



ST. CHRISTOPHER AND NEVIS

CHAPTER 21.08

EXEMPT INSURANCE COMPANIES ACT

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EXEMPT INSURANCE COMPANIES ACT

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CHAPTER 21.08

EXEMPT INSURANCE COMPANIES

AN ACT TO PROVIDE FOR THE GRANTING OF EXEMPTION FROM INCOME TAX TO CERTAIN INSURANCE COMPANIES AND FOR CONNECTED PURPOSES.

Short title.

1. This Act may be cited as the Exempt Insurance Companies Act.

Interpretation.

2. In this Act, unless the context otherwise requires—
“insurance company” means a company incorporated in Saint Christopher and Nevis and carrying on insurance business;
“insurance business” includes reinsurance and co-insurance business;
“Minister” means the Minister charged with the responsibility for the subject of finance;
“prescribed” means prescribed by rules or regulations made by the Minister;
“Registrar” means the Registrar of Insurance appointed under the Insurance Act, Cap. 21.11.

Exemption to insurance companies.

3. (1) Subject to subsection (2), any insurance company carrying on business in accordance with this Act shall be exempt from liability to income tax on any profits or income derived therefrom.
(2) An insurance company shall not be exempt under subsection (1) unless—
 - (a) the underwriting profits and losses of the company arise solely on insurance risks undertaken by the company outside of Saint Christopher and Nevis (irrespective of the place of making of any agreement in respect of such risks) other than for insurance business carried on with other insurance companies which have been granted exemption under subsection (1); and
 - (b) the company complies with any rules and regulations prescribed under this Act.

Application for and other matters relating to exemption.

4. (1) Every application for an exemption under section 1(1) or (3) shall be made to the Minister by the insurance company seeking an exemption or an agent on its behalf.
(2) An application under subsection (1) shall be in a prescribed form, together with such documents and information as may be—
 - (a) prescribed; and
 - (b) required by the Minister.
(3) The Minister shall, in relation to every application for an exemption—
 - (a) grant the exemption;

- (b) grant the exemption, subject to conditions; or
- (c) refuse the application.

(4) Where an exemption has been granted under subsection (3)(a) the Minister may at any time make that exemption subject to conditions.

(5) Where an exemption is granted subject to conditions the Minister may at any time—

- (a) make the exemption subject to further conditions; or
- (b) vary or revoke any condition.

(6) The Minister may at any time revoke an exemption granted to any insurance company.

(7) Subject to the provisions of this section, the term of all exemptions shall be for so long as may be prescribed.

(8) Any person who, for the purpose of obtaining an exemption, knowingly or recklessly gives any information which is false in a material particular commits an offence.

Directions to insurance companies.

5. (1) The Registrar may request information from and make recommendations to any insurance companies which have applied for an exemption under section 4, and may, if so authorised by the Minister issue directions to any such company to secure that—

- (a) effect is given to any such request, or recommendation; or
- (b) the company's business is in whole or in part suspended or discontinued.

(2) The Registrar shall not make any request or recommendation under subsection (1) with respect to the affairs of any particular customer of a company.

(3) Before authorising the issue of any such directions as are referred to in subsection (1), the Minister shall give the company concerned a reasonable opportunity of making representations as to the proposed directions.

Inspection and investigation.

6. (1) The Registrar may inspect the books, accounts and documents and investigate the transactions of any insurance company which has applied for or been granted an exemption under section 4.

(2) The Registrar shall have every such power of entry and access as may be necessary for the purposes of subsection (1), and he or she may take possession of all such books, accounts and documents as, and for so long as, may be necessary for those purposes.

(3) The Registrar may take copies of all books, accounts and documents in his or her possession for the purposes of an inspection and investigation under this section.

(4) Any person who intentionally obstructs the Registrar acting in the execution of his or her powers under subsection (1), (2) or (3) commits an offence.

(5) In this section, every reference to the Registrar shall include officers appointed by the Registrar in writing for the purposes of this section.

(6) Without prejudice to the following provisions of this section, the Minister may give the Registrar such directions as he or she thinks fit with respect to the exercise or performance of his or her powers under subsections (1), (2) and (3) whether generally or in any particular case and the Registrar shall comply with such directions.

(7) The Registrar shall exercise his or her right of entry and access under subsection (2) only during reasonable hours, and any officer appointed by the Registrar under subsection (5) shall, in the exercise of such right as aforesaid, produce his or her written appointment if required to do so.

(8) Nothing in this section shall apply in respect of the affairs of any particular customer of an insurance company except and in so far as it may be necessary for the purpose of an inspection and investigation under subsection (1).

(9) Any person who communicates, or attempts to communicate, any information relating to the affairs of a particular customer of an insurance company obtained by him or her by virtue of an inspection and investigation made under subsection (1) except—

- (a) in so far as may be necessary for the discharge of his or her functions under this Act; or
- (b) with the consent of the said customer,

commits an offence.

(10) No person shall be prosecuted for an offence under this section without the written consent of the Director of Public Prosecutions.

Register of exemptions.

7. (1) A register of all insurance companies granted any exemption under this Act shall be kept by the Registrar.

(2) The register referred to in subsection (1) shall be—

- (a) kept in such form; and
- (b) open to public inspection in such manner and at such times,

as may be prescribed.

Fees and expenses.

8. (1) The Minister may prescribe the fees which shall be paid upon an application for and upon the issue and renewal of all exemptions provided for by this Act.

(2) The expenses incurred by the Registrar in respect of any inspection and investigation under section 6 shall be paid by the person concerned, if the Minister so requires.

(3) Any sums to be paid pursuant to a requirement made under subsection (2) shall be recoverable by the Registrar as a civil debt.

Offences.

9. (1) Any person found guilty of an offence under any provision of this Act shall be liable, on summary conviction, to a fine not exceeding five thousand dollars.

(2) Where an offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he or she, as well as the body corporate, commits that offence and shall be liable to be proceeded against and punished accordingly.

Power of Minister to make rules.

10. The Minister may make such rules as he or she considers are necessary or desirable to carry the provisions of this Act into effect.
