



Registrar of Non-Profit Organisations

Reporting a Complaint On a Non-Profit Organisation



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Reporting a Complaint On a Non-Profit Organisation

The responsibility to report

The Registrar of Non-Profit Organisations (“NPOs”) wants to hear about complaints. If a serious incident takes place within your NPO it is important that there is prompt, full and frank disclosure to the Registrar. You need to report what happened and, importantly, let the Registrar know how you are dealing with it, even if you have also reported it to the police donor or board of directors.

This guidance helps NPOs controllers, senior officers and members of the public to identify serious incidents. It also explains how to report them and what to report.

What is a serious incident?

A serious incident is an adverse event, whether actual or alleged, which results in or risks significant:

- harm to your NPO’s beneficiaries, staff, volunteers or others who come into contact with your NPO through its work (who are collectively referred to throughout this guidance as people who come into contact with your NPO through its work)
- loss of your NPO’s money or assets
- damage to your NPO’s property
- harm to your NPO’s work or reputation

For the purposes of this guidance, “significant” means significant in the context of your NPO, taking account of its staff, operations, finances and/or reputation.

Who should report?

The responsibility for reporting serious incidents rests with the NPO’s controller(S). In practice, this may be delegated to someone else within the NPO, such as an employee or the NPO’s professional advisers.

However, all Controllers bear ultimate responsibility for ensuring their NPO makes a report, and does so in a timely manner.



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If you decide not to make a report about something serious that has happened in your NPO and the Registrar later becomes involved, you will need to be able to explain why you decided not to report it at the time.

The Registrar also recognizes there will be instances when members of the public or donor wishes to make a complaint and encourages such persons to inform us of the complaints. Complaints can be made using the official complaints form (appendix A), as well as via email or telephone call to General Registry.

Why must you tell the Registrar?

In summary

Given the challenging nature of the work undertaken and the difficult context faced by many NPOs, the Registrar understands that there is a possibility that serious incidents will occur. When something serious happens, it is the Registrar's role to ensure that controllers comply with their legal duties and that the NPO manages the incident responsibly. This means the Registrar will be looking for assurance that the NPO has taken steps to limit the immediate impact of the incident and, where possible, prevent it from happening again.

Most problems can be resolved by trustees themselves, in some cases with timely advice from professional advisers. Sometimes the Registrar needs to use powers to protect a NPO. Taking action quickly will help protect your NPO from further harm. Reporting also means the Registrar can identify whether other NPO might be affected, and can give better advice to all NPO to help them protect themselves.

In more detail

Reporting serious incidents to the Registrar has three main purposes:

1. The Registrar needs to ensure controllers and senior officers comply with their duties: By reporting a serious incident, controllers show that they have identified a risk to the NPO that has materialized, and that they are taking appropriate action to deal with it. This is very important because protecting the NPO's assets, reputation and people who come into contact with it through its work are essential controllers and senior officer's responsibilities. An incident is less likely to damage a NPO's reputation if controllers and senior officers can show that they handled it well.
2. The Registrar may need to provide regulatory advice or guidance or use its statutory powers (section 4 of the NPO Law (2017 Revision)): Timely reporting allows the Registrar to identify problems in NPOs at an early stage and, where appropriate, to provide regulatory advice and guidance to controllers. Any regulatory advice and guidance provided will normally be limited to



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ensuring the controllers and senior officers meet their legal duties. In the most serious cases the General Registry may need to use its statutory powers in order to protect the NPOs and put it back on track.

3. The General Registry can assess the risk to other NPOs: Serious incident reporting helps the Registrar to measure the volume and impact of incidents within NPOs, to identify trends and to understand the risks facing the sector as a whole. This insight helps the Registrar to warn NPOs about risks and give controllers and senior officers the information and tools they need to succeed.

When to report

You should report an actual or alleged incident promptly. This means as soon as is reasonably possible after it happens, or immediately after your NPO becomes aware of it.

