

CAYMAN ISLANDS



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**THE BANKS AND TRUST COMPANIES LAW
(2018 REVISION)**

**THE PRIVATE TRUST COMPANIES (AMENDMENT) REGULATIONS,
2019**

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THE BANKS AND TRUST COMPANIES LAW

(2018 REVISION)

**THE PRIVATE TRUST COMPANIES (AMENDMENT) REGULATIONS,
2019**

The Cabinet, in exercise of the powers conferred by section 27 of the Banks and Trust Companies Law (2018 Revision), makes the following Regulations -

1. (1) These Regulations may be cited as the Private Trust Companies (Amendment) Regulations, 2018. Citation

2. The Private Trust Companies Regulations (2013 Revision), in these Regulations referred to as the “principal Regulations”, are amended in regulation 2 as follows - Amendment of
regulation 2 of the
Private Trust Companies
Regulations (2013
Revision) - definitions

- (a) in the definition of the words “connected trust business” by deleting the words “the contributors” and substituting the words “of which there is one or more than one contributor”; and
- (b) by inserting in the appropriate alphabetical sequence the following definitions -

“ “ceased operations” means, in relation to a private trust company, that the private trust company no longer conducts connected trust business for any connected trust;

“natural person” means a human being, as distinguished from person who is a corporation, club, society, association or other body created by law;” and

“principal” means -

- (a) a person who is entitled to exercise control of ten per cent or more of the voting power over an institution or over another company of which the institution is a subsidiary;

- (b) a person, whether the person is a shareholder or not, in accordance upon whose directions or instructions -
 - (i) the directors of an institution; or
 - (ii) the directors of an institution which is a subsidiary of another company,are accustomed to act; or
- (c) a director of a private trust company;”.

Amendment of
regulation 3 - registered
office

3. The principal Regulations are amended in regulation 3 as follows -

- (a) by inserting after paragraph (1) the following paragraph -

“(1A) The Authority is entitled at all reasonable times to inspect all documents and records of the private trust company held or that should be held at the registered office.”; and

- (b) in paragraph (2) as follows -
 - (i) by inserting after the words “at its registered office” the words “and make available for inspection by the Authority at its registered office”;
 - (ii) in paragraph (d), by deleting the word “and” at the end of the paragraph;
 - (iii) in paragraph (e), by deleting the full stop and substituting the words “; and”;
 - (iv) by inserting after paragraph (e) the following paragraph -

“(f) all financial and transactional records of the private trust company and its connected trust business.”.

Amendment of
regulation 4 - exemption
from licensing
requirements

4. The principal Regulations are amended in regulation 4 as follows -

- (a) in paragraph (2)(a)(iii), by inserting after the words “the shareholders” the words “or members, if any,”;
- (b) by deleting the word “and” at the end of paragraph (2)(a)(vi);
- (c) by inserting after paragraph (2)(a) the following sub-paragraph -

“(aa) file with the Authority in the form specified by the Authority proof of the identification of the directors and shareholders of the private trust company; and”;
- (d) in paragraph (2)(b), by deleting the words “seven thousand” wherever they appear and substituting the words “three thousand five hundred”;
- (e) by inserting after paragraph (2) the following paragraph -

“(2A) A private trust company which fails to pay the annual registration fee pursuant to paragraph (2)(b) is required to pay, in addition to the annual registration fee, a surcharge not exceeding

one-twelfth of the annual registration fee for every month or part of a month that the annual registration fee is not paid.”;

- (f) in paragraph (3), by deleting the words “paragraph (2)(a)” wherever they appear and substituting the words “paragraphs (2)(a) and (aa)”;
- (g) by inserting after paragraph (3) the following paragraph -

“(4) If there is any change in the information provided to the Authority for the registration of a private trust company, the registered private trust company shall within thirty days of the change, inform the Authority of the change.”.

5. The principal Regulations are amended by inserting after regulation 4 the following regulations -

Insertion of regulation
4A - directors and 4B -
cancellation of
registration

“Directors

4A. A private trust company registering with the Authority under regulation 4(2) or a private trust company making any change to the membership of the board of the private trust company, on or after the commencement of these amending Regulations, is required to have a natural person appointed as a director.

Cancellation of
registration

4B. The Authority may refuse or cancel the registration of a private trust company where -

- (a) the private trust company requests the cancellation; or
- (b) the Authority has reasonable grounds to believe that a private trust company or any principal of a private trust company -
 - (i) is conducting business in breach of the Anti-Money Laundering Regulations (2018 Revision) or any other applicable Law; or
 - (ii) is not or ceases to be a fit and proper person.”.

(2018 Revision)

6. The principal Regulations are amended by inserting after regulation 7 the following regulation -

Insertion of regulation 8
- surrendering
registration

“Surrendering
registration

8. A private trust company surrendering its registration shall pay to the Authority a fee of three hundred dollars upon surrendering the registration.”.

Made in Cabinet the 30th day of January, 2019.

Davina Wilson

Acting Clerk of the Cabinet.