REGULATIONS
Made under
THE FINANCIAL INSTITUTIONS ACT 1995
(Act No. 1 of 1995)

1. These Regulations may be cited as the Financial Institutions Regulations 1996 and shall come into operation on 29th March, 1996.

2. In these regulations –
   (i) “depository financial institution” means a licensed financial institution which accepts deposits and other repayable funds from the public;
   (ii) “non-depository financial institution” means a licensed financial institution which does not accept deposits and other repayable funds from the public.

3. A non-depository financial institution shall not accept deposits of any type and shall not receive repayable funds through borrowings or similar means from twenty or more persons, other than licensed financial institutions, multilateral lending agencies, its parent company, subsidiaries, affiliated companies, controlling shareholders, directors, officers and officials.
4. A non depository financial institution shall specify in its application the principal financial business it proposes to conduct and shall fully describe the type of lending and borrowing it shall engage in, and shall make no major change to such business, which may require an amendment to the licence so issued, without prior approval of the Bank.

5. (1) A non-depository financial institution which is incorporated in Guyana shall not be granted, nor shall it hold a licence, unless it complies with the licensing guidelines of the Bank and with the minimum capital requirement specified therefor by the Bank from time to time by notice in the Gazette.

(2) A non-depository financial institution which is a foreign company shall not be granted, nor shall it hold a licence, unless it complies with licensing guidelines of the Bank and the total assigned capital for its branch or branches in Guyana (which may be satisfied in the manner provided for in section 7 (2) (b) of the Act in relation to a licensed financial institution which accepts deposits) is not less than the amount specified therefor by the Bank from time to time by notice in the Gazette.

6. A licensed financial institution depository or non-depository shall not engage in trust business without the prior written approval of the Bank.

7. A non-depository financial institution shall not be authorised to engage in trust business unless it complies with the minimum capital requirement specified therefor by the Bank from time to time by notice in the Gazette.

8. Trust business shall be conducted by a depository financial Institution through a trust department which shall be organizationally, administratively and functionally separate and distinct from other departments and business of the institution.
9. A non-depository financial institution may engage in trust business as its principal financial business or as an additional business in which case it shall be conducted through a trust department which shall be organizationally, administratively, and functionally separate and distinct from other departments and business of the institution.

10. All trust agreements shall be made in writing and shall not contain features or provisions which shall render the transaction as a deposit or borrowing of funds.

11. All schemes for collective investment of funds held in Trust or fiduciary capacity shall be submitted for evaluation by the Bank sixty-days prior to offering.

12. A licensed financial institution authorised to engage in trust business shall keep adequate books and records on trust and similar fiduciary accounts which are separate and distinct from the books and records of its other business.

Made this day 29th day of March, 1996.

A:L Meredith;
Governor of the
Bank of Guyana