



ANGUILLA

**OFFSHORE BANKING ACT, 2024**

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**OFFSHORE BANKING ACT, 2024**

## TABLE OF CONTENTS

## PART 1

## PRELIMINARY PROVISIONS

## SECTION

1. Interpretation
2. Application

## PART 2

## OFFSHORE BANKING BUSINESS

3. Licence required
4. Application for licence
5. Issuance of licence
6. Restrictions on business that may be carried on by licensee
7. Maintenance of capital

## PART 3

## MATTERS APPLICABLE TO OFFSHORE BANKING BUSINESS

*Surrender of Licence and Variation of Terms of Licence*

8. Surrender of licence
9. Variation of terms or conditions of licence

*Principal Office and Authorised Agent*

10. Principal office and authorised agent
11. Operation outside Anguilla

*Restrictions on and Change of Names*

12. Restrictions on use of certain terms
13. Change of name

*Transfer of Shares and Appointment of Directors*

14. Transfer of shares
15. Number and appointment of directors
16. Exemption for domestic bank

*Obligations of Licensee*

17. Annual fee
18. Books and records
19. Display of licence
20. Accounts
21. Directions for the reporting of information


*Administration*

22. Attorney-General may apply to Court

*Miscellaneous*

23. Insurance
24. Appeals
25. Regulations
26. Offences
27. Repeal
28. Citation

I Assent



Perin A. Bradley  
Governor (Acting)

24 Dec 20 24  
Date

ANGUILLA

No. 25/2024

**OFFSHORE BANKING ACT, 2024**

[Gazette Dated: 27<sup>th</sup> December, 2024] [Commencement: Assent under section 57 of the Constitution]

An Act to repeal the Trust Companies and Offshore Banking Act and to replace it with the Offshore Banking Act as a consequence of the enactment of the Trust and Corporate Services Providers Act which now governs the management of trust companies.

ENACTED by the Legislature of Anguilla

## PART 1

## PRELIMINARY PROVISIONS

**Interpretation**

1. (1) In this Act—

“attorney-at-law” means an attorney admitted to practice before the Eastern Caribbean Supreme Court in Anguilla;

“auditor” means a person who is in good standing as a member of an association of chartered or public accountants or other similar body approved by the Commission as a reputable auditing association;

“authorised agent” means an authorised agent referred to in section 10;

“bank” means a person carrying on banking business;

“banking business” means—

- (a) the business of receiving funds through the acceptance of money deposits payable on demand or after a fixed period or after notice or any similar operation through the frequent sale or placement of bonds, certificates, notes or other securities, and the use of such funds either in whole or in part for loans or investment for the account and the risk of the person doing such business; and

- (b) any other activity prescribed by the Governor as constituting customary banking practice that a bank engaged in activities described in paragraph (a) may additionally be authorised to do;

“Commission” means the Anguilla Financial Services Commission established under section 2 of the Financial Services Commission Act;

“company” means a company incorporated or continued under the Business Companies Act;

“Court” means the High Court;

“dollar” or “\$” means a dollar in the currency of the United States of America;

“domestic bank” means a person holding a licence under the Banking Act;

“exempted company” means a company registered as such under Part 7 of the Business Companies Act;

“foreign company” means a foreign company continued under Part 12 or registered under Part 14 of the Business Companies Act;

“licence” means an offshore banking licence;

“licensed business” means the offshore banking business that the licensee is licensed to carry on;

“licensee” means a person holding an offshore banking licence;

“offshore banking business” means banking business carried on in or from within Anguilla in a currency other than Eastern Caribbean dollars with a non-resident of Anguilla;

“offshore banking licence” means a licence issued under section 5;

“prescribed” means prescribed by regulations made by the Governor under section 25;

“Regulatory Code” means a Regulatory Code issued under section 59 of the Financial Services Commission Act;

(2) Subject to subsection (3), the following are regarded as non-residents of Anguilla—

- (a) an exempted company; and
- (b) a company or an LLC formed or continued under the Limited Liability Company Act that, at the relevant time does not engage in any revenue generating activities in Anguilla.

(3) An LLC or a company shall not be regarded as engaging in a revenue-generating activity in Anguilla in respect of—

- (a) any offshore banking business conducted with it by a person holding an offshore banking licence; or
  - (b) any activity which the Governor prescribes as exempt.
- (4) For greater certainty—
- (a) a company;
  - (b) an exempted company; or
  - (c) an LLC formed or continued under the Limited Liability Company Act;

that carries on banking business outside Anguilla carries on banking business, as the case may be, from within Anguilla.