Whistleblowing – speaking out if you suspect wrongdoing

The serious incident reporting framework and this guidance is for Controllers, senior officers and the public. If you're an employee of a NPO and you suspect serious wrongdoing within the organisation, for example criminal offences, malpractice/misconduct or health and safety breaches, you should usually raise this with your employers first, following the NPO's whistleblowing policy if it has one. There is also the option of reporting directly to the Registrar if the reportee is of the view that it would be best served.

In the situation where the whistleblower is of the view that the NPO is failing to deal with your concern appropriately or you continue to suspect serious wrongdoing, you can report this to the General Registry – including anonymously if you wish to do so. In reporting your concerns to the General Registry, you may be protected under Whistleblowing Law as long as the report is genuine and found to be within the public interest. The term public interest is a legal provision; in addition to ensuring there is a minimum standard, the term is also intended to dissuade false or frivolous complaints being made.

Duties of auditors and independent examiners to report matters

If you're an auditor or independent examiner of NPO accounts, there are separate duties to report certain matters and related protections.

What to report

You should report all incidents if it results in, or presents risk:

- Of harm to people who come into contact with your NPO through its work
- loss of the NPO's money or assets



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- damage to the NPO's property
- harm to the NPO's work or reputation

The below are some examples of what should be reported:

- **Protecting people and safeguarding incidents** – incidents that have resulted in or risk significant harm to beneficiaries and other people who come into contact with the NPO through its work
- **Financial crimes** – fraud, theft, cyber-crime and money laundering, terrorist financing
- **Large donations** from an unknown or unverifiable source, or suspicious financial activity using the NPO's funds
- **Significant** financial loss
- **Links to terrorism or extremism**, including 'proscribed' (or banned) Organisations, individuals subject to an asset freeze,
- **Other significant incidents**, such as – insolvency, forced withdrawal of banking services without an alternative, significant data breaches/losses or incidents involving partners that materially affect the NPO

It is the responsibility of the NPO's controllers and senior officers to report incidents to the Registrar.

The controllers may delegate responsibility for reporting an incident to employees of the NPO but overall responsibility still remains with them.

Reporting criminal activity

If a reportable incident involves actual or alleged criminal activity then you must also report it to the relevant agencies:

- safeguarding incidents: you should report allegations or incidents of abuse or mistreatment of people who come into contact with your NPO through its work to:
 - the police and obtain a crime reference number (RMS#) (call 911 or make a report at a local police station), and
 - the Registrar of NPOs,



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- Fraud and cyber-crime: you should report allegations or incidents of fraud and cyber-crime to the police and the Registrar, ensuring you obtain a crime reference number and making clear that you're representing a NPO.
- Theft: you should report allegations or incidents of theft to the police (call 911 or make a report at a local police station) and obtain a crime reference number, as well as the Registrar.
- Links to terrorism and extremism: you should report links or alleged links to terrorism and extremism to the police and Registrar; ensure that you obtain a crime reference number. If you don't do this immediately, failing to report is an offence under the Terrorism Law. You can report this type of incident to the police in the following ways:
 - via 911
 - police crime stoppers
- Criminal activity overseas: those NPOs that have external operations; you should usually report any actual or alleged criminal activity that takes place overseas to local law enforcement authorities and/or safeguarding Organisations in the location where this occurred. There may also be circumstances where it is necessary to report this to Cayman Islands authorities.
- An incident that involves actual or alleged criminal activity will usually be reportable to the Police and the Registrar.

Even when other agencies are involved, it is important that NPO's report the incident promptly to the Registrar themselves and do not wait until someone is arrested, charged or convicted before doing this. Always indicate what action was taken or what action the NPO is planning to take at the time of reporting.

Remember – if reporting to the police or Anti-Corruption Commission, you should also make a serious incident report to the Registrar, following the advice below.

Protecting people and safeguarding incidents

Protecting people and safeguarding responsibilities should be a key governance priority for all NPOs, regardless of size, type or income, not just those working with children or groups traditionally considered at risk. A NPO should be a safe and trusted environment and Controllers must take reasonable steps to protect the people who come into contact with their NPO through its work from harm. These people include:

- the NPO's beneficiaries, including adults at risk and children



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- the NPO's staff and volunteers

It may also include other people who come into contact with the NPO through its work. This might be, for example, people who attend an event run by the NPO who are not beneficiaries, staff or volunteers.

