

REGULATIONS

Made under

THE FINANCIAL INSTITUTIONS ACT 1995

(Act No. 1 of 1995)

IN THE EXERCISE OF THE POWERS CONFERRED UPON THE BANK OF GUYANA BY SECTIONS 3(8) AND 61 OF THE FINANCIAL INSTITUTIONS ACT 1995, THE BANK HEREBY MAKES THE FOLLOWING REGULATIONS:-

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

Citation
And
Commence-
ment

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.

Interpre-
tation

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.

Prohibition
on deposit
acceptance
and borrow-
ing from
twenty or
more per-
sons

Necessity to specify principal business

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.

Licensing And minimum Capital.

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 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**.

Necessity of prior approval for trust

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

Minimum Capital for trust business

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**

Conduct of trust business by depository financial institutions

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.

Conduct of Trust business by non-depository financial institutions.

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.

Trust agreements.

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.

Collective Investment of funds

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.

Separate books and records

Made this day 29th day of March, 1996.

A:L Meredith;
Governor of the
Bank of Guyana