

## OBJECTS AND REASONS

This Bill would amend certain enactments relating to international business in order to give effect to the Minister of Finance's proposals in his Economic and Financial Policies' Statement of March 2007 and to related matters.

### *Arrangement of Sections*

#### *Section*

1. Short title.
2. Amendment of enactments set out in the *Schedule*.

#### SCHEDULE



BARBADOS

A Bill entitled

An Act to amend certain enactments relating to international business.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *International Business* Short title.  
*(Miscellaneous Provisions) (No. 2) Act, 2007.*
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Amend-  
ment of  
enactments  
set out in  
the  
Schedule.

2. The enactments set out in column 1 of the *Schedule* are amended in the manner specified opposite thereto in column 2 of the *Schedule*.

## SCHEDULE

(Section 2)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
1. <i>Barbados Foreign Sales Corporation Act</i> , Cap. 59C.	<p>Insert as section 18A, the following section:</p> <p>"Amend- ment of Schedules.</p> <p><b>18A.</b> The Minister may by Order amend the <i>Schedules</i>."</p>
2. <i>International Business Companies Act</i> , Cap. 77.	<p>1. Delete the words "<i>Off-shore Banking Act</i>" wherever they appear and substitute the words "<i>International Financial Services Act</i>". Cap. 325.</p> <p>2. Delete section 7(1) and substitute the following:</p> <p style="padding-left: 40px;">"(1) Subject to subsection (2), a company or a person who intends to incorporate a company may apply to the Minister for a licence for the company to carry on business as an international business company where</p> <p style="padding-left: 80px;">(a) the company</p> <p style="padding-left: 120px;">(i) is on 1st March, 1992 carrying on; or</p> <p style="padding-left: 120px;">(ii) intends to carry on; or</p> <p style="padding-left: 80px;">(b) it is the intention that the proposed company carry on,</p> <p style="padding-left: 40px;">from within Barbados, the business of international manufacturing or international trade and commerce."</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>2. <i>International Business Companies Act, Cap. 77. (Cont'd)</i></p>	<p>3. In section 8, delete subsection (1) and substitute the following:</p> <p>8. (1) A company shall not be granted a licence under this Act unless the company</p> <p>"Condi- tions for grant' of a licence.</p> <p>(a) is resident in Barbados;</p> <p>(b) satisfies the Minister, by furnishing the Minister with such information as may be relevant, that the company is capable of</p> <p>(i) carrying on the business of international manufacturing or international trade and commerce; and</p> <p>(ii) complying with any prescribed conditions; and</p> <p>(c) has provided full disclosure in respect of the information specified in paragraph (b)."</p> <p>4. In section 9,</p> <p>(a) delete subsection (3B) and substitute the following:</p> <p>"(3B) The Minister may renew a licence pursuant to subsection (3A), upon payment of</p> <p>(a) the prescribed fee for late renewal; and</p> <p>(b) a penalty equal in amount to the prescribed fee for late renewal.";</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>2. <i>International Business Companies Act, Cap. 77. (Cont'd)</i></p>	<p>(b) delete subsection (3E) and substitute the following:</p> <p style="padding-left: 40px;">"(3E) The Minister may reinstate a company as a licensee upon payment of the prescribed fee for reinstatement.</p> <p style="padding-left: 40px;">(3F) A person may, upon payment of the prescribed fee, require and obtain from the Minister, a certified copy of</p> <p style="padding-left: 80px;">(a) a licence issued; or</p> <p style="padding-left: 80px;">(b) a renewal or reinstatement certificate issued in respect of a licence renewed or a company re-instated as a licensee, pursuant to this section.";</p> <p>(c) in subsection (4),</p> <p style="padding-left: 40px;">(i) insert after the words "renew a licence", the words "or reinstate a company as a licensee"; and</p> <p style="padding-left: 40px;">(ii) delete paragraph (a) and substitute the following:</p> <p style="padding-left: 80px;">"(a) where the company</p> <p style="padding-left: 120px;">(i) contravenes subsection (2);</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
2. <i>International Business Companies Act, Cap. 77.</i> (Cont'd)	<ul style="list-style-type: none"> <li>(ii) fails to comply with a condition of its licence or a condition set out in section 8;</li> <li>(iii) fails to comply with or ceases to satisfy any requirement of this Act;</li> <li>(iv) ceases to operate an international business company; or</li> <li>(v) in relation to an application in respect of a licence under this Act, knowingly <ul style="list-style-type: none"> <li>(A) makes an untrue statement of a material fact;</li> <li>(B) omits to state a material fact; or</li> <li>(C) makes a statement containing information that is misleading in light of the circumstances in which it is made; or";</li> </ul> </li> </ul>
	<p>(d) delete subsection (5) and substitute the following:</p> <p style="padding-left: 40px;">"(5) Where the Minister intends</p> <ul style="list-style-type: none"> <li>(a) to cancel the licence of a company;</li> <li>(b) not to renew a licence; or</li> <li>(c) not to reinstate a company as a licensee,</li> </ul> <p style="padding-left: 40px;">the Minister shall give the company written notice of his intention and the reasons for it."; and</p>



## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>2. <i>International Business Companies Act</i>, Cap. 77. (Concl'd)</p>	<p>(e) delete subsection (7) and substitute the following:</p> <p style="padding-left: 40px;">"(7) A company aggrieved by a decision of the Minister pursuant to subsection (4) may, within 30 days after it is notified of the decision, apply to the High Court for an order requiring the Minister to</p> <p style="padding-left: 80px;">(a) revoke the cancellation of the licence;</p> <p style="padding-left: 80px;">(b) renew the licence; or</p> <p style="padding-left: 80px;">(c) reinstate the company as a licensee,</p> <p style="padding-left: 40px;">as the case may be, and the Court may make such order as it thinks fit in the circumstances."</p>
<p>3. <i>International Trusts Act</i>, Cap. 245.</p>	<p>5. In section 28, delete subsection (2).</p> <p>1. In section 2,</p> <p>(a) in subsection (1),</p> <p style="padding-left: 40px;">(i) insert after paragraph (a)(i), the following:</p> <p style="padding-left: 80px;">"(ii) a bank licensed to carry on an international financial service under the <i>International Financial Services Act</i>"; and</p>

Cap. 325.

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>3. <i>International Trusts Act</i>, Cap. 245. (Cont'd)</p>	<p>(ii) insert in alphabetical order, the following definition:</p> <p style="padding-left: 40px;">" "Director" means the Director of International Business;" and</p> <p>(b) in subsection (3)(d), delete the words "<i>Financial Intermediaries Regulatory Act</i>"<sup>Cap. 324A.</sup> and substitute the words "<i>Financial Institutions Act</i>".</p> <p>2. In section 13,</p> <p>(a) delete subsection (1A) and substitute the following:</p> <p style="padding-left: 40px;">"(1A) Notwithstanding any other provision of this Act, a trustee of an international trust shall file with the Director, upon payment of the prescribed fee, the information referred to in subsection (1)(b)(i), (ii) and (iii) and the Director shall issue to the trustee, a certificate of registration in the prescribed form."; and</p> <p>(b) insert after subsection (1B), the following:</p> <p style="padding-left: 40px;">"(1C) A trustee of an international trust may, upon payment of the prescribed fee, require and obtain from the Director, a certified copy of the certificate of registration issued in respect of the trust."</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>3. <i>International Trusts Act, Cap. 245. (Concl'd)</i></p>	<p>3. Insert after section 33, the following sections:</p> <p>"Fees and forms. 34. The Minister may by Order prescribe</p> <p style="padding-left: 40px;">(a) the fees to be paid; and</p> <p style="padding-left: 40px;">(b) the forms to be used,</p> <p style="padding-left: 40px;">under this Act.</p> <p>Regulations. 35. The Minister may make Regulations to give effect to this Act."</p>
<p>4. <i>Societies With Restricted Liability Act, Cap. 318B.</i></p>	<p>In section 40,</p> <p>(a) delete subsection (1) and substitute the following:</p> <p style="padding-left: 40px;">"A society or a person who intends to organise a society may apply to the Minister in the prescribed form for a licence for the society to operate as an international society.";</p> <p>(b) delete subsection (4B) and substitute the following:</p> <p style="padding-left: 40px;">"(4B) The Minister may renew a licence pursuant to subsection (4A) upon payment of</p> <p style="padding-left: 80px;">(a) the prescribed fee for late renewal; and</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>4. <i>Societies With Restricted Liability Act</i>, Cap. 318B. (Cont'd)</p>	<p>(b) a penalty equal in amount to the prescribed fee for late renewal.";</p> <p>(c) delete subsection (4F) and substitute the following:</p> <p style="padding-left: 40px;">"(4F) A person may reinstate a society as a licensee upon payment of the prescribed fee for reinstatement.