

PROTOCOL II OF THE CARICOM SINGLE MARKET AND ECONOMY

Implications For Banking And Finance

Appendix I

Appendix 1: Identified Restrictions Under Chapter Three of the CSME

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Antigua and Barbuda	Insurance	<p>S.8 (1) Insurance brokers must be resident in Antigua and Barbuda. (See also S.14 (1).</p> <p>Non-resident brokers pay higher licensing fees</p>	Medium term (up to 31-12-2004)	
Antigua and Barbuda	Insurance	<p>S 5 (1) No person shall carry on in insurance business in Antigua and Barbuda unless he/she is registered as an insurer in the class of insurance business carried on by him/her or is a member of an association of underwriters registered as an insurer in the class of insurance business carried on by him/her.</p> <p>S.14 (c) An applicant who is a body corporate with a share capital shall not be registered as an insurer unless the applicant -</p> <p>(i) Is lawfully constituted in accordance with the laws of the country in which the head office of the applicant is situated; and</p> <p>(ii) Is registered in Antigua and Barbuda as a company under the Companies Act.</p> <p>S.17 A registered insurer shall maintain a principal office in Antigua and Barbuda and shall appoint a principal officer in Antigua and Barbuda. (A principal office may be a branch office or the office of an agent of the insurer)</p>	N/A	Registration fees: Short term.