In some instances, NPO may have a specific duty of care for certain people that come into contact with them through their work. However, even if a NPO does not have a duty of care in relation to those who come into contact with it through its work, its Controllers may still need to think about whether or not certain steps need to be taken to address a risk of harm to these people. The steps that need to be taken, if any, will depend on the nature of the NPO's work and who it comes into contact with.

For those NPOs providing activities and services to children or adults at risk, the term safeguarding has a particular meaning under Children Law 2012 (Revision) Evidence Law (vulnerable persons) Cayman Islands legislation and practice guidance and may require reporting of incidents to statutory safeguarding agencies.

However, for the purposes of NPO law and reporting obligations to the Registrar as regulator, the Registrar uses the term safeguarding as the range of measures in place to protect the people who come into contact with NPOs through their work from abuse and mistreatment of any kind (including neglect).

Failure by Controllers to sufficiently manage safeguarding risks is of serious regulatory concern to the Registrar and may be considered to be misconduct and/or mismanagement. It can also damage public trust and confidence in NPOs and impact upon the sector as a whole.

Types of safeguarding incident to report

You need to make a report to the Registrar if a serious safeguarding risk materializes. This will usually be if any of the following occur:

- incidents of abuse or mistreatment (alleged or actual) of beneficiaries of the NPO (adults or children) which have resulted in or risk significant harm to them and:
 - This happened while they were under the care of the NPO
 - Someone connected with the NPO, for a controller or senior officer, staff member or volunteer, was responsible for the abuse or mistreatment (alleged or actual)
- Other incidents of abuse or mistreatment (alleged or actual) of people who come into contact with the NPO through its work, which have resulted in or risk significant harm to them and are connected to the NPO's activities



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- Breaches of procedures or policies at the NPO which have put people who come into contact with it through its work at significant risk of harm, including failure to carry out relevant vetting checks which would have identified that a person is disqualified in law from holding their position within the NPO. This might be, for example, because they are disqualified under safeguarding legislation from working with children and/or adults at risk

The above may include incidents in the workplace that have resulted in or risk significant harm to controller, senior officers, staff or volunteers. This does not mean that the Registrar expects NPOs to report every internal staffing incident - NPOs need to make a judgement call about which incidents either individually, or as a collection, are serious in the context of the NPO.

However, a report should always be made where the level of harm to the victims and/or the likely damage to the reputation of or public trust in the NPO is particularly high (for example, sexual misconduct by the NPO's Chief Executive or another person in a senior position or position of specific responsibility, such as the head of safeguarding). The Registrar would also expect to receive a report if the number and nature of staffing incidents indicate there are widespread or systematic issues connected to sexual harassment, abuse and/or other misconduct in a NPO.

If you have grounds to suspect that one of the types of incident listed above has occurred, it's important to act responsibly and take action promptly: As well as reporting to the Registrar, depending on the nature of the incident, you should also notify the police (see earlier in this section), the local authority and/or the relevant regulator or statutory agency.

The Registrar's role in relation to safeguarding incidents

The Registrar's role is to ensure the NPO's controllers are handling the incident appropriately and, where necessary, putting in place improved governance and internal controls, in order to prevent further harm.

The Registrar is not responsible for dealing with incidents of actual abuse or mistreatment and it does not administer safeguarding legislation. It cannot prosecute or bring criminal proceedings, although it may refer concerns on to 'lead agencies', such as the police, as well as to specialist bodies responsible for designated areas, such as education or health and social care.

Safeguarding incidents that occur outside of the NPO

Sometimes NPOs will become aware of safeguarding incidents that have occurred outside of the NPO this might be, for example, where:

- the NPO undertakes specialist work (in line with its charitable purposes) in providing safeguarding services and, as a result, deals routinely with safeguarding incidents that occur outside of the NPO



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- the NPO is alerted to alleged abuse of a beneficiary, staff member, volunteer or someone else who it comes into contact with through its work, which has occurred outside of the NPO and:
 - the abuse was not connected to its activities in any way
 - the person responsible for the abuse was not a trustee, staff member or volunteer

If your NPO becomes aware of such incidents, you would not normally be expected to report them to the Registrar. However, you would be expected to do so if it's found (or alleged) that the incident wasn't handled appropriately by your NPO and this resulted in harm to the person or persons concerned. In such circumstances, a report should also be made to the police and local authority.

