



**THE TURKS AND CAICOS ISLANDS
FINANCIAL SERVICES COMMISSION**

Non-Profit Organisations Registration Guideline

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DEFINITIONS

TERMS	DEFINITION
Applicant	An individual or entity that has applied to the NPO Supervisor to be registered as an NPO under the NPO Regulations or to be exempted from the requirement to register under the NPO Regulations.
Controller	A person who owns, controls or directs a non-profit organisation applicant. This includes a trustee, director, general partner, or however else described.
NPO Supervisor	Regulation 3 of the NPO Regulations identifies the Financial Services Commission (the Commission) as the NPO Supervisor.
Non-Profit Organisation	An organisation that— (a) is established solely or primarily for charitable, religious, cultural, educational, social or fraternal purposes or for the purpose of benefiting the public or a section of the public; and (b) raises or disburses funds in pursuance of those purposes.
Person	A corporation or an individual.

TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

NPO REGISTRATION GUIDELINE

PURPOSE

1. The purpose of this Guideline is to provide applicants with a clear understanding of the NPO registration application process. Applicants are encouraged to refer to this Guideline when preparing their application.
2. The NPO Supervisor is committed to transparency and consistency in the registration of NPOs and to the appropriate monitoring and supervision of the sector.
3. This Guideline may be amended from time to time. The amended Guideline will be placed on the Commission's website.

WHAT IS AN NPO?

4. Section 2 of the Proceeds of Crime Ordinance CAP.03.15 defines an NPO. An NPO is any organisation that:
 - (a) is established solely or primarily for –
 - charitable;
 - religious;
 - cultural;
 - educational;
 - social;
 - fraternal purposes; or
 - to benefit the public or a section of the public or for any other purpose; and
 - (b) is not formed for the purpose of profit-making; and
 - (c) is prohibited by law from applying any part of its income for the personal benefit of any of its controllers, proprietors, members, or shareholders;¹ and
 - (d) solicits contributions² from the public or a section of the public within the Turks and Caicos Islands or elsewhere.

WHO NEEDS TO REGISTER?

5. Regulation 6(1) of the NPO Regulations requires the registration of NPOs incorporated, formed, or otherwise established in the TCI or administered in or from the TCI. All NPOs

¹ The exception is where the organisation pays expenses incurred in furtherance of purposes, for example, payment of salaries.

² Contributions can include cash, goods, or services.



operating in the TCI are required to register with the NPO Supervisor; failure to do so is an offence.

6. However, there is an exemption from this requirement on the following basis:
 - NPOs with gross annual income not exceeding \$10,000 and assets not exceeding \$20,000 in value
 - NPOs that do not solicit funds from the general public or receive concession from the Government or any statutory body in the pursuit of its objects;
 - NPOs that has as its fiduciary, management body or other service provider a person that is regulated by the Financial Services Commission under the Trustees Licensing Ordinance, the Company Management (Licensing) Ordinance or any other relevant law.

HOW DO I REGISTER?

7. Application forms for registration or exemption from registration are available on the Commission's website which can be accessed at www.tcifsc.tc/non-profit-organizations-forms/.
8. Consideration needs to be given to the questions regarding:
 - Contact details, including the address of the NPO
 - Purpose
 - Legal form (i.e. whether the NPO is incorporated as a non-profit company, an unincorporated association, a trust, a partnership, etc.)
 - Programs, services, and fundraising activities
 - Source of the funds to be used by the NPO
 - Controllers
 - Financial information on how income will be generated and expended
 - Banking arrangements – **All NPOs are required to provide information on their bank account prior to registration. Proposed NPOs are required to provide information on their bank account within 30 days of registration.**
9. The application must also be accompanied by:
 - A copy of the governing document which may be a constitution, by-laws, articles, or memorandum of association.
 - A copy of the financial accounts of the organisation for the last three years if already in existence.



10. Personal Declaration Questionnaires (PDQ) and identity³ and address verification⁴ documents for each controller. A non-resident controller is required to provide two forms of identification which must be certified by a notary public, commissioner of oaths, justice of the peace, etc.
11. Applications can be submitted for pre-screening via the email address aml_supervision@tcifsc.tc, with originals to follow, which can be submitted to the Commission's office in Providenciales or Grand Turk. Additionally, the NPO Supervisor may accept documents submitted electronically without the need for originals, where the submission is made by a regulated person.

HOW ARE APPLICATIONS PROCESSED?