### **Application**

2. (1) This Act does not apply to the Caribbean Development Bank.
- (2) For greater certainty—
- (a) a person, including a domestic bank, that holds an offshore banking licence—
    - (i) is exempt from the provisions of the Banking Act in respect of offshore banking business, and
    - (ii) is subject to the provisions of the Banking Act in respect of banking business other than offshore banking business; and
  - (b) a person holding an offshore banking licence other than a domestic bank, does not require a licence under the Trades, Businesses, Occupations and Professions Licensing Act in respect of its offshore banking or trust business.

## **PART 2**

### **OFFSHORE BANKING BUSINESS**

#### **Licence required**

3. (1) No person, including a domestic bank, shall carry on offshore banking business unless he holds a licence that is not suspended.

(2) A person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$25,000, to a term of imprisonment of 2 years or to both.

**Application for licence**

4. (1) A company or a foreign company may apply to the Commission for a licence.
- (2) An application under subsection (1) must—
- (a) contain such information as the Commission may direct and be in the approved form; and
  - (b) be accompanied by the documentation specified in the approved form or prescribed.

**Issuance of licence**

5. (1) The Commission may issue a licence to the applicant where the Commission is satisfied—
- (a) that an applicant is a fit and proper person and is qualified to carry on offshore banking business;
  - (b) that the persons having any share or other interest, whether legal or equitable, in the applicant and its directors and officers are fit and proper persons to have an interest in or be concerned with the management of a licensee, as the case may be;
  - (c) that the applicant intends, if issued with a licence, to commence offshore banking business;
  - (d) that the applicant satisfies the requirements of this Act in respect of the application and will, upon issuance of the licence, be in compliance with this Act in respect of licensing; and
  - (e) that issuing the licence is not against the public interest;
- (2) Where the Commission exercises its discretion to issue a licence, that licence may contain terms and conditions that it considers to be fit.

**Restrictions on business that may be carried on by licensee**

6. A licensee that is not a domestic bank may not—
- (a) invest in any asset that represents a claim on any person resident in Anguilla except a claim resulting from—
    - (i) a transaction with another licensee, or
    - (ii) the purchase of bonds or other securities issued by the Government, a government agency or a company in which the Government is the sole or majority beneficial owner; or
  - (b) without the written approval of the Commission, carry on any offshore banking business other than that for which the licence has been issued.

**Maintenance of capital**

7. (1) A licensee, other than a domestic bank, must ensure that its paid-up share capital is maintained in an amount not less than \$250,000, or the equivalent in another currency, or such greater sum as may be ordered under subsection (2).

(2) The Commission may, order a licensee to increase its fully paid-up capital to such greater amount as it may determine having regard to the nature of the offshore banking business being, or sought to be, undertaken.

(3) A company that contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$25,000.

(4) Where an offence under this section is committed by a company, a director or officer of the company who knowingly authorised, permitted or acquiesced in the commission of the offence also commits an offence and is liable on summary conviction to a fine of \$25,000, to a term of imprisonment for 6 months or to both.

**PART 3****MATTERS APPLICABLE TO OFFSHORE BANKING BUSINESS***Surrender of Licence and Variation of Terms of Licence***Surrender of licence**

8. (1) A licensee that ceases to carry on the licensed business may apply to the Commission to surrender its licence.

(2) An application under subsection (1) must—

(a) contain such information as the Commission may direct and be in the approved form; and

(b) be accompanied by the documentation specified in the approved form or prescribed.

(3) The Commission may approve the surrender of a licence where the Commission is satisfied that—

(a) the licensee has ceased to carry on the licensed business and that the licensee has repaid all deposits accepted by it; or

(b) if the licensee is being wound up, that it is solvent and is able on demand to repay all deposits accepted by it.

(4) In the case of a surrender of a licence under paragraph (3)(b), the Attorney-General or the Commission may apply to the Court for an order that the licensee be wound up by the Court or subject to the supervision of the Court under the Business Companies Act.



**Variation of terms or conditions of licence**

9. The Commission may, upon giving reasonable notice to the licensee, vary or cancel any term or condition imposed on the licence or impose new terms or conditions.

*Principal Office and Authorised Agent***Principal office and authorised agent**

10. (1) A licensee must have—

- (a) a principal office in Anguilla; and
- (b) 2 authorised agents who comply with subsection (2).

