



**BULLETIN:**

**PROVISION OF NOMINEE SERVICES PURSUANT TO  
SECTION 14 OF THE TRUST AND CORPORATE  
SERVICES PROVIDERS ACT**

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**The Financial Services Commission  
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**May 2024**




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**LEGISLATIVE REFERENCES:** The Trust and Corporate Services Providers Act, – Section 14(d)  
 Trust and Corporate Services Providers (Licensing and Operations) Regulations  
 The Companies Act as amended by the Companies (Amendment) Act, 2023 -  
 Sections 23A, 172 (1A) and 363B

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## 1. PURPOSE

- 1.01 The purpose of this bulletin is to assist licensees under the Trust and Corporate Services Providers Act, 2017 (the “TCSP Act”) as well as prospective applicants for a licence in complying with their statutory obligations in respect of the provision of services pertaining to nominee shareholding.
- 1.02 This bulletin applies to all licensed corporate service provider and prospective applicants for a corporate service provider licence.

## 2. BACKGROUND

- 2.01 The Trust and Corporate Services Providers Act (the “TCSP Act”) came into force on April 25, 2022.
- 2.02 Individuals, firms, and companies which were providing corporate and/or trust services immediately before April 25, 2022, were permitted under the said Act to continue business provided that an application for a licence was made on/before April 24, 2023. The FSC did not exercise legislative powers which could have resulted in an extension of that timeframe.
- 2.03 Services that constitute a corporate service which are now regulated under the TCSP Act are specified in section 14 of this Act.
- 2.04 However, since the TCSP Act came into force, amendments have been made to the Companies Act administered by the Companies Office of Jamaica by way of the Companies (Amendment) Act, 2023 which have implications for the provision of corporate services under the TCSP Act.

## 3. LEGISLATION

- 3.01 Section 14(d) of the TCSP Act stipulates that a corporate service provider may provide services to an entity by –  
*“acting as (or arranging for another person to act as) a nominee shareholder for another person”.*

- 3.02 In 2023, the Companies Act was amended, specifically section 4 of the Companies (Amendment) Act, 2023 resulted in the insertion of section 23A. into the Companies Act which now provides that -

*23A. No company incorporated under this Act shall have a nominee shareholder.*

- 3.03 Further, sections 172 and 363 of the Companies Act were amended to insert section 172(1A) and 363B. which respectively provide that -

*172 (1A) No company incorporated under this Act shall appoint a nominee director.*

*363B. No company to which Part X applies shall have a nominee shareholder or appoint a nominee director.”*

- 3.04 The effect of these amendments is that it is no longer permitted for an entity incorporated in Jamaica to have a nominee shareholder or appoint a nominee director. The foregoing amendments to the Companies Act also means that entities that are not incorporated in Jamaica but have a place of business in Jamaica can no longer have nominee shareholders or appoint nominee directors.

#### **4. IMPLICATIONS FOR CORPORATE SERVICES PROVIDERS**

- 4.01 The aforementioned amendments under the Companies (Amendment) Act, 2023, have a direct impact on corporate service providers. Notwithstanding section 14(d) of the TCSP Act, any person (natural and juristic) who was granted a licence by the FSC to provide nominee shareholding services, must have appropriate regard to the Companies Act as amended.
- 4.02 Licensees under the TCSP Act whose array of services authorized by the FSC included services per section 14(d) of the said Act may only provide nominee sharing holding services to entities that are not incorporated in Jamaica and which do not have a place of business in Jamaica.
- 4.03 Prospective applicants for a corporate service provider licence who intends to provide nominee services per section 14(d) of the TCSP Act may only provide such services to entities that are not incorporated in Jamaica, and which do not have a place of business in Jamaica after the FSC has determined that the applicant will be granted a licence to do so.
- 4.04 It must also be noted that no licensee or prospective applicant under the TCSP Act is permitted to appoint any nominee directors.

#### **5. THE FSC's EXPECTATIONS**

- 5.01 Corporate service providers licensed under the TCSP Act should review their service offerings and ensure alignment and compliance with the legal framework.
- 5.02 Steps must also be taken to ensure existing service agreements are reviewed, clients impacted are contacted and existing service agreements renegotiated/revised accordingly.
- 5.03 All internal policies, procedures, and other relevant documents such as the constitutive documents<sup>1</sup> should also be updated, as necessary.

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<sup>1</sup> "constitutive documents" means the statute, charter, memorandum of association, articles of association, articles of incorporation, rules and by-laws or other instruments, under or by which a licensee or other body is established, its

Questions regarding this bulletin may be directed to the:

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