



Financial Services Regulatory Commission

Circular No. 2 of 2021

To: All Corporate Management and Trust Service Providers
From: Bunny Govia-Butler, Manager, IBCs & CMTSPs
Date: March 31, 2021
Subject: Application for Use of Restricted Word

In keeping with the International Business Corporations Act, Cap. 222, (as Amended), (the 'Act') the Commission hereby informs that a corporate management and trust service provider seeking to incorporate a company whose corporate purpose is to carry on a restricted activity must comply with the provisions of the Act, the International Business Corporations (Restriction of Use in Banking Names and Descriptions) Regulations, 2004 (the 'Regulations') and all other applicable legislations.

In accordance with the Act, a restricted word shall include 'bank', 'trust', 'savings', 'insurance' or any derivative either in English or in any other language. Section 227(2) of the Act specifies that *"any international banking, trust or insurance business shall be required to obtain a licence under this Part in order to carry on such business"*. Also, Section 227(3) of the Act states that *"a certificate of incorporation may not be issued to a corporation whose articles of incorporation do not provide that the corporation is restricted from carrying on any international banking, trust or insurance business unless the Board has granted approval for a licence under Section 229."*

Further, Clause 3 of the regulations indicates that *"No person who is not an international bank or international trust corporation licensed under Section 227(2) of the Act shall use the restricted words in its name"*. Clause 4 also establishes that *"persons desiring to carry on international banking business in Antigua and Barbuda shall apply to the Commission for the granting of a licence..."*

In line with the above, the Act does not make provisions for the incorporation of a company whose corporate purpose is to carry on a restricted activity without first obtaining the Commission's approval for a licence. *Therefore, a company whose name does not include a restricted word, must first be incorporated and thereafter seek the approval for a licence, which if approved, will permit the use of the restricted word. Once an application for a licence is approved by the Commission, a company's name and corporate purpose may then be amended to include the restricted word and activity.*

Please be guided accordingly.