12. Upon receipt of an application, the NPO Supervisor will check to ensure that all relevant details are provided, that the application form and PDQ are properly dated and signed, and that the one-time non-refundable application fee of \$150 is paid. Please note that payment can be made in cash, by cheques (cheques are payable to the Financial Services Commission) or by VISA or MasterCard at the Commission's Offices.
13. The governing documents are examined to review the purpose, objectives, and activities of the applicant to determine eligibility for registration and the classification of the applicant for risk rating.
14. Additionally, the governing document is examined to ensure the following clauses are included:-
 - (a) Name of the organisation;
 - (b) Date of establishment of the organisation;
 - (c) Place where the organisation was established;
 - (d) Membership rules (including eligibility, suspension and expulsion) and terms of office (length of terms, limits on re-election);
 - (e) Duties and responsibilities of individual officers and of members (e.g. to pay membership fees);
 - (f) Minimum number of board members/office-bearers;
 - (g) Minimum number of board meetings and method of convening meetings;
 - (h) Decision-making procedures (number needed for quorum, how to vote and record decisions) with explicit indications that decisions are to be taken collectively;
 - (i) Record of board meeting minutes;
 - (j) Office-bearer with primary responsibility for managing or otherwise dealing with the organisation's money and their powers;

³ Passports are preferred for identity confirmation however other acceptable forms of ID include driver's license, National ID card, ID card issued by a government agency

⁴ Acceptable address verification include a bank statement or a utility bill, a current driving licence, correspondence from a central or local government department or agency, a letter of introduction confirming residential address from a regulated person or a foreign regulated person, a personal visit to the individual's residential address.



- (k) General statement about the way the finances of the organisation should be handled, including what should happen to the organisation's funds if the organisation is dissolved. Detailed financial procedures including the amount and collection procedures for dues, if any;
- (l) Identification of the officer responsible for maintaining records of income and expenditure and a statement obligating such officer to provide full details of the organisation's finances to the general membership at a General Meeting;
- (m) Date for the end of the organisation's financial year (if applicable);
- (n) Condition that the organisation's income and property are not to be distributable to its members or office-bearers, except as reasonable compensation for services rendered in furtherance of the organisation's objectives;
- (o) Procedure for amending the governing document;
- (p) Procedure by which the organisation may be wound up or dissolved and provision for assets/liabilities of the organisation to be transferred to another non-profit organisation having similar objectives;

15. Complete applications are processed within 5 – 7 working days.

REFUSAL OF APPLICATION TO REGISTER

16. Regulation 9 of the NPO Regulations sets out the reasons a registration application can be refused by the NPO Supervisor.

17. An application can be refused on the following basis:

- (a) the application does not comply with regulation 7(2) of the NPO Regulations as the –
 - (i) application was not made in a form specified by the NPO Supervisor;
 - (ii) application was not signed by a controller (or intended controller) of the organisation or proposed organisation;
 - (iii) application was not accompanied by an appropriate governing document;
 - (iv) applicant did not provide PDQ(s) along with suitable identification (Passport preferred) and address verification documents for the controllers;
 - (v) financial information (income, expenses, assets) for the last three years was not provided for an applicant that is already operating;
 - (vi) source of funds was not provided
 - (vii) NPO Controller Declaration was not signed by each controller;
 - (viii) letter of undertaking⁵ was not provided; and

⁵ A letter of undertaking is required for an NPO that has not yet been established and so is unable to show evidence of having a bank account. The letter is a written commitment from the NPO promising to show evidence that a bank account has been opened.



- (ix) formation documents (Certificate of Incorporation, Articles of Association or equivalent, trust instrument, partnership agreement, etc.) in respect of a controller that is a legal person or legal arrangement were not provided;
- (b) the applicant is not, or the proposed purposes and activities of the applicant does not satisfy the definition of an NPO;
- (c) the applicant is being used for terrorist financing or money laundering or it is intended or likely that it will be used for such purpose;
- (d) it is contrary to the public interest for the applicant to be registered;
- (e) a persons involved in the establishment or operation of the applicant has been convicted of an offence involving dishonesty;
- (f) the applicant, having previously been registered under the NPO Regulations, has been de-registered;
- (g) the applicant is established for illegal purposes;
- (h) the applicant does not have a connection with the TCI;
- (i) the information represented on the application for registration is manifestly incorrect;
- (j) the name of the applicant is identical to a name by which an NPO in existence is already registered or contains words which are prohibited from use, or its use is controlled;
- (k) the name of the applicant is different from the name in which the entity was established, if the entity was established as a company, trust, partnership, or foundation.
- (l) The non-refundable registration fee of \$150 was not paid;

18. Where the NPO Supervisor refuse to register an applicant, the NPO Supervisor will provide the applicant with a written notice of refusal, stating the grounds for its refusal⁶.

