

# International Business Corporations

An International Business Corporation is an entity incorporated under the IBC Act. The IBC structure allows for a comprehensive range of business opportunities within a tax-free environment. Trading, manufacturing, shipping as well as financial corporations have all made profitable use of the IBC structure. Once an IBC has been established, it will give the owner financial confidentiality as well as providing an asset protection component.

A list of advantages of the Antigua and Barbuda IBC structure would include, but is not limited to, the following:

- asset protection
- confidentiality
- no minimum capital requirement for non-licensed IBCs
- no statutory audit requirement for non-licensed IBCs
- tax exemption
- exchange control exemption

## **IBC Incorporation Procedure**

The formation of an IBC is carried out by a licensed corporate management and trust service provider. Formation can be achieved in as little as 24 hours and involves the following:

- 1 The corporate management and trust service provider must submit a request for a name approval. The name should reflect the corporate purpose of the company.
- 2 Once the request is approved, a copy of the approval is faxed to the resident agent.
- 3 The corporate management and trust service provider must then submit the following documents in triplicate:

Articles of Incorporation which must include the following:

- i. the approved name of the proposed corporation;
- ii. particulars on the registered office and corporate management and trust service provider;
- iii. the authorized number of shares (at least one [1]);
- iv. the number of directors (at least one [1]);
- v. a restriction to corporate purpose clause, and
- vi. the signatures of a corporate management and trust service provider licensed by the Commission.

**Application for International Business Charter which must be consistent with the Articles of Incorporation, and include the following:**

- a. Notice of registered agent
  - b. Notice of Directors
  - c. By-laws (optional)
4. A Certificate of Incorporation is issued.

## **IBC Incorporation Facts**

### **Type of corporate vehicle:**

IBCs include licensed and non-licensed corporations. Licensed institutions are limited to international banks, trust, insurance corporations, asset management companies and interactive gaming and wagering companies.

**Incorporation time scale:**

Within 24 hours for non-licensed IBCs

<b>Resident Directors required for licensed IBCs:</b>	No
<b>Minimum number of Directors:</b>	One
<b>Directors' meetings required:</b>	Yes

**Other requirements:**

Directors shall hold annual and any other meeting of the directors at such times and in such manner and places within or outside Antigua and Barbuda and via such modes as they may determine.

<b>Minimum number of Shareholders:</b>	One
<b>No-par value shares allowed:</b>	Yes
<b>Public shares registered:</b>	No
<b>Audit required:</b>	Yes (for licensed institutions)
<b>Foreign currency accounting allowed:</b>	Yes
<b>Registered Office:</b>	Yes
<b>Registered Agent:</b>	Yes

**IBC Name:**

Name of choice, provided it is not a duplication of an existing registered corporation. The name must end with Ltd., Inc., or Corp., and must not be misleading.

**Company mobility provision/redomicility rules:**

The transfer of charter of an IBC to a foreign jurisdiction, or vice versa is permitted.

By virtue of the Money Services Business Act 2007, the Financial Services Regulatory Commission ("the Commission") is authorized to licence and regulate money services businesses within the state of Antigua and Barbuda effective May 1, 2008.

**Contact Details:**

Manager of IBC's:

Supervisor of Registry: [superregistry@fsrc.gov.ag](mailto:superregistry@fsrc.gov.ag)

# International Insurance

The incorporation of an international insurance business in Antigua and Barbuda can be achieved in as little as six weeks and involves the following:

