



# TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

*Regulating with Honesty, Integrity and Transparency*

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1<sup>st</sup> September 2020

## REGULATORY ADVISORY NO 5 OF 2020

### FAILURE TO OBTAIN APPROVAL FOR CORPORATE CHANGES

Persons licensed by the Financial Services Commission (the Commission) are required to obtain the Commission's prior approval for planned corporate changes, pursuant to the following regulatory legislation:

- i) Insurance Regulations - Regulations 12 and 13
- ii) Banking Regulations - Regulation 9
- iii) Company Management (Licensing) Ordinance - Section 16
- iv) Credit Union Regulations - Regulation 9
- v) Investment Dealers (Licensing) Ordinance - Section 12
- vi) Mutual Funds Ordinance - Section 18
- vii) Trustees Licensing Ordinance - Section 14

Corporate changes include *inter alia*:

- i) Appointment of any director, senior officer, or auditor
- ii) Transfer or disposal of shares in any manner
- iii) Issuance of shares
- iv) Redemption of shares, and/or
- v) Changes in classes of share and/or rights of share

Please be advised that failure to obtain required regulatory approval for the above corporate changes is a contravention of the relevant above stated legislation.

Please be advised that **effective 1 October 2020**, the Commission will consistently take enforcement action against licensee for failure to comply with the above approval process. Enforcement action will be taken pursuant to section 33 of the Financial Services Commission Ordinance (FSCO) and/or disciplinary action will be taken pursuant to section 45 of the FSCO. In the event of disciplinary action, the maximum penalty is \$5,000.00.



Licenses are strongly encouraged to establish appropriate controls and operating protocols to fully comply with the above approval process.

This advisory will apply to all relevant compliance failures after 30 September 2020.

Please be advised and guided accordingly.

Yours sincerely

**Turks and Caicos Islands  
Financial Services Commission**

A handwritten signature in black ink, appearing to read "Nigel Streete".

Nigel Streete  
**Managing Director**