</p> <p style="padding-left: 40px;">(4G) A person may, upon payment of the prescribed fee, require and obtain from the Minister, a certified copy of</p> <p style="padding-left: 80px;">(a) a licence issued; or</p> <p style="padding-left: 80px;">(b) a renewal or reinstatement certificate issued in respect of a licence renewed or a society reinstated as a licensee,</p> <p style="padding-left: 40px;">pursuant to this section.";</p> <p>(d) in subsection (5),</p> <p style="padding-left: 40px;">(i) insert after the words, "renew a licence", the words "or reinstate a society as a licensee"; and</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>4. <i>Societies With Restricted Liability Act</i>, Cap. 318B. (Cont'd)</p>	<p>(ii) delete paragraph (a) and substitute the following:</p> <p>"(a) where the society</p> <p style="padding-left: 2em;">(i) contravenes subsection (3);</p> <p style="padding-left: 2em;">(ii) fails to comply with a condition of its licence;</p> <p style="padding-left: 2em;">(iii) otherwise fails to comply with any requirement of this Act; or</p> <p style="padding-left: 2em;">(iv) in relation to an application in respect of a licence under this Part, knowingly</p> <p style="padding-left: 4em;">(A) makes an untrue statement of a material fact;</p> <p style="padding-left: 4em;">(B) omits to state a material fact;</p> <p style="padding-left: 4em;">(C) makes a statement containing information that is misleading in light of the circumstances in which it is made; or";</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>4. <i>Societies With Restricted Liability Act, Cap. 318B. (Cont'd)</i></p>	<p>(e) delete subsection (6) and substitute the following:</p> <p style="padding-left: 40px;">"(6) Where the Minister intends</p> <p style="padding-left: 80px;">(a) to cancel the licence of a society;</p> <p style="padding-left: 80px;">(b) not to renew the licence; or</p> <p style="padding-left: 80px;">(c) not to re-instate a society as a licensee,</p> <p style="padding-left: 40px;">the Minister shall give the society written notice of his intention and the reasons for it."; and</p> <p>(f) delete subsection (8) and substitute the following:</p> <p style="padding-left: 40px;">"(8) A society aggrieved by a decision of the Minister pursuant to subsection (5) may, within 30 days after it</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>4. <i>Societies With Restricted Liability Act, Cap. 318B.</i> (Concl'd)</p>	<p>is notified of the decision, apply to the High Court for an order requiring the Minister to</p> <p>(a) revoke the cancellation of the licence;</p> <p>(b) renew the licence; or</p> <p>(c) reinstate the society as a licensee,</p> <p>as the case may be, and the Court may make such order as it thinks fit in the circumstances."</p>
<p>5. <i>International Business Companies Regulations, 1992. S.I. 1992 No. 21.</i></p>	<p>1. Delete regulation 3 and substitute the following:</p> <p style="padding-left: 40px;">"3. The fees to be paid pursuant to section 9 are those specified in the Schedule."</p> <p>2. In the Schedule,</p> <p>(a) in PART I,</p> <p style="padding-left: 20px;">(i) in Form 1,</p> <p style="padding-left: 40px;">(A) under the heading "ATTACH THE FOLLOWING DOCUMENTS", delete the words "• Cheque in favour of the Permanent Secretary, Ministry of Industry and International Business." and insert, after the words "Certified copy of the Articles of", the words "or Proof of Application for"; and</p>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
5. <i>International Business Companies Regulations, 1992.</i> S.I. 1992 No. 21. (Cont'd)	(B) under the heading "DECLARATION", delete paragraph (c) and substitute the following:  "c. that the [company/proposed company] [is not/will not be] a company described in section 7(2) of the Act, [satisfies/once incorporated, continued or registered, will satisfy] the requirements of section 8 of the Act and intends to comply with the requirements of the Act;"; and  (ii) in Form 2, under the heading "ATTACH THE FOLLOWING DOCUMENTS" delete the words ". Cheque in favour of the Permanent Secretary, Ministry of Industry and International Business."; and