1. The applicant must submit an application in the prescribed form, along with the Articles of Incorporation or Articles of Continuance, the Memorandum of Association, and a non-refundable annual fee of US\$10,000 plus an annual registration fee of US\$300. All documents are required in triplicate.
2. The minimum paid-up capital for setting up an international insurance company is US\$250,000.
3. In order for approval to be granted, the Commission must conduct a due diligence search on the proposed shareholder(s), director(s) and officer (s). The cost of the due diligence, which may vary depending on the extent of the search, is borne by the applicant and must be paid in advance. The Commission may also carry out such investigations and inquiries of the applicant corporation, its directors and officers or proposed directors and officers, its financial circumstances, and its affiliates or associates, as it deems necessary.
4. The law requires that the Commission must issue or refuse a license within three months of the receipt of an application. If additional information is required, then within fourteen (14) days of its receipt, the Commission must render a decision. The Commission may attach such terms and conditions to the license as is necessary in the public interest. The Commission may revoke the license if a licensee does not commence the international insurance business within six months of the issuance of the license

## Contact Details:

Superintendent of International Insurance: [InsuranceandMoneyServicesBusinessTeam@fsrc.gov.ag](mailto:InsuranceandMoneyServicesBusinessTeam@fsrc.gov.ag)

# International Banks

An international bank is a corporation established under the IBC Act and granted a license to conduct international banking business. A license is granted provided that the applicant meets the required standards, including a minimum capital requirement and physical presence. An international bank is also required to submit annual audited returns and quarterly financial statements.

## Requirements for operating international banks

1. A person who intends to carry on an international banking business has to first decide on the kind of license he would be seeking. The IBC Act and its Regulations provides for three (3) categories of license. These are as follows:
  - (a) **Class I International Banking Licence**, which requires the licensed institution to maintain a minimum capital as may be determined by the Commission from time to time, but not being less than three million United States dollars of which five hundred thousand United States dollars shall be deposited with the Commission or in a manner approved by the Commission.
  - (b) **Class II International Banking Licence**, which permits banking business for a restricted list of customers, approved by the Commission from time to time, or specified in the list as part of the terms upon which the licence is granted. The licensed institution shall maintain a minimum paid up capital of not less than five hundred thousand United States dollars, of which one hundred thousand United States dollars shall be deposited with the Commission or in a manner approved by the Commission.
  - (c) **Class III Composite International Banking and Trust Licence**, which permits the licensed institution to carry on international banking and trust business for an unrestricted list of customers. The licensed institution shall maintain a minimum capital of three million United States dollars, of which five hundred thousand United States shall be deposited with the Commission or in a manner approved by the Commission.
2. Any corporation in Antigua and Barbuda licensed under the IBC Act is required to maintain a physical presence. The physical presence requirement provides that licensed corporations must conform to the following minimum requirements:
  - A licensed corporation must have its own separate office large enough to comfortably accommodate a staff of at least two (2) persons, computer equipment and facilities to accommodate clients.
  - The time of the opening of the corporation may be flexible but it must open each day, Monday to Friday, for a minimum of six (6) hours per day. Opening hours should be posted outside the corporation notifying any interested person of the schedule.
  - Licensed corporations must have at least one (1) full-time employee. The director and the person charged with maintaining the physical presence must be two distinct persons.
  - The person mentioned above, or at least one other person employed with the corporation, must have relevant experience, that is, capable of understanding the operation of the corporation. The person must be responsible enough to recognize the process or otherwise of due diligence so as not to be unwittingly caught up in money laundering.
  - Finally, physical records are to be remitted at the latest on a monthly basis to Antigua and Barbuda and stored in a manner that can be easily reproduced. This would facilitate inspection of transactions in the event of an inquiry. In addition, the facility to avail of current information must be established.
3. An international bank is subject to on and off-site surveillance to ascertain, among other things, compliance with the relevant laws, regulations and international standards; observance of Know Your Customer (KYC) standards; and maintenance of details of transactions and customers. Regulatory Team Members may also investigate

procedures for reporting and filing suspicious transactions with the appropriate supervisory authority under the Money Laundering (Prevention) Act 1996.

4. A licensed bank is required to pay a non-refundable annual license fee for the applicable licence and a registration fee of US\$300. These fees are payable upon application and thereafter on each anniversary of the incorporation. There is a supervisory fee for the on and off-site surveillance which is borne by the bank.

