

**Policy guidance No. 1 of 2005 - *Restricted Trust licence under the Trust Companies and Offshore Banking Act 2000***

**Introduction**

Under the Trust Companies and Offshore Banking Act 2000, section 13(3), provision is made for the granting of a restricted trust licence. This licence is subject to the restriction that the licensee does not undertake trust business on behalf of persons other than those listed in the undertaking accompanying the application for the licence or any amendment to the list filed with the Inspector (now the Financial Services Commission – the “Commission”).

**Policy**

After careful consideration and analysis, the Commission has decided that the granting of a restricted trust licence will be made to a licensee who has agreed to provide said trustee services for trusts settled or granted by a sole settlor or grantor. In effect, this means that the licensee will be able to provide trustee services for all the trusts formed or settled by one named settlor or grantor. The number of trusts that said settlor or grantor may form is unlimited.

However, the licensee cannot provide under a restricted trust licence similar services for any trusts settled by another settlor or grantor. The licensee can of course, apply for another restricted trust licence for that settlor or grantor. In this circumstance the same policy will apply in that the new licence will only allow the licensee to provide this service for the settlor named therein in the undertaking at the time the application is made.

Another alternative is for a licensee to apply for a general trust licence, which will allow for the provision of trust services to an unlimited number of settlors or grantors.

7<sup>th</sup> January 2005