



# TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

*Regulating with Honesty, Integrity and Transparency*

1<sup>st</sup> February 2019

## REGULATORY ADVISORY No.1 of 2019

### PAYMENT OF A REFERRAL FEE TO UNLICENSED PERSONS

This Regulatory Advisory is issued pursuant to Section 4 of the Financial Services Ordinance and seeks to provide some direction for determining whether persons being paid a referral fee would have to be licenced as an insurance broker, insurance agent or insurance subagent under section 4 of the Insurance Ordinance.

A person **will not** have to be licenced as an insurance broker, insurance agent or insurance sub-agent if the payment of a referral satisfies **all** of the following conditions:

- i) The payment must be a one-off fee, not a commission, for referring/recommending an insurer or insurance broker to a potential client;
- ii) The referrer **must not** provide or hold himself or herself out as providing insurance advice to the potential client;
- iii) The referrer **must not** have previously held a licence as an insurer, insurance agent, insurance broker, insurance sub-agent, insurance manager or a principal insurance representative.
- iv) The referrer **must not** be a member of staff of an insurer, insurance agent, insurance broker, insurance sub-agent, insurance manager or a principal insurance representative, including the insurer that is the recipient of the referral.

This Regulatory Advisory comes into effect on 15 February 2019.

Please be guided accordingly.

**Niguel Streete**  
**Managing Director**