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Barbados	Financial Intermediation, Insurance And Auxiliary Services	<p>An approved small business is provided with tax and other incentives</p> <p>S. 3(1)(b) provides that a small business is an enterprise that has 75% of its shares locally owned.</p>	Short term (up to 31-12-2003)	
		<p>S.7 A body corporate is an eligible company if, inter alia, it is incorporated under Part I of the Companies and at least one of its directors is a resident citizen of Barbados.</p> <p>Offshore Banking Act.</p>	Short term (up to 31-12-2003)	
		<p>S.22 (1) A licence may be issued under this Act to a company that is controlled by persons who are not residents of Barbados when</p> <p>(a) The authorised capital of the company is at least \$2,000,000; and</p> <p>(b) capital to an amount of not less than \$1,000,000 has been subscribed and paid-up in cash.</p> <p>Offshore Banking Act.</p>	Short term (up to 31-12-2003)	
		<p>S.22 (2) A licence may be issued under this Act to a company that is controlled by residents of Barbados when</p> <p>(a) The authorised capital of the company is at least \$500,000; and</p> <p>(b) capital to an amount of not less than \$250,000 has been subscribed and paid-up in cash.</p> <p>Offshore Banking Act.</p>	Short term (up to 31-12-2003)	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Barbados	Banking Services	S.4 (1) No person may carry on banking business in Barbados without a licence. S.8 A licence may be issued to a foreign bank only if the bank designates and notifies the Minister of (a) Its principal office in Barbados; (b) the name of one of its officers who is its authorised agent in Barbados; and (c) in the absence or inability to act of the person referred to in paragraph (b), the name of another officer who may act as the authorised agent of the bank. Financial Institutions Act.	N/A	Regulatory
Barbados	Banking Services	S.6 No licence may be issued under this Act to any person other than an eligible company or qualified foreign bank. Offshore Banking Act.	N/A	Regulatory
Barbados	Insurance	S. 72 (c) (i) An association of underwriters constituted outside of Barbados must be in existence for at least five (5) years prior to registering under the Insurance Act to enable it to carry on its insurance business in Barbados (other than long term insurance business).	N/A	Regulatory
		S.72 (c) (ii) An association of underwriters constituted outside of Barbados must furnish the Supervisor of Insurance with the names and addresses of one or more persons resident in Barbados authorised to accept on behalf of its members, service of process on its behalf in any legal proceedings.	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
		S. 74 provides for specific forms of documentation, which must be supplied by an association constituted outside of Barbados. (The Supervisor of Insurance indicated that the same information must be submitted by a local association).	N/A	Regulatory
		S.79 An association of underwriters that is constituted outside Barbados may not be registered to carry on and may not carry on any class of insurance business unless it has deposited with the Supervisor of Insurance an amount equal to one million dollars.	N/A	Regulatory
Barbados	Insurance	S 8 (1) (d) A foreign company shall not engage in the insurance business unless it has filed with the Supervisor of Insurance the names and addresses of one or more persons resident in Barbados and authorised to accept service of process on its behalf in any legal proceedings.	N/A	Regulatory
Barbados	Motor vehicle insurance	SS.2, 37 & 38 Motor vehicles must be insured with a company registered to offer motor vehicle insurance in Barbados.	N/A	Regulatory
Belize	Other services auxiliary to financial intermediation n.e.c.	Act prescribes the criteria for the grant of an Auctioneers license to be granted. (Licensing registration requirements, Work permits/visas required by non-Belizeans)	Short term (up to 31-12-2003)	
Belize	Financial intermediation services, except investment banking,	Act prescribes the capital requirements for local and other banks to be licensed. (Exchange Controls, Registration and licensing requirements minimum capital requirements, Work permits/visas required for Non-	N/A	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
	insurance services and pension services	Belizeans)		
Belize	Life insurance and individual pension services	Act provides for the registration of agents, associations of underwriters, insurance companies and for other matters. (Licensing or registration, Work permits or visas required for non-Belizeans)	N/A	
Dominica	Insurance	S.19 (1) Non-resident insurance salesmen are required to pay higher fees	Short term (up to 31-12-2003)	
Dominica	Insurance Salesman	Any non-resident who wishes to practice any of the professions listed in the Appendix is required to pay greater licence fee than a resident.	Short term (up to 31-12-2003)	
Dominica	Insurance	<p>S 5 No person shall carry on any class of insurance business in Dominica unless he/she is registered as an insurer or is exempt from registration under the Act.</p> <p>S 7 (2) No foreign company may be registered to carry on insurance business in Dominica unless, inter alia, it has undertaken insurance business in its country of incorporation for at least two (2) years prior to the date of its application for registration in Dominica.</p> <p>S.12 (1) A registered insurer shall maintain a principal office in Dominica and shall appoint by power of attorney a principal representative in the State.</p>	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
		<p>S.58 Foreign companies are required to deposit a greater amount with the Registrar of Insurance.</p> <p>S.67 (4) The Minister may authorise the payment of any benefit or the proceeds of any claim outside of Dominica.</p>		
Dominica	Insurance	<p>S.25 (3) An association of underwriters constituted outside of Dominica must be in existence for five (5) years, inter alia, before it can registered as an insurer in Dominica.</p> <p>S.26 Associations of Underwriters constituted outside of Dominica must furnish the Registrar with</p> <p>(i) Certified copies of returns relating to the insurance business carried on by the members of the association as well as</p> <p>(ii) A certificate signed by the chairman of the association and by the authority in whom is vested the administration of the insurance industry in that country, that the members of the association have complied with the provisions of the insurance law in the preceding year.</p>	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Grenada	Insurance and pension services (excluding reinsurance services), except compulsory social security services	<p>The Act prescribes the requirements for registration of Insurance Companies, Associations of Underwriters and Brokers, Salesmen, Agents and Sub Agents.</p> <p>[Registration fees for non national companies higher; local presence requirement; differential applies in paid up capital requirements; limits on proportion of investments that could be made outside of Grenada</p>	Long term (up to 31-12-2005)	Need to assess impact on revenue.
Grenada	Financial intermediation services, except investment banking, insurance services and pension services	<p>Act prescribes the requirements for licensing of Offshore Banks</p> <p>[Local presence requirement, Offshore Banks precluded from providing local services]</p>	N/A	Regulatory
Grenada	Financial intermediation services, except investment banking, insurance services and pension services	<p>Act prescribes the requirements for licensing of Banks and Financial Institutions</p> <p>[Potential for use of discretion in restricting market access exists]</p>	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Grenada	Insurance and pension services (excluding reinsurance services), except compulsory social security services	Act prescribes the registration of Offshore Insurance Companies [Companies registered under this Act are not allowed to provide services locally given that they're tax exempt]	N/A	Regulatory
Grenada	Trust services	Act prescribes the conditions for registration of designated persons to act as Trustees [Discretion possible in approval process]	N/A	Regulatory
Guyana	Securities Services	Work Permit (Part IV) A broker, a dealer, a trader, an underwriter, and investment adviser, a securities intermediary or a securities company must register with the Guyana Securities Council. The applicant must be a resident of Guyana. A company must be registered in Guyana. (Part V) Issuers and securities must be registered except government entities.	Medium term (up to 31-12-2004)	
Guyana	Investment Banking	Work permit A licence is required under the Financial Institution Act and Commercial presence needs to be established.	Long term (up to 31-12-2005)	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Guyana	Pension and Insurance Services	Work permit	Long term (up to 31-12-2005)	
Guyana	Marine Insurance Services	Work permit	Long term (up to 31-12-2005)	
Guyana	Banking and Other Financial Business	<p>No Financial Institution which is not incorporated in Guyana, shall be granted or shall hold a licence under this Act, unless its capital is an amount equivalent to two and one half billion dollars. (The amount required for a company which is incorporated in Guyana is \$250 million)</p> <p>A licence is required under the Financial Institution Act and Commercial presence needs to be established.</p>	N/A	Regulatory
Guyana	Banking and Other Financial Business	<p>No Financial Institution which is not incorporated in Guyana, shall be granted or shall hold a licence under this Act, unless its capital is an amount equivalent to two and one half billion dollars. (The amount required for a company which is incorporated in Guyana is \$250 million)</p> <p>A licence is required under the Financial Institution Act and Commercial presence needs to be established.</p>	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Jamaica	Insurance and Pension services	Act prescribes the requirements for the registration of insurance companies and insurance service providers. Insurance services not to be provided cross border. Commercial presence required. Only body corporate can get licensed to operate. Conditions for fit and proper person. Work permits/visas required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997	N/A Short term (up to 31-12-2003) for the work permit requirement.	Regulatory
Jamaica	Accident and Health Reinsurance Services	Insurance services not to be provided cross border. Commercial presence required. Minimum capital requirements to qualify for a license to operate in Jamaica. Work permit/visa required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997.	N/A Short term (up to 31-12-2003) for the work permit requirement.	Regulatory
Jamaica	Securities brokerage services, portfolio management services, financial market regulatory services.	Act prescribes criteria for issuing licences for dealers, investment advisers and for stock exchanges; Licensing capital adequacy requirements; Requirements for fit and proper person. Work permit/visa required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997.	N/A Short term (up to 31-12-2003) for the work permit requirement.	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Jamaica	Portfolio Management Services and Trust Services	Act prescribes criteria for registration of Unit Trust Schemes and salesman; Unit trust services not to be provided cross border. Commercial presence required; Capital adequacy, licensing and registration requirements; Work permits/visas required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997.	N/A Short term (up to 31-12-2003) for the work permit requirement.	Regulatory
Jamaica	Loan broking services, financial consultancy services, foreign exchange services and other services auxiliary to financial intermediation.	Licensing and registration requirements; Work permits/visas required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997.	N/A Short term (up to 31-12-2003) for the work permit requirement.	Regulatory
Jamaica	Insurance broking and agency services, insurance and pension consultancy services, average and loss adjustment services, actuarial services,	Outlines the regulations governing the sector.	Short term (up to 31-12-2003) for the work permit requirement.	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
	salvage administration services, other services auxiliary to insurance and pension funding.			
Jamaica	Banking Services	A commercial presence needs to be established.	N/A Medium term (up to 31-12-2004) for the work permit requirement.	Regulatory
Jamaica	Stock Brokerage	Rule 201 B provides that Members shall be owned and controlled by persons who are citizens and residents of Jamaica; Non-Jamaican owned cos. are precluded from membership; Work permits/visas required except for those service providers covered by the Caribbean Community (Free Movement of Skilled Persons) Act, 1997.	Immediate (up to 31-12-2003)	For immediate removal