Reporting safeguarding incidents to other regulators

NPOs that carry out particular activities, such as providing care or education services, may also be accountable to other regulators and may be required to report safeguarding incidents to them as well as to the Registrar. It's important that these NPOs know what the different requirements are for each regulator and ensure they comply with these. You should let the Registrar know which other agencies you have reported an incident to when you submit a report.

Financial crime: fraud, theft, cyber-crime and money laundering

Fraud, theft and cyber-crime are different criminal offences. They may relate not just to a NPO's funds and financial assets, but also to other assets, such as databases and confidential or sensitive information. The impact on a NPO can be significant, going beyond financial loss. These crimes cause distress to controllers, staff, volunteers and beneficiaries; they may also bring adverse publicity to the NPO and damage its good reputation with donors, beneficiaries and the public, as well as that of the NPO sector more generally.

The main categories of reportable financial crimes are defined below:

- Fraud is dishonesty, involving either false representation, for example 'identity fraud', failing to disclose information, or abuse of position, undertaken in order to make a gain or cause loss to another
- Theft is dishonestly taking property belonging to another with the intention of permanently depriving the other of it
- Cyber-crime is any criminal act involving computers and networks. These crimes can be quite complex and difficult to detect, often involving data breaches or identity fraud. It's important to consider how best to protect your NPO from harm online.



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- Money Laundering' is the term used where criminals turn the proceeds of crime ('dirty' money) into property or money ('clean' funds) so that they seem lawful and legitimate - this avoids suspicion or detection. Unfortunately, the good reputation and public confidence enjoyed by a NPO can also make it a target for criminals looking for a safe 'hiding place' for illegitimate funds. You can substantially reduce the risks of your NPO being used as a vehicle for money laundering by following the due diligence 'know your donor' principles outlined during the face to face sessions. The Registrar will also be issuing specific guidance on same.

If you are reporting fraud or theft then you may find it helpful to refer to the Registrar's Fraud and Theft Reporting Checklist.

There is no minimum loss figure that should be reported – you need to decide whether incidents are serious enough to report, in the context of your NPO and its income, taking account of the actual harm and potential risks posed.

However, the higher the value of the loss, the more serious the incident is likely to be, and should be reported. Other factors that are likely to indicate seriousness include:

- Where the person accused of taking the funds/assets is involved in the NPO, particularly if he/she holds a senior position, for example CEO or has responsibility for financial management, Treasurer on board of directors etc.
- where the person accused is involved with other NPOs
- numerous incidents have taken place that appear connected, indicating a pattern or trend
- a single incident has been committed repeatedly over a long period of time
- a number of separate incidents have occurred over a short period of time
- the funds lost/at risk are from a public appeal, collection or grant funding
- where there are signs of public interest, such as significant media reporting
- where the NPO has had to take serious action against an individual, such as disciplinary action, investigation or suspension.

Be aware that 'low value' incidents can pose serious risks - they may be a sign that individuals are trying to avoid detection. Repeated or frequent incidents can be symptomatic of weak financial controls and poor governance, leaving a NPO more vulnerable to fraud, theft or cyber-crime. Therefore, if there have been repeated incidents of low value fraud, theft or cyber-crime in your NPO, the Registrar would expect you to report this.



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For some NPOs, due to the nature of their activities, for example shops or trading outlets, the risk of incurring loss or being the victim of crime is higher. If your NPO relies on cash-based fund raising, it may be more vulnerable to organized fraudsters, who can take advantage of the trust and honesty shown by controllers, senior officers, staff or volunteers.

If you decide that an incident is not serious enough to report, it's still important that you handle the situation appropriately and take reasonable steps, perhaps by tightening financial controls and procedures, to ensure it doesn't happen again.

