



# **RULE** **Deregistration of Private Trust Companies**

**November 2020**





## Table of Contents

|                                   |   |
|-----------------------------------|---|
| <b>List of Acronyms</b>           | 4 |
| <b>1. Introduction</b>            | 5 |
| <b>2. Statement of Objectives</b> | 5 |
| <b>3. Statutory Authority</b>     | 5 |
| <b>4. Scope of Application</b>    | 6 |
| <b>5. Definitions</b>             | 6 |
| <b>6. Rules</b>                   | 6 |
| <b>7. Enforcement</b>             | 7 |



## List of Acronyms

|       |                                     |
|-------|-------------------------------------|
| CIMA  | Cayman Islands Monetary Authority   |
| MAL   | Monetary Authority Law              |
| PTC   | Private Trust Company               |
| PTCRs | Private Trust Companies Regulations |

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

### **1. Introduction**

- 1.1. The Rule on Deregistration of Private Trust Companies (“the Rule”) was established to document the Cayman Islands Monetary Authority’s (“CIMA” or “the Authority”) requirements for the deregistration of Private Trust Companies (“PTCs”). The Rule should be read in conjunction with the following:
- a) Regulatory Procedure on Deregistration of Controlled Subsidiaries and Private Trust Companies;
  - b) The Private Trust Companies Regulations (as amended) (“PTCRs”); and
  - c) any other relevant laws and regulatory instruments issued by the Authority from time to time.

### **2. Statement of Objectives**

- 2.1. This document establishes the Authority’s Rules on deregistration of PTCs pursuant to the PTCRs.
- 2.2. Each of the paragraphs of section 6 below is referred to as a “Rule,” and collectively, the “Rules”.
- 2.3. The measure is consistent with the Authority’s statutory objectives as prescribed in the MAL, including:
- a) to regulate and supervise financial services business carried on in or from within the Islands in accordance with this Law and the regulatory laws;
  - b) act in the best economic interests of the Islands;
  - c) promote and maintain a sound financial system in the Islands;
  - d) promote and enhance market confidence, consumer protection and the reputation of the Islands as a financial centre; and
  - e) reduce the possibility of financial services business or relevant financial business being used for the purpose of money laundering or other crime.

### **3. Statutory Authority**

- 3.1 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.

## 4. Scope of Application

- 4.1. This Rule applies to an entity registered by the Authority as a PTC pursuant to the PTCRs.
- 4.2. The 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.

## 5. Definitions

- 5.1. The following definitions are provided for the purpose of this Rule:
  - 5.1.1. **“Private Trust Company”** has the same meaning as in the PTCRs
  - 5.1.2. **“Registered Entity/Registrant”** means an entity registered by the Authority as a PTC pursuant to the PTCRs.

## 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 28 days from the date the director(s) of the PTC resolve to cease carrying 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 28 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 where the PTC has two or more directors, or by the sole director in cases where a PTC has one director indicating 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 where the PTC has two or more directors, or by the sole director in cases where a PTC has one director confirming:
    - 1) all connected persons 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 6.4(c) to another party.
- 6.6. Where the registered entity will be dissolved, the registered entity must submit to the Authority evidence that it has been placed in voluntary liquidation and at a minimum copies of the forms filed with Registrar of Companies.
- 6.7. Where the registered entity has applied to the Registrar of Companies to be struck from the register of companies, a Certificate of Strike-Off evidencing the same must be presented to the Authority.
- 6.8. 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 will no longer entail the use of the letters "PTC" in accordance with section 6 of the PTCRs.
- 6.9. All required documents must be submitted to the Authority at the time an application is being made along with payment of 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.



SIX, Cricket Square  
PO Box 10052  
Grand Cayman KY1 - 1001  
CAYMAN ISLANDS

General Office: 345-949-7089

[www.cima.ky](http://www.cima.ky)