

No. of 2024

**VIRGIN ISLANDS
BANKS AND TRUST COMPANIES (AMENDMENT) BILL, 2024**

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement
2. Section 2 amended
3. Section 4 amended

No. of 2024

**Banks and Trust Companies
(Amendment) Bill, 2024**

**Virgin
Islands**

I ASSENT

Governor.
, 2024

VIRGIN ISLANDS

No. of 2024

A BILL FOR

AN ACT TO AMEND THE BANKS AND TRUST COMPANIES ACT, REVISED EDITION 2020, TO EXPAND THE DEFINITION OF “TRUST BUSINESS”, ENSURE THAT AN APPLICANT FOR A BANKING LICENCE PROVIDES THE COMMISSION WITH A COPY OF ITS POLICY OF DEPOSIT INSURANCE AND FOR OTHER MATTERS CONNECTED THEREWITH.

[Gazetted , 2024]

ENACTED by the Legislature of the Virgin Islands as follows:

Short title and commencement

1. (1) This Act may be cited as the Banks and Trust Companies (Amendment) Act, 2024.

(2) This Act shall come into force on such date as the Minister may, by Notice published in the *Gazette*, appoint.

Section 2 amended

2. The Banks and Trust Companies Act, Revised Edition 2020 (hereinafter referred to as the “principal Act”) is amended in section 2(1) in the definition of “trust business” by adding at the end of paragraph (a) before the semi-colon, the words “or performing the equivalent function for another form of legal arrangement”.

Section 4 amended

3. The principal Act is amended in section 4

OBJECTS AND REASONS

This Bill provides two short amendments to the Banks and Trust Companies Act, Revised Edition 2020. The first is designed to achieve the single objective of ensuring the complete definition of “trust business” in relation to the activities that a trust and corporate service provider engages in. While the definition of “trust business” includes a trust and corporate service provider “acting as or arranging for another person to act as a professional trustee, protector or administrator of a trust or settlement”, this is not extended to cover the activity of performing an equivalent function for any other form of legal arrangement (however designated or described). The amendment, therefore, closes this shortcoming to ensure full compliance with the Territory’s obligations as they relate to the functions provided by trust and corporate service providers.

The second amendment in the Bill essentially ensures that, with respect to an applicant for a banking licence, the applicant makes a written undertaking to provide the Financial Services Commission with its policy of deposit insurance issued in accordance with the Virgin Islands Deposit Insurance Act (VIDIA); this policy needs to be provided within a period of 6 months after the issue of the banking licence. This is designed to ensure that the domestic banks, including any new ones, become part of the Territory’s deposit insurance scheme under the VIDIA.

Accordingly, Honourable Members of the House of Assembly are invited to consider and approve the Bill in that context.

Minister of Financial Services, Labour and Trade