Unverified or suspicious donations

While the vast majority of donations to NPOs will be made in good faith, NPOs can be abused by donors in a number of ways. Examples of this include [money laundering](#) but may also include use of donations to dispose of the proceeds of crime and finance terrorism.

You should act with due diligence and be mindful of donations to your NPO from sources that cannot be verified, or you may be in breach of your duties under the Anti-Money Laundering Regulations and Proceeds of Crime. This means you need to ensure appropriate checks are made before accepting any unverified, anonymous or suspicious donations. You will also need to keep records of substantial donors and transactions, in order to avoid liability.

Be alert to unusual donor activity, such as a large, one-off donation or a series of smaller donations from an unfamiliar, unverified or anonymous source; donations may take forms other than money, for example shares or goods .

As a guide, controllers should report, via email, unverified or suspicious donations totaling \$5,000 or more, providing the assurance outlined above that appropriate checks have been made before accepting/declining the donation.

However, remember that in the case of incidents under \$5,000, you should use your own judgement to decide whether it's serious enough to report, taking into account all the relevant factors.

You should also report if you are concerned about other suspicious financial activity connected to the NPO's funds. This might include requests from third parties to:

- cash a cheque for a large sum of money
- convert large quantities of cash into another currency
- pay a fee to release funds to be donated to the NPO



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Other significant financial loss

You should report any significant financial loss due to other causes, where this threatens the NPO's ability to operate and serve its beneficiaries, or where the NPO's financial reserves are not sufficient to cover the loss. For example:

- significant fire, flood or storm damage destroying or seriously damaging the NPO's main premises
- having to abandon property,
- losing a court case and having to pay substantial legal fees or damages out of NPO funds; NPOs incurring costs through routine litigation, undertaken in line with NPO aims and on behalf of beneficiaries, are not expected to report.
- significant financial penalties the court of other competent authorities

In the most serious cases, the loss could mean your NPO cannot continue to operate and may need to 'wind up'.

As a guide for this type of incident, the Registrar would expect you to report any loss of funds or property with a value:

- totaling \$1000 or more, or
- totaling less than \$1000 but which is in excess of 20% of the NPO's income

For amounts lower than the above, you should decide if they are significant and should be reported, taking the NPO's income, work and other factors into account. For example, damage to the NPO's main premises might be valued at less than \$25,000 or 20% of the NPO's income but it might prevent the NPO from delivering vital services to beneficiaries so may be reportable.

You need to report financial loss such as asset write-downs, and bad debts, as these pose a potential threat to the solvency of the NPO. Remember, when reporting to the Registrar, you should state what happened, the nature of the risk and the steps you're taking to deal with the incident.

Links to terrorism and extremism



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These types of incidents include discovering that someone within or connected to the NPO does business with, or has links to, terrorist groups, or is subject to an asset freeze; also, where property has been stolen by terrorist groups, or NPO's money, personnel or other assets used to support terrorist activities.

You should report to the Registrar if you become aware of allegations being made, or have evidence to suspect that:

- your NPO (including controllers, senior officers, members of staff, volunteers or anyone connected with the NPO) has known or alleged links to a proscribed (banned) organisation or other terrorist/ unlawful activity
- someone within or closely connected to the NPO, or one of your delivery partners, is placed on Office of Financial Sanctions Implementation (OFSI), Office of Foreign Asset Control (OFAC) European Union (EU) or international terrorist list or is subject to an asset freeze
- NPO funds or assets have been used to pay bribes, protection money or ransoms
- NPO funds or assets have been used/ diverted (perhaps via a delivery partner) to support a terrorist group or for other terrorist purposes
- the NPO has been used to circumvent asset freezing measures
- NPO personnel have been kidnapped or harmed by terrorist groups, including overseas, when representing the NPO or carrying out charitable/ missionary work

Though the risk of extremism is low in the Cayman Islands, You should be aware of the potential risk of the NPO being abused for extremist purposes; for example, distribution of extremist material when promoting literature and educational materials via the NPO's website or on social media. You should report to the Registrar if:

