

Regulatory Code, 2009

Kenneth Baker

Deputy Managing Director, Regulation



What is the maximum length of time for the temporary absence of a compliance officer?

- Eight consecutive weeks or fifteen per cent of the compliance officer's time in a consecutive twelve month period
- Any time longer would require the approval of another compliance officer



Revised minimum regulatory deposits for trust companies

- Class I & III Trust Company
 - \$30,000
 - Plus \$5,000 for each subsidiary listed on licence and \$10,000 for each subsidiary providing registered agent services
- Class II Trust Company
 - \$20,000
 - Plus \$5,000 for each subsidiary listed on licence
- Restricted Class II & III Trust Company
 - Exempted from requirement



What is the purpose of the regulatory deposit?

- To satisfy the costs of, or associated with:
 - any enforcement action taken by the Commission against the trust company; and
 - the running off and winding up of the licensed business of the trust company
- To satisfy outstanding fees or penalties payable by the specified trust company to the Commission



When is the additional regulatory deposit due?

- The Commission may, whether on the granting of the licence or at any subsequent time, require a specified trust company to make an additional regulatory deposit
- All existing specified trust companies are required to calculate the additional deposit as at 31st December 2010, pay in the additional regulatory deposit by 31st January 2011 and thereafter, on an annual basis



Are restricted Class II & III licensees required to obtain professional indemnity insurance?

- Historically, restricted Class II trust licensees have not been required to obtain professional indemnity insurance
- Minimum levels of insurance cover is provided in section 161
- Section 162 sets out a mechanism to vary the minimum amounts
- Application for exemption under section 40C of the FSCA on case by case basis



Are managed trust companies allowed?

- The Regulatory Code has set out a revised framework for the administration of managed trust companies in sections 163 to 166



What are the requirements for a managed trust company?

- Management agreement
- Outsourcing
- Books and records
- Corporate governance
- Resource requirements



Has the capital requirement changed for BVI bank?

- Minimum capital amounts have not changed:
 - General banking licence \$2,000,000
 - Restricted Class I & II banking licence \$1,000,000
- Minimum risk weighted capital adequacy ratio introduced:
 - 12 % (international standard 8%)



New risk management requirements have been introduced for banks

- Credit risk
- Country risk
- Market risk
- Liquidity risk
- Interest rate risk
- Operational risk



What other new obligations have been introduced for banks?

- Establishment of investment strategy
- Restrictions on investments and acquisitions
- Investment limits
- Distributions
- Compliance
- Consolidated supervision



Questions

- Kenneth Baker
- Deputy Managing Director – Regulation
- Tel: 494 – 4190 (ext: 4012)
- Email: bakerk@bvifsc.vg

