



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty, Integrity and Transparency

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CONSIDERATIONS FOR THE LICENSING AND THE RENEWAL OF LICENCE FOR CORPORATE SERVICE PROVIDERS

All persons wishing to conduct business as company managers or company agents (hereinafter referred to collectively as Corporate Services Providers or CSPs) in the Turks and Caicos Islands are required to obtain a licence pursuant to Sections 6 and 10 of the [Company Management \(Licensing\) Ordinance](#) (CMLO).

This advisory provides an insight into the primary issues that will be considered by the Commission in deciding on an application for a new, or the renewal of a CSP licence. When considering these applications, the Commission will be guided by this advisory, which considers the requirements set out in the CMLO and the Commission's [Fit & Proper Guidelines](#).

The emphasis of the Commission's CSP licensing decisions is on the following issues:

- i) **Ownership:** The identification and conduct of due diligence on the beneficial owner(s) and ultimate beneficial owner(s) of the applicant. This will require submission of current, government issued, picture identification(s), and completion of the Commission's [Personal Declaration Questionnaire \(PDQ\)](#) for the referenced individuals. The objective of this assessment is to determine the fit and proper status of the beneficial owners of the applicant.
- ii) **Governance:** The identification and conduct of due diligence on the controller(s) (i.e. directors, senior officers, and other regulated positions) of the applicant. This will require the submission of details on the mix of relevant training, qualification, and experience of the controllers, including completion of the Commission's PDQ. The applicant must provide details on the reporting and oversight structure, the frequency of board meetings, and relevant corporate governance and regulatory compliance policies and procedures. The objective of this review is to determine the fit and proper status of the controllers and the nature of the governance arrangements based on the risk profile of the applicant.

The applicant should have a least two board members.

Financial Strength: All applications must be supported by at least three years of financial projections showing that the applicant will remain solvent. This should include the assumptions and rationales in support of the projections.



Applicants for the renewal of a license must also provide their most recent three financial statements.

The objective of this assessment is to determine whether the applicant has and/or will be able to comply with its solvency requirements.

- iii) **Business Plan:** The applicant's business plan should make a strong case for the CSP licence by providing details on the following:
- a) The rationale for locating in the TCI.
 - b) Results of the feasibility study establishing the demand for the services to be offered.
 - c) The target clients, including their location, sectors or industry, size, etc.
 - d) How the services will be offered (distribution channels); directly or sourced via informal referrals or formal fee-paying intermediaries/third parties, etc.
 - e) The services to be outsourced and how this will be managed by the CSP, e.g. operational and compliance functions.
 - f) An assessment of all intermediaries/third parties, including details on their customer due diligence processes.
 - g) The strategy for ongoing transaction monitoring.
 - h) Ability to comply with all relevant legislation, regulation, and regulatory requirements.
- iv) **Risk Management Framework:** The applicant must outline its strategy for the identification of all relevant risks, and how its risk will be quantified, qualified, monitored, managed, and mitigated. This should consider the business and client company risks, applying a risk-based framework for managing risk, and the nature and complexity of these risks.

The framework should also include the applicant's strategy for managing money laundering and the financing of terrorism and proliferation risks.

The fit and proper status of the owners and controllers, and the appropriateness of the risk management framework are important considerations. A licence will not be granted or renewed where the Commission has concerns about the fitness and propriety of the principals, solvency of the applicant, and/or the adequacy and effectiveness of the risk management plan.

It is the responsibility of the applicant to make a plausible case, supported by evidence, as to why the licence should be granted.

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