- you know or suspect that your NPO's premises, or any of the activities that your NPO runs, have been misused as a platform for the expression or promotion of extremist views, or the distribution of extremist materials
- you become aware of media reports alleging that your NPO has been misused for such purposes, particularly if you believe these could have a significant negative impact upon your NPO's reputation

Other significant incidents



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You should make a report to the Registrar if:

- You discover that a controller or a senior officer of the NPO is disqualified in law from holding that position; for example, because they have an unspent conviction for fraud or theft, they are an undischarged bankrupt, they are a convicted sex offender or disqualified as a director under company law.
- Something has happened to force your NPO into insolvency or to wind up, for example unmanageable debts or reduced income streams
- Your NPO's operations are threatened because your main or only bank has withdrawn banking services, and you can't find another bank that will accept you
- Your NPO is subject to a police investigation or a significant investigation by another agency/regulator.
 - place the future of the NPO in doubt, or
 - are likely to damage the NPO's reputation or public confidence in the NPO, or
 - relate to any of the other categories of serious incidents set out in this guidance
- your NPO has experienced major governance problems, such as mass resignation of staff or controllers, senior officers, or other events, leaving it unable to operate
- your NPO's controllers, senior officers or employees are the subject of criminal proceedings, in connection with the NPO or their role in it
- you discover that there has been a significant data breach or loss within your NPO
- you discover that an incident has occurred involving one of the NPO's partners in the Cayman Islands or internationally, which materially affects your NPO, its staff, operations, finances and/or reputation, such that it is serious enough to be reported. Partners in this context includes the following and the people who come into contact with them through their work (such as their beneficiaries, staff and volunteers):
 - a delivery partner of the NPO
 - a subsidiary trading company of the NPO
 - an organisation that receives funding from the NPO



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- another NPO or organisation that is linked to your NPO, for example as part of a federated structure

How to report

This section explains how to report a serious incident in your NPO.

Action to take

If something does go wrong, you should take immediate action to:

- prevent or minimize any further harm, loss or damage
- report it to the Registrar as a serious incident
- report it to the police (and/or other relevant agencies) if you suspect a crime has been committed, and to any other regulators the NPO is accountable to
- plan what to say to your staff, volunteers, members, the public, the media and other stakeholders, such as funders
- review what happened and prevent it from happening again – this may include reviewing internal controls and procedures, internal or external investigation and/or seeking appropriate help from professional advisers

You can report serious incidents via email to: grcompliance@gov.ky

You should report what happened and explain how you're dealing with it, even if you have already reported it to the police or another regulator.

If you're reporting the incident as a controller or senior officer you need to confirm that you have authority to report on behalf of the controller body. If you're not a controller or senior officer you should explain who you are, your relationship with the NPO and confirm that you have the authority of the NPO to report the incident.

There may be circumstances where a serious incident occurs involving more than one NPO and the incident should be reported by each of those NPOs. This might be, for example, where the incident materially affects a number of NPOs in a federated structure or involves an activity funded by more than one NPO. In these cases, the NPOs can agree for one of the NPOs to make the report on behalf of all of them, provided that they:



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- make it clear to the Registrar that they have the authority to do this, and
- tell us about the action that each of the NPOs are taking in response to the incident

You may find it helpful to refer to the reporting checklist.

When making a serious incident report, you should provide details of:

- who you are and your connection to the NPO
- Who in the controller's body is aware of the incident, for example is it all controllers or just some of them?
- what happened and when the NPO first became aware of it
- the action which has been taken or will be taken to deal with the incident and prevent future problems
- whether and when it has been reported to the police or another regulator (including official reference numbers)
- media handling lines you may have prepared

It's important that you provide enough detail in your report to give the Registrar a clear picture of what happened and when, the extent of any loss or harm, how you're dealing with it and the possible next steps. Please provide the names of any individuals involved in the incident in your initial report – the Registrar will come back to you if it needs this information.

If, having submitted a report to the Registrar you become aware of any material changes to the facts that were reported, or any other significant developments, it's important that you let the Registrar know as soon as you become aware of these. This includes letting us know if individuals who were alleged to be responsible for wrongdoing are exonerated or the allegation was found to be false or groundless following further investigation by the NPO, the police or another regulator/agency.