(2) Each authorised agent must be an individual resident in Anguilla and must, prior to his appointment—

- (i) have consented in writing to act as an authorised agent, and
- (ii) be approved in writing as an authorised agent by the Commission.

(3) The licensee must appoint its first authorised agents not later than the day of the issue of its licence and shall forthwith notify the Commission that the approved appointments have been made.

(4) A licensee may not change the address of its principal office or appoint an authorised agent without the prior written approval of the Commission.

(5) The Commission in its discretion may in writing revoke an approval given under this section.

(6) Subject to subsection (7), a licensee that contravenes this section commits an offence and is liable on summary conviction in respect of a breach of subsection—

- (a) (1), to a fine of \$25,000; and
- (b) (3) or subsection (4), to a fine of \$10,000.

(7) A licensee does not contravene subsection (1) when an authorised agent dies or resigns or has his approval revoked under subsection (5) if—

- (a) the licensee forthwith submits to the Commission for approval the name of a person to replace the authorised representative; and
- (b) appoints an authorised agent forthwith after he is approved;

so long as the licensee has at least one authorised agent.

(8) This section does not apply to a domestic bank.

(9) The authorised agents of a licensee shall in their capacity as representatives of the licensee ensure compliance with any statutory requirements under this Act.

### **Operation outside Anguilla**

11. (1) A licensee must not operate a branch, agency or office outside Anguilla without the prior written approval of the Commission.

(2) A licensee who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$25,000, to a term of imprisonment for one year or to both.

### *Restrictions on and Change of Names*

#### **Restrictions on use of certain terms**

12. (1) No person other than a licensee shall, except with the authority of the Commission or under the authority of any other written law—

(a) use, whether in the name under which he is registered or in the description or title under which he carries on business in or from within Anguilla and whether in English or in any language—

(i) the words “bank”, “savings” or any derivative, or

(ii) any word that, in the opinion of the Governor, suggests offshore banking business; or

(b) make any representation in any document or in any other manner that is likely to suggest that he is carrying on offshore banking business.

(2) The Commission may, by written notice, require a licensee who carries on offshore banking business under a name that is—

(a) identical to that of any other person, whether within or outside Anguilla, or which so nearly resembles that name as to be likely to deceive;

(b) likely to suggest falsely the patronage of or connection with some person whether within or outside Anguilla; or

(c) likely to suggest falsely that he has special status in relation to or derived from the Government or has the official approval of, or acts on behalf of, the Government or of any of its departments or officials;

forthwith to change the name.

(3) A person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$25,000, to a term of imprisonment of one year or to both.

(4) A licensee who fails to change his name within 7 days of the date of receipt of a written notice under subsection (2) commits an offence and is liable on summary conviction to a fine of \$10,000 and to a daily default fine of \$500.

**Change of name**

13. A licensee shall not change its name without the prior written approval of the Commission.

*Transfer of Shares and Appointment of Directors***Transfer of shares**

14. (1) No share or other interest, whether legal or equitable, in a licensee shall be issued, transferred or otherwise disposed of without the prior written approval of the Commission.

(2) The Commission may exempt any company from the provisions of subsection (1), subject to such terms and conditions as it thinks fit.

**Number and appointment of directors**

15. (1) A licensee shall have not less than 2 directors.

(2) Subject to subsection (3), no appointment of a director or other senior officer of a licensee shall be made without the prior written approval of the Commission.

(3) Subsection (2) does not apply to a licensee that is exempted in writing by the Commission.

(4) An exemption under subsection (3) may be granted subject to such terms and conditions as the Commission considers fit and may be revoked by the Commission in writing.

**Exemption for domestic bank**

16. Sections 14 and 15 do not apply to a domestic bank.

*Obligations of Licensee***Annual fee**

17. A licensee shall pay the prescribed annual fee on or before 15 January of each year and any penalties for late payment of such fee as may be prescribed by regulation.

**Books and records**

18. (1) A licensee shall keep within Anguilla—

- (a) such books and records as accurately reflect his licensed business; and
- (b) such further books and records in respect of its licensed business as the Commission may require.

(2) A licensee that contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$10,000 or to imprisonment for a term of 6 months or to both.

**Display of licence**

19. A licensee must prominently display its licence on the premises where its licensed business is carried on.

**Accounts**

20. (1) Every licensee shall have its accounts audited by an auditor annually or at such other periods as the Commission may require.