### **International Banking Licensing Procedure**

1. The intended corporation submits an application in the prescribed form along with the Articles of Incorporation or Articles of Continuance as the circumstances require, and a non-refundable licence fee for the applicable licence and a non-refundable application fee of 10% of the applicable licence fee.
2. The Director of International Banks and Trust Corporations may have investigations and inquiries conducted on the applicant corporation, its directors and officers or proposed directors and officers, its financial circumstances, and its affiliates or associates, as he considers necessary. The cost of the due diligence exercise varies depending on the extent of the search, is borne by the applicant and must be paid in advance.
3. Subject to the Board's decision, the Director of International Banks and Trust Corporations must issue or refuse a license to the applicant within three (3) months of the receipt of the application or, if additional information is required, within fourteen (14) days of the receipt of that additional information.
4. If the license is refused, the applicant may appeal to the Board within thirty-(30)-days of the refusal. If the Board in turn has refused the license, the applicant may make an appeal within thirty-(30)-days to the Minister, whose decision shall be final.

### **International Banking Licensing Procedure's Supporting Documents**

The following documents, along with the Articles, Memorandum of Association and the Application Form, are required to be submitted in triplicate:

1. Personal History - Each director, senior officer and natural person (who is the ultimate, direct or indirect legal or beneficial owner of 5% or more of any class of the stock of the bank) must complete a personal history.
2. References - Each director, senior officer and beneficial owner of 5% or more must supply two references from well-established banks stating the nature and extent of their knowledge of and experience with that person as well as two other professional references stating the nature and extent of their knowledge of and experience with the person.
3. Business Plan - This should include a chart showing the ownership structure of the bank, identifying each ultimate, direct or indirect legal or beneficial owner of 5% or more of any class of the bank's stock, as well as any companies, partnerships, trusts or other arrangements through which such stock is held.  
In the case of partnerships, trusts or other arrangements through which stock is held, applicants must provide the name and the jurisdiction under whose laws they are organized. For any trust the name, address, telephone and fax numbers of the trustee(s) must be provided.
4. Statement of Physical Presence - The address of any offices (branch, agency, representative office or other) of the bank in Antigua and Barbuda and abroad must be indicated.
5. Statement of Financial Relationships - The name, address, telephone and fax number of the principal banks, investment houses and other financial services, correspondents for the bank in Antigua and Barbuda and abroad, including in each case the name of a contact person must be provided.
6. Declaration of Legal Representative - The name, address, telephone and fax number of the principal law firm(s) used by the bank in Antigua & Barbuda and/or abroad, including in each case the name of a contact person, must be provided.

7. Policies and Procedures - A detailed explanation of the bank's "Know Your Customer" policies and procedures; any account opening forms and other documentation utilized to support the banks internal policies regarding money laundering prevention and detection must be submitted.

Detailed explanation as to the bank's proposed use of the Internet must be provided. For example:

- Will the bank maintain its own website?
- Will the bank allow accounts to be opened via the Internet? If yes, explain how the bank's "Know Your Customer" policies and procedures apply.
- Will instructions from the bank's customers be accepted via the Internet?

8. Marketing Material - Any brochure or promotional material that the bank will use to market its products and services; a copy of all advertising material and information about where the advertisements will appear.

### **Contact Details**

Director of International Banks and Trust Corporations:

[bankingdepartment@fsrc.gov.ag](mailto:bankingdepartment@fsrc.gov.ag)

# Interactive Gaming and Interactive Wagering

Antigua and Barbuda was one of the first jurisdictions to licence internet gaming companies in 1994, which has since evolved and developed and is currently regarded as one of the most advanced regulatory e-gaming jurisdictions within the global internet gaming industry.