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Montserrat	[Insurance and pension services (excluding reinsurance services), except compulsory social security services]	<p>S 5 No person shall carry on any class of insurance business in Montserrat unless he/she is registered as an insurer or is exempt from registration under the Ordinance.</p> <p>S.6 (2) A foreign company is required to have a greater paid up share capital.</p> <p>S 6 (3) No foreign company may be registered to carry on insurance business in Montserrat unless, inter alia, it has undertaken insurance business in its country of incorporation for at least two (2) years prior to the date of its application for registration in Dominica.</p> <p>S.7 (4) A foreign company must appoint some person resident in Montserrat to be its principal representative prior to registration in Montserrat.</p> <p>S.61 (1) Foreign companies are required to deposit a greater amount with the Registrar.</p>	Medium term (up to 31-12-2004)	
Montserrat	[Financial intermediation services, except investment banking, insurance services and pension services]	<p>S.3 (1) A financial institution shall not carry on banking business in Montserrat without a licence granted by the Governor.</p> <p>One of the requirements of obtaining a licence is the presence of a place of business in the territory.</p>	N/A	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
Saint Lucia	Financial intermediation services, except investment banking, insurance services and pension services	Act prescribes requirements for licensing of Banks. [Discretion allowed in granting licence; economic needs requirement may apply; differentials apply in capital adequacy requirements between local and non-national Banks]	Short term (up to 31-12-2003)	
Saint Lucia	Insurance and pension services (excluding reinsurance services), except compulsory social security services	Act prescribes the requirements for licensing of insurance companies, brokers, agents [Discretion possible in licensing, differentials obtain in premium tax where local companies pay less than non-nationals; deposits are higher for non-national companies; additional prudential requirements apply to non-national companies; local presence requirement also apply]	Short term (up to 31-12-2003)	
Saint Lucia	Insurance and pension services (excluding reinsurance services), except compulsory social security services	Act provides for the licensing and registration of international insurance business. [Use of discretion possible in granting licences; local presence and resident director requirements apply; minimum investment requirement also apply]	Short term (up to 31-12-2003)	
Saint Lucia	Life insurance and individual pension services	Act provides for Life Insurance Premium Tax on local and foreign companies [Differential rates of taxation applied to the premium income of	Short term (up to 31-12-2003)	

