



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty, Integrity and Transparency

TO: Industry Partners and Stakeholders

DATE: 20th June 2024

SUBJECT: Consultation on Money Transmitters (Amendment) Ordinance

Purpose

We write to solicit your comments on the following proposal to amend the Money Transmitters Ordinance.

Overview

The purpose of the Money Transmitters Ordinance (the “MTO”) is to provide for the licensing and regulation of money services business in the Turks and Caicos Islands. The categories of businesses covered by the MTO are wide-ranging and the Commission is of the view that the regulation of the various types of businesses should not be uniformed; it should be risk based. However, the MTO as currently established is quite rigid.

Additionally, the Commission is aware that the current risk policies of local banks appear to restrict them from opening bank accounts for persons engaged in money services business. However, the MTO requires all licensees to have a restrictive deposit of \$75,000.00, which is interpreted as a bank deposit. This poses an impediment to further growth of the sector.

The Commission is therefore proposing amendments to the MTO which would introduce flexibility in regulating money services business, ensuring that while regulation of the sector remains robust, the regulatory standards are attainable. The expectation is that these changes will facilitate growth of the sector without compromising the protection of the public.

Proposed Amendments

- i) Empowering the Commission to reduce or eliminate the following licensing requirements based on the risk profile of the entity and category of the money transmitter.

The requirements to:

- a. produce audited financial statements annually;
- b. provide the Commission with the auditor’s certificate currently required under section 11 of the MTO;
- c. maintain reserves and other capital resources; and

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d. maintain assets in liquid form.

The exemptions would apply to licensees whose services are restricted to any or all of the following:

- (i) money transmission
 - (ii) cheque cashing
 - (iii) currency exchange
 - (iv) the issuance, sale or redemption of money orders or traveller's cheques.
- ii) Removing the general requirement for a \$75,000.00 restricted deposit for all licensees. The Commission would instead be authorised to determine the amount of the restricted funds that a licensee is required to hold and this determination would be based on the risk profile and nature of the services offered by licensee. Additionally, the funds would not need to be deposited at a bank but could be held in a form and at an entity approved by the Commission.
- iii) Requiring financial and regulatory information from and clarifying the registration requirements for agents and sub-agents.

Consultation Process

You are invited to comment on the proposed amendments to the MTO. All comments received will be considered by the Commission and the Attorney General's Chambers before making a recommendation to the Cabinet.

Comments should be submitted via email at the address consultation@tcifsc.tc to reach the Commission at or before **4:00 pm on Monday, 1 July 2024**. All submissions should be addressed to the Commission and marked **“Money Transmitters (Amendment) Ordinance- Consultation”**.

Submissions received after the deadline may not be considered.

We look forward to receiving your cooperation and comments.

Turks and Caicos Islands
Financial Services Commission

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