What happens next?

The Registrar will let you know that it has received your report. It will assess the nature and level of any risks and look at how you're dealing with the incident, and may take steps to verify the details, for example by contacting the police. Once the Registrar has completed this assessment, it will let you know the outcome. It may come back to you first if it:

- needs more information about the incident



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- considers your NPO needs regulatory advice and guidance
- has to use its legal powers to protect your NPO and/or the people who come into contact with your NPO through its work
- requires you to provide future, timely updates, for example on the outcome of an investigation
- needs to monitor your progress in dealing with the incident

Reporting multiple incidents

The Registrar recognizes that some incidents may occur more frequently within certain NPOs because of the scope and/or nature of their activities, or the size of the organisation. For instance:

- a NPO may be more vulnerable to fraud if it undertakes a lot of complex financial trading
- where a NPO is running services for children or adults at risk, there may be more allegations or incidents involving safeguarding failures
- Where NPOs work overseas (particularly in high risk areas), they may be more vulnerable to harm and loss. In such instances, you can request the Registrar's permission to submit multiple reports. The Registrar may agree to multiple reporting, provided that:
 - the Registrar is satisfied that the NPO has appropriate policies and procedures, and mechanisms for the application of those policies/procedures, in place to deal with serious incidents
 - particularly serious or significant incidents are reported straight away and separately

If the Registrar agrees that your NPO can submit regular multiple ('bulk') reports, you can submit these periodically rather than by making separate ('single') reports for each incident. Many larger and well established NPOs have accounting and audit systems in place for periodic reporting to their own boards. It may be possible for these reports to be used or adapted for the Registrar, so long as they include the information outlined in section above.

If you choose to submit a bulk report in this way, you should be confident that each incident listed is serious enough to report. You should also provide sufficient detail about each incident and the action taken to deal with it. The Registrar may have to contact you for more information, and possibly to issue timely guidance, if the relevant and appropriate information is not provided.

Examples of particularly serious or significant incidents that should be reported straight away and not saved for a bulk report include the following:



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- incidents that attract significant media attention that results in or risks significant harm to the NPO's reputation
- incidents involving a significant live and ongoing risk to the NPOs operations, money, assets, property or the people who come into contact with it through its work
- incidents that involve links to terrorism and extremism

If, after reading this guidance, you would like to start submitting bulk reports or you are unsure of the triggers for making a single report, you can get in touch with the Registrar for more information via grcompliance@gov.ky (draft)

Declaration in the annual return

As a matter of good practice, all NPOs, regardless of size or income, should report serious incidents to the Registrar promptly.

As part of the annual return, sign a declaration confirming there were no serious incidents during the previous financial year that should have been reported to the Registrar but were not. If incidents did occur, but weren't reported at the time, you should submit these before you file your NPO's Annual Return, so you can make the declaration.

Until all serious incidents have been reported, you will not be able to make this declaration, or complete the annual return, which is a statutory requirement under section 15 subsection 1 of the Non-Profit Organisation Law (2017) Revision. It's an offence as per section 16 of the Non-Profit Organisation Law (2017) Revision for the controller to fail to provide the Registrar with an annual return for the NPO.

If controller(s) fail to report a serious incident that subsequently comes to light, the Registrar may consider this to be mismanagement, for example where the controller(s) have failed to manage the risks properly and breached their legal duties. This may prompt regulatory action, particularly if further abuse or damage has arisen following the initial incident.

Data protection, confidentiality and data sharing

Even where the Registrar decides not to take immediate action in response to a report, it may store the information and process it in the future.

The Registrar appreciates that the information provided when a NPO reports a serious incident may be confidential or sensitive. However, the Registrar often considers that sharing information is necessary in order to further its statutory functions and objectives and, in some cases, the Registrar is required to share



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information by law. The Registrar does not therefore routinely guarantee information provided will be kept confidential.

If the information you provide (or wish to provide) is particularly sensitive or confidential or if you feel a particular exemption applies, you should tell the Registrar and explain why this is so.

Tell us [what you think](#) of this updated serious incident reporting guidance.