

CAYMAN ISLANDS



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**THE BANKS AND TRUST COMPANIES (AMENDMENT) LAW, 2017**

**(LAW 46 OF 2017)**

**THE BANKS AND TRUST COMPANIES (AMENDMENT) LAW, 2017**

**ARRANGEMENT OF SECTIONS**

1. Short title
2. Amendment of section 13 - obligation of auditors
3. Amendment of section 18 - additional powers of Authority
4. Amendment of section 22 - power of search

CAYMAN ISLANDS

Law 46 of 2017

I Assent

Franz Manderson

Acting Governor.

November 27<sup>th</sup>, 2017

**A LAW TO AMEND THE BANKS AND TRUST COMPANIES LAW (2013 REVISION) TO REQUIRE LICENSEES PROVIDING COMPANY MANAGEMENT SERVICES TO COMPLY WITH PART XVIIIA OF THE COMPANIES LAW (2016 REVISION) AND PART 12 OF THE LIMITED LIABILITY COMPANIES LAW, 2016; TO BROADEN AND ENHANCE THE AUTHORITY'S ENFORCEMENT POWERS AGAINST LICENSEES; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Banks and Trust Companies (Amendment) Law, 2017. Short title
  
2. The principal Law is amended in section 13(1)(e) by inserting after subparagraph (i) the following - Amendment of section 13 - obligation of auditors
  - “(ia) Part XVIIIA of the Companies Law (2016 Revision) or Part 12 of the Limited Liability Companies Law, 2016, if the licensee is a “corporate services provider” as defined in that Part;”.
  
3. The principal Law is amended in section 18(1) as follows - Amendment of section 18 - additional powers of Authority
  - (a) by inserting after paragraph (c) the following paragraph -

- “(ca) a person holding a licence issued under section 6(5)(c), (e) or (f) who is a “corporate services provider”, as defined in Part XVIIIA of the Companies Law (2016 Revision) or Part 12 of the Limited Liability Companies Law, 2016, has contravened that Part;”;
- (b) in paragraph (f), by deleting the word “or”;
  - (c) paragraph (g), by deleting the comma and substituting the words “; or”;
  - (d) after paragraph (g), by inserting the following paragraph -  
“(h) an individual, directly or indirectly, holding or acquiring control or ownership of more than 25% of the shares or voting rights in a licensee or the right to appoint or remove a majority of the board of directors of a licensee is not a fit and proper person to have such control or ownership;”;
  - (e) after subparagraph (i), by inserting the following subparagraphs -
    - “(ia) require the licensee immediately to take steps to rectify the matter;
    - (ib) suspend the licence of the licensee pending a full enquiry into the licensee’s affairs under section 17(1)(b);
    - (ic) impose conditions with respect to decisions made by the licensee including the suspension of voting rights or nullification of votes cast;”;
  - (f) in subparagraph (iii), by deleting the words “of any director” and substituting the words “or removal of any director, manager”.

Amendment of section  
22 - power of search

4. The principal Law is amended in section 22(1)(a) by deleting the word “Law” and substituting the words “Law, Part XVIIIA of the Companies Law (2016 Revision) or Part 12 of the Limited Liability Companies Law, 2016”.

Passed by the Legislative Assembly the 16<sup>th</sup> day of November, 2017.

Dr. Hon. W. McKeeva Bush

Speaker.

Zena Merren-Chin

Clerk of the Legislative Assembly.