Country	Services Affected	Summary Description of Measure	Time frame	Comments
		non-national companies]		
Saint Lucia	Investment banking services	Act prescribes requirements for licensing of Banks. [Discretion allowed in granting licence; economic needs requirement may apply; differentials apply in capital adequacy requirements between local and non-national Banks]	Medium term (up to 31-12-2004)	
Saint Lucia	Financial intermediation services, except investment banking, insurance services and pension services	Act prescribes the requirements for registration of an International Bank. [Discretion inheres in Minister in registration process; local presence, resident director and minimum investment requirements apply]	N/A	Regulatory
Saint Lucia	Securities brokerage services	Act prescribes for the regulation, licensing and control of international mutual funds. [Licencing and control systems could restrict market access; at least one resident director required; local presence requirement applies; administrator of fund has minimum worth requirement]	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
St. Kitts and Nevis	Insurance	<p>S 5 (1) No person shall carry on in insurance business in St. Christopher and Nevis unless he/she is registered as an insurer in the class of insurance business carried on by him/her or is a member of an association of underwriters registered as an insurer in the class of insurance business carried on by him/her.</p> <p>S.19 A registered insurer shall maintain a principal office in St. Christopher and Nevis and shall appoint a principal officer in St. Christopher and Nevis.</p> <p>S.37 (1) No person shall act as an agent for an insurer unless that person is registered as an insurance agent.</p> <p>S.38. (5) The Registrar shall not register any person as an insurance agent for an insurer not registered as an insurer in terms of the Insurance Act, 1968.</p> <p>S.57. (1) No person shall transmit or transfer any funds out of St. Christopher and Nevis pursuant to any payment of any insurance premium to any insurer who is not registered in St. Christopher and Nevis or who does not have a principal office and a registered agent in St. Christopher and Nevis except with the permission of the Minister. (See Appendix II)</p>	N/A	Regulatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
St. Kitts and Nevis	Insurance	<p>S.31 Associations of Underwriters constituted outside of St. Christopher and Nevis must furnish the Registrar with</p> <p>Certified copies of returns relating to the insurance business carried on by the members of the association as well as</p> <p>A certificate signed by the chairman of the association and by the authority in whom is vested the administration of the insurance industry in that country, that the members of the association have complied with the provisions of the insurance law in the preceding year.</p>	N/A	Regulatory
St. Vincent & the Grenadines	[Financial intermediation services, except investment banking, insurance services and pension services]	<p>Act prescribes the requirements for issuance of a licence.</p> <p>[Discretion may be exercised in issuance of licence which could impinge on market access; in addition local presence or incorporation required]</p>	Short term (up to 31-12-2003)	To discuss with consultant as to whether or not there is a restriction.
St. Vincent & the Grenadines	[Life insurance and individual pension services]	[Differential taxes levied on foreign general insurers]	Short term (up to 31-12-2003)	Legislation to be amended to remove restriction.
St. Vincent & the Grenadines	[Portfolio management services]	The Act prescribes the requirements for registration of Mutual Funds and Fund Managers.	N/A	Non Discriminatory

