within the scope of this Memorandum of Understanding; or



- (b) The purpose of passing on such information to such an agency or body falls within the scope of this Memorandum of Understanding; and
  - (c) An undertaking has been obtained from the recipient by the Responding Authority that it shall maintain the confidentiality of the information.
- 9.4. The Authorities' confidential treatment of assistance and information shall continue when either Authority gives notice of its intent to cease co-operation under this Memorandum of Understanding. The Authorities understand that the acts, laws, regulations, and rules of their respective jurisdictions place limitations on use and disclosure of non-public information obtained pursuant to this Memorandum of Understanding.

## **10. RIGHTS OF RESPONDING AUTHORITY**

- 10.1. The Responding Authority may deny requests for assistance under the Memorandum of Understanding under the following circumstances:
  - (a) Where the request would require the Responding Authority to act in a way that would violate the acts or laws of the jurisdiction of the Responding Authority;
  - (b) Where the request is not in accordance with the provisions of this Memorandum of Understanding;
  - (c) Where corresponding assistance would not be given in the country of or territory of the Requesting Authority;
  - (d) Where the request involves a breach of law or other requirement that has no close parallel in the country or territory of the Responding Authority or involves the assertion of a jurisdiction not recognised in the country or territory of the Responding Authority;
  - (e) Where it is determined that the grounds for the request for assistance do not serve the public interest of the Responding Authority.
- 10.2. Where the Responding Authority denies a request for assistance, or where assistance is not available under the law of the jurisdiction of the Responding Authority, the Responding Authority shall provide the reasons why it is not granting the assistance. The Authorities shall then consult pursuant to Clause 11.
- 10.3. The Authorities recognise that they intend nothing in the Memorandum of Understanding to either limit or enhance the powers of the Authorities under the acts or laws of their respective jurisdictions to investigate or gather information or to take measures otherwise than as provided in the Memorandum of Understanding to obtain information, whether or not concerning a request under the Memorandum of Understanding.

## **11. CONSULTATION**

11.1. The Authorities shall consult with each other to improve the operation of the Memorandum of Understanding and resolving any matters that may arise including, but not limited to:

- (a) Matters of mutual interest to enhance co-operation and to protect investors by ensuring the stability, efficiency, and integrity of the financial services industry in their respective jurisdictions;
- (b) The co-ordination of the supervision of financial institutions;
- (c) The administration of the acts, laws, regulations, and rules of their respective jurisdictions.

The purpose of such consultations is to assist in the development of mutually agreeable approaches for strengthening the financial services industries of their respective jurisdictions whilst avoiding, whenever possible, conflicts that may arise from the application of differing regulatory practices.

11.2. The Authorities shall consider the need for additional measures for the exchange of investigation, enforcement, supervisory, and surveillance information in the administration and enforcement of the acts, laws, regulations, and rules concerning financial institutions in their respective jurisdictions on an ongoing basis. To this end, the Authorities shall inform one another of the adoption of domestic measures that may affect their respective authority to provide assistance under this Memorandum of Understanding.

11.3. The Authorities may take practical measures as may be necessary to facilitate the implementation of the Memorandum of Understanding. As such, the Authorities may mutually agree in writing to amend, relax, or waive any of the terms of the Memorandum of Understanding.

## **12. COSTS OF INVESTIGATION**

If it appears that the Responding Authority shall incur substantial costs in responding to a request for assistance under this Memorandum of Understanding, the Responding Authority may, as a condition to executing the requests, require the Requesting Authority to contribute to its cost in an amount agreed upon by the Authorities.

## **13. TERMINATION OF THE MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding shall continue in effect until the expiration of thirty (30) days after either Authority gives written notice to the other Authority of its intention to terminate the Memorandum of Understanding. If either Authority gives such notice, this Memorandum of Understanding shall

continue to have effect with respect to all requests for assistance that the Authorities made before the effective date of notification until the Requesting Authority terminates the matter for which it requested assistance.

**14. EFFECTIVE DATE**

This Memorandum of Understanding shall be effective from the date of its signing by the Authorities.


SIGNED at this 17th day of October 2023.

***FOR AND ON BEHALF OF  
THE CAYMAN ISLANDS MONETARY AUTHORITY***



.....  
Patrick Bodden  
ACTING MANAGING DIRECTOR

***FOR AND ON BEHALF OF  
North Carolina Department of Insurance***

  
.....  
Jacqueline R. Obusek  
Chief Deputy Commissioner

**APPENDIX A**

**DESIGNATED CONTACT OFFICERS**

**The Cayman Islands Monetary Authority**  
SIX, Cricket Square, Shedden Road  
PO Box 10052  
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Cayman Islands

For all supervision purposes:  
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