(2) The licensee shall forward the audited accounts to the Commission within 6 months from the end of the financial year of the licensee unless prior written approval for an extension has been granted by the Commission.

(3) Where a licensee changes its auditor, the licensee shall, when required by the Commission, authorise the former auditor to disclose the circumstances that gave rise to the change, and when so authorised, the auditor shall disclose such circumstances.

**Directions for the reporting of information**

21. (1) For regulatory purposes, the Commission may, by notice published in the *Gazette*, issue directions to licensees for the making of returns, or the furnishing of documentation.

(2) A notice under subsection (1) must specify the period within which returns must be made or documentation filed.

(3) Directions issued under subsection (1) may make different provision in relation to different persons, circumstances or cases.

(4) A licensee that fails, within the period specified, to make a return or furnish documentation to the Commission in accordance with directions issued under subsection (1) commits an offence and is liable on summary conviction to a fine of \$5,000.

*Administration***Attorney-General may apply to Court**

22. Where a licensee or a person who has at any time been a licensee is being wound up voluntarily, the Attorney-General may, when being requested by the Commission, apply to the Court for leave to intervene on behalf of any interested party, if the Attorney-General considers that the winding up is not being conducted in the best interests of its depositors, the beneficiaries of any trust, or other creditors and the Court shall make such order as it shall consider appropriate.

*Miscellaneous***Insurance**

23. (1) The Commission may by written notice require a licensee to effect a policy of insurance with an approved insurance company and maintain it.

(2) The policy of insurance shall insure against—

- (a) losses arising out of claims of negligence or breach of duty by the licensee or by an employee;
- (b) the dishonesty of employees or of the licensee;
- (c) loss of documents; and
- (d) such other risks as the Commission may stipulate;

in such amount and of such nature as the Commission determines having due regard to the nature and type of business carried on by the licensee.

(3) The licensee shall effect the policy of insurance within the time specified in the notice or any extension of the time given by the Commission.

(4) The licensee shall without delay give notice to the Commission in writing if he—

- (a) is unable to obtain insurance as required by the Commission; or
- (b) ceases to maintain the insurance.

(5) A licensee who contravenes this section commits an offence and is liable on summary conviction to a fine of \$10,000, to a term of imprisonment of one year or to both.

**Appeals**

24. A person who is aggrieved by a decision of the Commission made under section 6 or section 9 may appeal the decision in accordance with section 63 of the Financial Services Commission Act.

**Regulations**

25. The Governor in Council may make regulations generally for giving effect to the provisions of this Act and specifically—

- (a) requiring the payment of fees under this Act and prescribing them, including—
  - (i) fees for filing an application,
  - (ii) fees for the issuance of a licence, and
  - (iii) annual fees;

- (b) controlling the form of advertising undertaken by licensees;
- (c) prescribing any thing required or permitted to be prescribed by this Act; and
- (d) exempting any trust company from this Act or any provision of this Act, subject to such conditions, if any, as are imposed in respect of the exemption.

### Offences

26. (1) A person who with intent to deceive, or for any purpose of this Act makes any representation that he knows to be false or does not believe to be true commits an offence and is liable on summary conviction to a fine of \$25,000, to imprisonment for a term of one year or to both.

(2) Any person who contravenes any provision of this Act or regulations, for which no penalty is specifically provided commits an offence and is liable on summary conviction to a fine of \$5,000 or to imprisonment for a term of one year or to both.

(3) A licensee that carries on business contrary to the terms or conditions of its licence or, commits an offence and is liable on summary conviction to a fine of \$25,000.

(4) Where an offence under this Act is committed by a company, a director or officer of that company who knowingly authorised, permitted or acquiesced in the commission of the offence also commits the offence and is liable on summary conviction to—

- (a) a fine of the amount specified for the offence;
- (b) to a term of imprisonment as specified for the offence, if any; or
- (c) to both a fine and imprisonment.

### Repeal

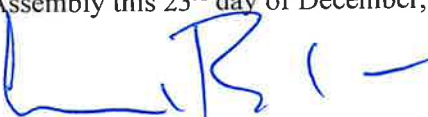
27. The Trust Companies and Offshore Banking Act is repealed.

### Citation

28. This Act may be cited as the Offshore Banking Act, 2024.

  
Barbara Webster-Bourne  
*Speaker*

Passed by the House of Assembly this 23<sup>rd</sup> day of December, 2024.

  
Lenox J. Proctor  
*Clerk of the House of Assembly*