



# **RULE** **DEREGISTRATION OF** **PRIVATE TRUST COMPANIES**

**2020**





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### List of Acronyms

<b>CIMA</b>	Cayman Islands Monetary Authority
<b>MAL</b>	Monetary Authority Law
<b>PTC</b>	Private Trust Company
<b>PTCRs</b>	Private Trust Companies Regulations

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## **Rule on Deregistration of Private Trust Companies**

### **1. Statement of Objectives**

- 1.1 To set out the Cayman Islands Monetary Authority's ("Authority" or "CIMA") Rule on Deregistration of Private Trust Companies ("PTCs") pursuant to the Private Trust Company Regulations (as amended) ("PTCRs").
- 1.2 Each of the paragraphs of section 6 below is referred to as a "Rule," and collectively, the "Rules".

### **2. Statutory Authority**

- 2.1 Section 34 (1) (a) of the Monetary Authority Law ("MAL") provides that the Authority:
  - (1) *After private sector consultation and consultation with the Minister charged with the responsibility for Financial Services, the Authority may –*
    - (a) *issue or amend rules or statements of principle or guidance concerning the conduct of licensees and their officers and employees; and any other persons to whom and to the extent that the regulatory laws may apply.*

### **3. Scope of Application**

- 3.1 This Rule applies to an entity registered by the Authority as a Private Trust Company ("PTC") pursuant to the PTCRs.
- 3.2 This Rule applies only in cases where deregistration is initiated by the registrant. In cases where deregistration is initiated by the Authority as part of an enforcement action, the procedure for deregistration is documented in the Enforcement Manual.

### **4. Definitions**

- 4.1 For the purpose of this Rule, the following definitions are provided.
  - (a) **"Private Trust Company"** has the same meaning as in the PTCRs.
  - (b) **Registered Entity/Registrant** - means an entity registered by the Authority as a PTC pursuant to the PTCRs.

### **5. Introduction**

- 5.1 The Rule on Deregistration of Private Trust Companies was established to document the Authority's requirements for the deregistration of PTCs. The Rule should be read in conjunction with the Regulatory Procedure on Deregistration of Private Trust Companies, PTCRs, other regulatory laws and measures issued by the Authority from time to time.

## 6. Rules

- 6.1 A registered entity must submit an application for deregistration to the Authority when the entity intends to cease carrying on or has ceased to carry on business as a PTC.
- 6.2 The application for deregistration must be submitted to the Authority within 21 days from the date the entity ceases to carry on business of a PTC.
- 6.3 Where the registered entity has never carried on business, an application for deregistration must be made to the Authority within 21 days from the date the Resolution was passed by the directors. The Resolution must confirm that the entity has never carried on business as a PTC.
- 6.4 When applying for deregistration of a PTC, the registered entity must submit all of the following documents:
- (a) a completed License Termination/Surrender/Deregistration form (application form) via the Authority's online portal, REEFS;
  - (b) a Resolution signed by at least two directors of the entity which indicates the date on which the registered entity either ceased or will cease to carry on business;
  - (c) a Declaration signed by at least two directors of the Board of the registered entity confirming that:
    - (1) all clients are informed of the closure or intended closure of the registered entity;
    - (2) all outstanding liabilities have been settled;
    - (3) all outstanding complaints against the registered entity are resolved;
    - (4) there are no current, pending or threatened legal proceedings against the registered entity; and
    - (5) the entity is not acting as trustee of any trusts.
- 6.5 The information presented in the Declaration must be accurate and the directors of the registered entity may not delegate the requirements established in 5.1 above to another party.
- 6.6 Where the registered entity will be dissolved; the registered entity must provide evidence to the Authority that company has been placed in voluntary liquidation, by submitting, at a minimum, copies of the forms filed with Registrar of Companies.
- 6.7 Where the registered entity will remain a legal entity carrying out non-licensable services; the registered entity must apply to the Registrar of Companies for a Certificate of Change of Name and submit a certified copy of the certificate to the Authority as confirmation that the entity's name has been changed.
- 6.8 Upon submission of the application for deregistration of a PTC; the registered entity must pay the applicable deregistration fee as prescribed in the PTCRs.



## 7. Enforcement

- 7.1 Whenever there has been a breach of the Rules, the Authority's policies and procedures as contained in its Enforcement Manual will apply, in addition to any other powers provided in the PTCRs and the MAL, as amended.

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