

**TURKS AND CAICOS ISLANDS  
BANKING (AMENDMENT) ORDINANCE 2018**

**(Ordinance 20 of 2018)**

**ARRANGEMENT OF SECTIONS**

SECTION

1. Short title and commencement
2. Interpretation
3. Section 2 amended
4. Section 4A inserted



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*Assent*.....2<sup>nd</sup> August 2018  
*Publication in Gazette*.....3<sup>rd</sup> August 2018  
*Commencement*..... in accordance with section 1

AN ORDINANCE TO AMEND THE BANKING ORDINANCE.

**ENACTED** by the Legislature of the Turks and Caicos Islands.

**Short title and commencement**

1. This Ordinance may be cited as the Banking (Amendment) Ordinance 2018 and shall come into operation on such day as the Governor may appoint by Notice published in the *Gazette*.

**Interpretation**

2. In this Ordinance “principal Ordinance” means the Banking Ordinance.

**Section 2 amended**

3. The principal Ordinance is amended in section 2(1) by inserting in the appropriate alphabetical positions the following definitions—

““physical presence” means meaningful mind and management located within a country; and the following shall not constitute, on its own, physical presence—

- (a) the appointment of a local agent or the employment of non-managerial level staff;
- (b) the presence of resident staff who do not direct the policy and strategy of the bank;
- (c) the establishment of the bank solely or principally by virtual means; or

(d) any other type or kind of establishment which is deemed by the Commission to be consistent with operating as a shell bank;

“shell bank” means a bank that has no physical presence in the country in which it is licensed and which is unaffiliated with a regulated financial group that is subject to effective supervision;”.

**Section 4A inserted**

**4.** The principal Ordinance is amended by inserting after section 4 the following—

**“Prohibition on shell banks**

4A.(1) A person shall not undertake business as a shell bank or undertake or facilitate dealings of any kind or nature with a shell bank.

(2) A person who contravenes subsection (1) commits an offence and is liable on conviction on indictment to a fine of \$50,000 or a term of imprisonment for two years, or to both.”.

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