The Division of Gaming, which is a department within the Financial Services Regulatory Commission (FSRC), is responsible for the oversight of all aspects of interactive gaming and interactive wagering within the jurisdiction of Antigua and Barbuda. The framework for the supervision of internet gaming companies was originally contained in the International Business Corporations (IBC) Act, as amended in October of 2007, and the Interactive Gaming and Interactive Wagering Regulations (IGIWR), as revised in March of 2007 with relevant sections of the IBC Act (Cap222) being repealed and replaced by the Financial Services Regulatory Commission Act, 2013.

Internet gaming companies are classified as “Financial Institutions” and as such, are subject to all the various Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) laws of the state. Therefore, gaming companies are required to establish clear internal control procedures regarding “Know Your Customer/Customer Due Diligence” (KYC/CDD) policies. Gaming Companies must have their accounts audited by external auditors whose task it is to certify their solvency, soundness, player protection rules and compliance with the jurisdictions AML/CFT regime. In addition, the jurisdiction is an active member of the Caribbean Financial Action Task Force (CFATF), and as such is subject to periodical mutual examinations in order to assess the jurisdiction’s compliance with the Financial Action Task Force (FATF) 40 Recommendations and 9 Special Recommendations which are the globally accepted standards for AML and CFT. Antigua and Barbuda’s internet gaming AML/CFT regime was found to be largely compliant in the jurisdictions CFATF, Mutual Evaluation Report, 2007.

Our unwavering commitment and proactive approach to internet gaming is best evidenced in our successful challenge against the USA in the long standing internet gambling dispute at the World Trade Organisation (WTO). Antigua and Barbuda was, and still is, the smallest state in the international arena to take the USA to the WTO and win, establishing an unprecedented event which will endure as a part of our Antiguan history.

Today Antigua and Barbuda continues to be the jurisdiction of choice for some of the largest, well respected and premiere internet companies in the industry. This is attributable to our friendly business environment, our well-educated human resource, our competitive tax regime, our advance telecommunications infrastructure, our interaction with other e-gaming jurisdictions and our robust regulatory enforcement system.

Our regime transcends the current conventional standards and practices of existing e-gaming jurisdictions. The implementation of an e-monitoring programme that ensures, game fairness, player protection and ensuring that operators gaming systems are not being used as a source of criminal activities elevates our supervision and regulation to world’s best practices, these practices have now been adopted by many emerging jurisdictions.

## **New Emerging Markets**

The new emerging markets of Daily Fantasy Sports and eSports are areas that Antigua and Barbuda is seeking to embrace. Operators in these areas can find all the necessary skill sets in the jurisdiction to enhance their gaming products offered worldwide. Financial incentives may also be available in this new and emerging area.

## **Responsible Gambling and Self Exclusion**

Following a Social Responsibility assessment study, conducted by one of United Kingdom’s leading charitable authority on developing and implementing socially responsible practices, it was revealed that Antigua and Barbuda’s IGIWR met and in many instances exceeded international standards of best practices in the context of responsible gambling.

The Division of Gaming firmly believes that we have a responsibility to consumers of our licensees and to the global industry by being key participants in the promotion of responsible gaming to ensure the delivery of such services in a socially responsible environment.

We are very cognizant that we licence and regulate a service which is not always viewed favourably.

With this in mind our social responsibility commitment is underpinned by four main objectives:

- **To Strengthen** the industry's commitment to responsible gaming and social responsibility
- **To Enhance** the capacity for operators to conduct business in a manner which promotes responsible gaming
- **To Protect** consumers gaming with an operator who adheres to our regulatory and licensing objectives and
- **Accountability**, operators will be held accountable to incorporate industry best practices with respect to responsible gaming and the delivery of gaming services in a socially responsible environment.

To this end we offer self-exclusion to players as well as the players themselves being able to set limits on activity, funding and ultimately exclusion. Players requesting self-exclusion may not be reinstated for a period of six (6) months and this must be requested in writing after that period has elapsed.