Country	Services Affected	Summary Description of Measure	Time frame	Comments
es		[Discretionary grant of licence and registration possible; local presence requirement affects market access]		
Suriname	Banking industry	<p>Declaration of no objection from the Central Bank</p> <p>Licences from the Ministry of Trade and Industry</p> <p>Non residents need permission from Foreign Currency Commission before applying for legal status of a company</p> <p>Foreigners need permission from the Foreign Currency Commission to sell immovable property</p> <p>work permit</p> <p>Surinamese nationality and residency requirements for Cambio board members</p>	Long term (up to 31-12-2005)	
Suriname	Insurance	<p>Work permit</p> <p>Non-life insurance company must be established by Surinamese law</p> <p>The Central Bank requires payment of administration costs in foreign currency from non-nationals</p> <p>Declaration of no objection from the Central Bank is required.</p> <p>There is a norm of 50% local ownership required for commercial presence. Licence must be obtained from the Ministry of Trade and Industry</p>	Long term (up to 31-12-2005)	In future there will be a separate law concerning the Insurance Sector.
Suriname	Reinsurance services	<p>Work permit;</p> <p>Foreign companies cannot sell directly on the local market, only through local companies (for supervisory purposes)</p>	Long term (up to 31-12-2005)	In future there will be a separate law concerning the

Country	Services Affected	Summary Description of Measure	Time frame	Comments
				Insurance Sector.
Suriname	Foreign exchange services	<p>Declaration of no objection from the Central Bank</p> <p>Licences from the Ministry of Trade and Industry</p> <p>Non residents need permission from Foreign Currency Commission before applying for legal status of a company</p> <p>Foreigners need permission of the Foreign Currency Commission to sell immovable property</p> <p>work permit</p> <p>Surinamese nationality and residency requirements for Cambio board members</p>	Long term (up to 31-12-2005)	
Trinidad and Tobago	Banking Services	<p>S.4 (1) Only persons licensed by the Central Bank shall carry on banking business in Trinidad and Tobago.</p> <p>S.7 All applications for licences to operate a financial institution shall be made to the Central Bank must be accompanied by, inter alia, a statement of the applicant's name and the address of its registered office in Trinidad and Tobago.</p>	N/A	Regulatory
Trinidad and Tobago	Insurance	A company incorporated outside of Trinidad and Tobago must establish a place of business in Trinidad and Tobago in order to carry on the business of insurance.	N/A	Regulatory
Trinidad and Tobago	Insurance	The Supervisor of Insurance is not inclined to grant any new licences for the establishment of any insurance business until the current legislation is amended.	N/A	Regulatory The Government of Trinidad and Tobago

Country	Services Affected	Summary Description of Measure	Time frame	Comments
				is reviewing the status of the Insurance Industry. This should be completed in the medium term.
Trinidad and Tobago	Brokerage and related securities services	A company incorporated outside of Trinidad and Tobago offering services as dealers in securities; underwriters of securities; investment advisers; or securities companies must be registered in Trinidad and Tobago.	N/A	Regulatory