

The Central Bank of The Bahamas

GUIDANCE NOTICE

EXEMPTION OF PRIVATE TRUST COMPANIES (PTCS) FROM SECTION 6 (1) OF THE BANKS AND TRUST COMPANIES REGULATION ACT (BCTRA)

The Central Bank of The Bahamas (“the Bank”) has received representation from industry representatives regarding the requirement under section 6 (1) of the BCTRA, whereby “No shares in a company or certificates of deposit or any other securities of such company which is a licensee under this Act shall be issued and no issued shares shall be transferred or disposed of in any manner without the prior approval of the Governor, provided that the Governor may exempt any licensee or group or class of licensees from the provision of this section subject to such terms and conditions, if any, as the Governor may deem necessary.”

The Bank has been asked to consider granting exemptions from this section of the BCTRA to PTCs. Industry representatives are seeking this waiver on the basis that it is not strictly necessary for the Central Bank to approve the shareholders of PTCs, although this information should be available to the Bank, if required, as PTCs are prohibited from conducting business with the general public and would only be used to manage the private wealth of families.

Following consultations with industry representatives, the Bank advises that the Governor has granted PTCs an exemption from section 6 (1) of the BCTRA, which requires them to seek the prior approval of the Governor for the transfer and disposal of shares of the company, subject however, to the following condition:

That the Registered Representative shall at all times, maintain a current share register of all shareholders of the Private Trust Company or companies for which he serves as Registered Representative.

Any questions regarding this guidance note should be directed to:

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