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CAYMAN ISLANDS



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2013.

BANKS AND TRUST COMPANIES LAW

(2013 REVISION)

PRIVATE TRUST COMPANIES REGULATIONS

(2013 Revision)

Revised under the authority of the Law Revision Law (1999 Revision).

Private Trust Companies Regulations (2013 Revision)

Private Trust Companies Regulations, 2008 made the 19th August, 2008 and the Private Trust Companies (Amendment) Regulations, 2013 made the 7th January, 2013.

Consolidated with the -

Private Trust Companies (Amendment) Regulations, 2009 made the 1st December, 2009 and the Private Trust Companies (Amendment) Regulations, 2013 made the 7th January, 2013.

Consolidated and revised this 31st day of July, 2013.

Note (not forming part of the Regulations): This revision replaces the 2011 Revision and should now be discarded.

PRIVATE TRUST COMPANIES REGULATIONS

(2013 Revision)

ARRANGEMENT OF REGULATIONS

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PRIVATE TRUST COMPANIES REGULATIONS

(2013 Revision)

1. These regulations may be cited as the Private Trust Companies Regulations (2013 Revision). Citation

2. (1) In these regulations- Definitions

“connected person” has the meaning assigned to that expression in paragraph (2);
“connected trust business” means trust business in respect of trusts the contributors to the funds of which are all, in relation to each other, connected persons;

“group of companies” has the meaning assigned to that expression in section 3 of the Securities Investment Business Law (2011 Revision); and 2011 Revision

“private trust company” means a trust company which -

- (a) is incorporated in the Islands; and
- (b) conducts no trust business other than connected trust business.

(2) For the purposes of these regulations, a person is a connected person in relation to another person if -

- (a) they are in a relationship listed in the Schedule; Schedule
- (b) one is contributing to the funds of a trust as the trustee of a trust of which the other is a contributor;
- (c) each is in a group of companies; or
- (d) one is a company and the other is a beneficial owner of shares or other ownership interests of that company or of any other company in the same group of companies.

3. (1) A private trust company shall maintain its registered office at the office of a company that holds a Trust licence under section 6(5)(c) of the Law. Registered office

(2) A private trust company shall keep at its registered office, in relation to each relevant trust, up to date copies of the trust deed or other documents containing or recording -

- (a) the terms of the trust;
- (b) the name and address of the trustee;
- (c) the name and address of any contributor to the trust;
- (d) the name and address of any beneficiary to whom a distribution is made from the trust; and
- (e) any deed or other document varying the terms of the trust.

(3) For the purposes of paragraph (2)-

- (a) where there is a transfer between trusts, “contributor” means the trustee or trustees of the transferor trust, and “beneficiary” means the trustee or trustees of the transferee trust; and
- (b) where there is a distribution to or for the benefit of a minor or an unincorporated charity, “beneficiary” means the person who gives a receipt for the distribution.

Exemption from
licensing requirements

4. (1) A company that is a private trust company and is registered under paragraph (2), does not require a licence to carry on connected trust business.

(2) For the purposes of paragraph (1), a private trust company shall register with the Authority and, in order to be registered, shall, at the time of registration and on or before the 31st day of January every year thereafter during the continuation of the registration -

- (a) file with the Authority an annual declaration in such form as the Authority may approve, declaring -
 - (i) the name of the private trust company;
 - (ii) the names and addresses of the directors of the private trust company;
 - (iii) the names and addresses of the shareholders of the private trust company;
 - (iv) the name of the holder of the Trust licence providing the registered office of the private trust company;
 - (v) that the company is a private trust company to which paragraph (1) applies; and
 - (vi) that the company is in compliance with the requirements of these regulations; and
- (b) pay to the Authority an initial registration fee of seven thousand dollars and thereafter an annual registration fee of seven thousand dollars.

(3) A private trust company shall not file false, misleading or inaccurate information under paragraph (2)(a); and, in addition to any other penalty that may be imposed for contravention of these regulations, the Authority may cancel the registration of a company if that company files any such false, misleading or inaccurate information or fails to comply with paragraph (2)(a).

Contributions

5. A private trust company shall not in any manner solicit or receive contributions in respect of trusts of which it is trustee, from -

- (a) the public; or

- (b) persons other than those who are, in relation to each other, connected persons.

6. (1) A private trust company shall use the words “Private Trust Company” or the letters “PTC” in the name by which the company is registered under the Companies Law (2013 Revision).

Use of words “Private Trust Company”
2013 Revision

(2) No person, other than a private trust company shall use the words “Private Trust Company” or the letters “PTC” in the description or title under which such person is carrying on business from within the Islands, whether or not such business is carried on in the Islands.

(3) For the purposes of section 11(1)(a) and (2) of the Law, the requirement in paragraph (1) shall be deemed to have the approval of the Authority.

7. A private trust company that contravenes regulation 3(2) or 4(2) commits an offence and is liable on summary conviction to a fine of five thousand dollars. Penalty

SCHEDULE

regulation 2

CONNECTED PERSONS

1. For the purposes of these regulations, the following persons constitute connected persons in relation to an individual -

- (a) spouse;
- (b) the descendants of the individual and their spouses;
- (c) parents, including step- parents;
- (d) grandparents;
- (e) parents-in-law, including step-parents-in-law;
- (f) brother, step-brother, sister, step-sister and their spouses;
- (g) spouse’s grandparents;
- (h) spouse’s brother, step-brother, sister, step-sister and their spouses and children;
- (i) parent’s brother, step-brother, sister, step-sister and their spouses;
- (j) children of the brother, step-brother, sister or step-sister of the individual’s parents, both present and future, including stepchildren, and their spouses; and
- (k) children of the individual’s brother, step-brother, sister or step-sister, both present and future, including step-children, and their spouses.

2. For any of the relationships listed in paragraph 1 that may be established by blood, that same relationship may also be established by adoption.
3. In paragraph 1(b), the term “descendants of the individual” means the individual’s children, the children of his children, the children of those children, and so on.
4. For the purpose of paragraph 3, the term “children” includes step-children.

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Carmena Watler
Acting Clerk of Cabinet

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