## SCHEDULE (Cont'd)

Column 1	Column 2																
<i>Enactments</i>	<i>Amendments</i>																
5. <i>International Business Companies Regulations, 1992. S.I. 1992 No. 21. (Concl'd)</i>	(b) delete PART II and substitute the following:  "PART II  (Regulation 3)																
	<table border="0"> <thead> <tr> <th style="text-align: center;"><i>Service</i></th> <th style="text-align: center;"><i>Fees</i> \$</th> </tr> </thead> <tbody> <tr> <td>1. Issue of a licence ....</td> <td style="text-align: right;">850.00</td> </tr> <tr> <td>2. Renewal of a licence ... ..</td> <td style="text-align: right;">850.00</td> </tr> <tr> <td>3. Late Renewal of a Licence ...</td> <td style="text-align: right;">1000.00</td> </tr> <tr> <td>4. Reinstatement as a licensee .. ..</td> <td style="text-align: right;">2 100.00</td> </tr> <tr> <td>5. Certified copy of a licence ... ..</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>6. Certified copy of a renewal certificate ... ..</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>7. Certified copy of a reinstatement certificate ... ..</td> <td style="text-align: right;">75.00".</td> </tr> </tbody> </table>	<i>Service</i>	<i>Fees</i> \$	1. Issue of a licence ....	850.00	2. Renewal of a licence ... ..	850.00	3. Late Renewal of a Licence ...	1000.00	4. Reinstatement as a licensee .. ..	2 100.00	5. Certified copy of a licence ... ..	75.00	6. Certified copy of a renewal certificate ... ..	75.00	7. Certified copy of a reinstatement certificate ... ..	75.00".
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## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
6. <i>Societies With Restricted Liability Regulations, 1995.</i> S.I. 1996 No. 2.	<p>1. In regulation 11, delete paragraphs (m), (n) and (o) and substitute the following:</p> <p>"(m) for issue of a licence \$850</p> <p>(n) for renewal of a licence .. ... \$850</p> <p>(o) for late renewal of a licence \$1000</p> <p>(p) for reinstatement as a licensee \$2 100</p> <p>(q) for a certified copy of a licence ... .. \$75</p> <p>(r) for a certified copy of a renewal certificate ... .. \$75</p> <p>(s) for a certified copy of a reinstatement certificate ... .. \$75".</p> <p>2. In the Schedule,</p> <p>(a) in Form 16, delete all the words appearing under the heading "ATTACH THE FOLLOWING DOCUMENTS" and substitute the following:</p> <p style="padding-left: 40px;">"For all societies</p> <ul style="list-style-type: none"> <li>• Certified copy of the Articles of or Proof of Application for Organisation/Registration/Continuance/.</li> </ul>

## SCHEDULE (Cont'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>6. <i>Societies With Restricted Liability Regulations, 1995. S.I. 1996 No. 2. (Cont'd)</i></p>	<ul style="list-style-type: none"> <li>• Certified copy of audited financial statements of the parent society (if applicable).</li> <li>• Due diligence and compliance procedures of person making application on behalf of the applicant including acceptance procedures and know your customer policies if not submitted previously.</li> </ul> <p>For societies engaged in financial services</p> <p><i>In addition to the documents specified above, the following documents should be enclosed:</i></p> <ul style="list-style-type: none"> <li>• An organisational chart showing the senior management and Board levels with brief description of responsibilities.</li> <li>• Projected financial statements to include forecast balance sheets and profit and loss figures for the first three years of operation, together with assumptions underlying the preparation of figures where appropriate.</li> <li>• A detailed three year business plan setting out how the proposed activities are to be conducted where appropriate.";</li> </ul>

## SCHEDULE (Concl'd)

Column 1	Column 2
<i>Enactments</i>	<i>Amendments</i>
<p>6. <i>Societies With Restricted Liability Regulations, 1995. S.I. 1996 No. 2. (Concl'd)</i></p>	<p>(b) in Form 17, delete paragraph (2) and substitute the following:</p> <p>"2) that I am instructed and verily believe that the society/proposed society [is organised/continued/] [will be organised/continued] in Barbados under the <i>Societies with Restricted Liability Act, Cap. 318B, [is/will be] in good standing and [has complied fully with and intends to continue to comply with/intends to comply with] section 41 of the Act.</i>"; and</p> <p>(c) in Form 20, under the heading "ATTACH THE FOLLOWING DOCUMENTS" delete the words ". Cheque in favour of the Permanent Secretary, Ministry of Industry and International Business."</p>