REGISTRATION OF DE-REGISTERED NPOS

- 19. NPOs that have been de-registered pursuant to regulation 10 of the NPO Regulations, may apply to be re-registered. The NPO must complete a new application for registration and will have to follow the process set out in this Guideline.
- 20. The NPO Supervisor may require that all outstanding financial statements be submitted along with the corresponding submission fee.
- 21. A de-registered NPO must take note that, because of de-registration, its name will be available to subsequent applicants.

⁶ Regulation 9(2) NPO Regulations



22. In considering a re-registration application, the NPO Supervisor may rely on documents previously filed with the NPO Supervisor by a de-registered NPO, if the document has not expired and the document is relevant and accurate.

WHAT ARE MY DUTIES ONCE REGISTERED?

Registered NPOs

23. Registered NPOs must –

- (a) keep the following records for a period of at least five years: i) their purpose, objectives and activities; ii) the identity of the persons who control or direct their activities, including, as appropriate, senior officers, directors and trustees; iii) the identity, credentials and good standing of its beneficiaries and associate NPOs; and iv) financial records that show and explain its transactions, within and outside the TCI, and that are sufficiently detailed to show that its funds have been used in a manner consistent with its purposes, objectives, and activities, and show the source of its gross annual income.
- (b) file annual financial statements/accounts with the Supervisor.
- (c) file annual update forms to ensure the Supervisor has a current profile of the organisation and that the controllers continue to be fit and proper persons.
- (d) inform the Supervisor, as soon as possible, of any changes in the registered details of the NPO (Change of Particulars forms are available on our website).

Exempted non-profit organisations

24. Exempted NPOs are not subject to the requirements of the NPO Regulations. However, exempted NPOs must –

- (a) Keep for the following records for a period of at least five years: i) their purpose, objectives and activities; ii) the identity of the persons who control or direct its activities, including, as appropriate, senior officers, directors and trustees, the identity; iii) credentials and good standing of its beneficiaries and associate non-profit organisations; and iv) financial records that show and explain its transactions, within and outside the TCI, and that are sufficiently detailed to show that its funds have been used in a manner consistent with its purposes, objectives and activities, and show the source of its gross annual income.

25. The NPO Supervisor will monitor exempted NPOs, via the information provided in update filings, to determine if an exempted NPO –

- (i) poses a risk of facilitating terrorist-financing or money-laundering; or
- (ii) has a gross annual income and assets that exceed \$10,000 and \$20,000 respectively.

26. Where the Supervisor reasonably determines that an exempted NPO no longer meets the criteria for exemption, the Supervisor shall provide the exempted NPO with written notice that it will no longer be exempt from the requirement to be registered, and unless the NPO, within 14 days after



the date of the notice, shows good reason to the satisfaction of the NPO Supervisor why it should continue to be exempted, the NPO will no longer be exempt from the provisions of the NPO Regulations.

27. All registered and exempt NPOs must ensure that regulated financial channels are used to receive and disburse funds within and outside the TCI.

EVIDENCE OF REGISTRATION

28. The NPO Supervisor evidences the registration of an NPO or the exemption of an NPO by issuing a registration certificate or exemption certificate. These certificates are issued by the NPO Supervisor to fulfil its responsibilities under regulation 8 of the NPO Regulations. These certificates are issued under the authority of the NPO Supervisor; accordingly, marking of any kind on the certificate may **only** be applied by the NPO supervisor otherwise. Any unauthorised marking may be interpreted as an alteration to an official document issued by the NPO Supervisor.
29. Upon the de-registration of an NPO or where an exempted NPO is no longer exempt from the requirements of the NPO Regulations, the NPOs controllers must ensure that the original certificate is returned to the NPO Supervisor so that the NPO Supervisor may cancel the certificate and provide the controllers with a copy of the cancelled certificate.

PERIODIC REVIEW OF GUIDELINE

30. The Supervisor will keep this Guideline under review to ensure it remains current and appropriate for its purpose.

