

This brochure is designed to introduce you to the newly enacted **Corporate and Trust Service Providers Act (CTSPA)**. This legislation will become your primary referencing point for direction on how Service Providers are to be regulated when conducting corporate and/or trust services.

The CTSPA is as a result of years of consultation with various entities and stakeholders in the International Business sector.

What is the Purpose of the CTSPA?

The Act seeks to:

- Ensure high standards of conduct, ethics & competence in the provision of corporate and trust services
- Ensure compliance with international standards and best practices
- Ensure that protection is afforded to the interest of specified entities through the supervision of service providers

Who is a Service Provider?

This is a person who engages in the business of providing corporate or trust services or both. Three types of licences exist under the CTSPA. These are: (a) a corporate service provider licence; (b) a trust service provider licence; or (c) a corporate and trust service provider licence.

A Corporate Service Provider is a person who provides corporate services to or on behalf of a specified entity.

A Trust Service Provider is a person who provides a trust service in respect of an International Trust or Private Trust Company.

How do I obtain a licence?

A licence is issued by:

- Making an application to the Director of International Business. The Application Form can be obtained from the International Business Division.
- Attaching to the Application Form all relevant documents, the Director then considers the application and determines whether a licence would be granted.
- Paying the prescribed fee.

PLEASE NOTE: A person who in making an application knowingly or recklessly provides false or misleading information or fails to provide a material fact may be liable on summary conviction to a fine of \$25,000 or to imprisonment of one year or both

What Factors are considered by the Director before issuing a licence?

The Director must be satisfied that the **APPLICANT**:

- Is fit and proper to provide the service based on his/her qualifications, professional experience and conduct
- Has the financial standing necessary to carry on the business of providing the service
- Is or has a representative who is a resident in Barbados
- Is not a specified entity (an int'l business company; int'l society; int'l trust; foreign sales corporation; foundation; private trust company, etc.)

What Fees must be paid?

Application for a Service Provider licence	\$250.00
Service provider licence	\$2500.00
Annual licence Fee	\$2500.00
Replacement of lost, defaced or destroyed licence	\$100.00

PLEASE NOTE: All issued licences expire on December 31st in the year in which they were issued and can be renewed annually

What sanctions can be imposed on Service Providers?

Where the Service Provider violates the CTSPA or the terms/conditions of the licence, the Director has the authority to:

- Warn or reprimand the Service Provider
- Suspend or revoke the Service Provider's licence
- Give directives to the Service Provider as appropriate in the circumstances
- Impose a fine of \$5000

A person who pretends to be a licensee and carries on the business of a service provider may be liable on summary conviction

to a fine of \$50,000 or to two years imprisonment or both

General Duties of Service Provider

A Service Provider has a statutory duty to:

- Display his licence prominently at his principal place of business or registered office
- Ensure that any advertisement he publishes is reasonable, fair and accurate
- Clearly designate, identify and secure his client's assets which he holds
- Take reasonable steps to avoid conflicts of interest with and amongst clients and where such arises, must notify the Director thereof
- Take active steps in investigating and resolving all complaints filed in respect of his business or his clients
- Act in a manner that is not detrimental to his client or the public interest
- Maintain and submit records as required (audits, accounts, etc.)
- Notify the Director of any of the following:
 - Change of service provider's circumstances
 - Change of circumstances of his client
 - Any legal or other proceedings brought in respect of his business

- The client's circumstances in respect of criminal proceedings which are brought forth.
- The surrender of a licence or winding up of business.

International Business Division

International Business Division

UNDERSTANDING THE NEWLY ENACTED CORPORATE AND TRUST SERVICE PROVIDERS ACT

QUERIES/COMMENTS/SUGGESTIONS?

If you have any queries about the Corporate and Trust Service Providers Act or would like to provide any comments, please contact the Business Division of the Ministry of Industry and International Business, Commerce and Small Business Development.