The Division of Gaming have been working on a national and industry-wide initiative to address the social responsibility issues confronting the industry and to ensure that the Commission's key objectives are adopted to achieve full observance of our policies. In support of this, a 'Gambling Addiction Research and Education Fund' is being established. The Division of Gaming will assist in educating the public on the risks associated with online gaming, increasing social awareness, particularly with minors, as well as providing resources for the treatment of problem gambling. The Division of Gaming is committed to the importance of these measures and will not only continue to meet, and in most cases exceed international standards of best practice, but more importantly work collaboratively with e-gaming jurisdictions globally towards preserving and safeguarding the health and welfare of on-line players worldwide.

The jurisdiction has been praised for having the legal authority to regulate gambling, and that our current system of regulation and licencing provides a robust and adequately resourced risk based framework to uphold internationally shared objectives: to prevent gambling from becoming a source of crime, to keep gambling fair and open and to protect children and vulnerable persons.

### **Antigua & Barbuda Preferential Seal**

The "Preferential Seal" is issued to qualifying internet gaming entities licensed under the laws of Antigua and Barbuda and ensures the following:

- Directors and shareholders holding 5% or more for this company have met personal and corporate due diligence requirements.
- The software, which makes the odds for games played on this site, meets internationally recognized standards for fairness having been tested by a Commission approved Testing Agency.
- The company has its physical corporate headquarters in Antigua and Barbuda.
- The company hosts its primary server in Antigua and Barbuda or at a secure hosting facility that has been approved by the Commission. The server must hold the player information including all transaction and financial history, and current liabilities.

### **Interactive Gaming and Interactive Wagering Licensing Process**

A company must be incorporated under the International Business Corporation (IBC) Act, prior to the submission of an application for an Interactive Gaming or Interactive Wagering Licence.

There are a number of forms with respect to an application for a licence and these are as follows:

Schedule A: Application for an Interactive Gaming and or Interactive Wagering Licence

Schedule B: Business Information Pack



Schedule C: Personal Information Pack

Schedule D: Renewal Application Information Pack

Schedule E: Application for a Key Person Licence

These forms are all available on the [www.fsrc.gov.ag](http://www.fsrc.gov.ag) website

To apply for a NEW licence (either Interactive Gaming and or Interactive Wagering or both) the applicant is required to submit the following

Schedule A, Schedule B, Schedule C and Schedule E (one for each Key Person) along with the required supporting documentation and the payment of the initial due diligence fees. An assessment into the applicant's background is conducted to ascertain the suitability in holding an interactive gaming/wagering licence and the Division of Gaming aims to process applications within 60 to 90 days from receipt of the application, fees and all requirements.

Once the application is approved then the remaining Licence Fees and Statutory Reserve requirement are then due for payment.

To Apply for a RENEWAL of a licence then the applicant is required to submit Schedule D, Schedule E (if applicable) again, along with the required supporting documentation. Renewal applications, that have no significant change to the original application, are normally processed within 28 days.

### **Contact Details**

Director of Gaming: [director@antiguagaming.gov.ag](mailto:director@antiguagaming.gov.ag)

# Money Services Business

## Definition of Money Services Business

Money Services Business means the business of providing as a primary service any of the following:

- a. transmission of money or monetary value in any form;
- b. cheque cashing;
- c. currency exchange;
- d. the issuance, sale and redemption of payment instruments;
- e. any other services the Minister may specify by notice published in the Gazette;

or the business of operating as an agent or franchise holder of any of the business mentioned in (a).

## Requirements For Licence

Money services activities are not allowed unless a licence is authorized in accordance with the Money Services Act No. 7, of 2011.

## Classes of Licence and Licence Fee

There are several classes of licence which may be applied for and granted subject to the provisions of the Act.

The class of licence issued will authorize the licensee, for the period specified in the licence, to carry on money services business. *Please see [Schedule of Fees Insert](#).*

## Location

A licence granted under this Act authorizes the licensee to carry on money services business at the place of business designated in the licence. Where the licensee requests and receives from the Commission, authorization to conduct money services business at a location other than the one so designated by the licence, the licensee will be required to pay the annual fee for this and each additional location.

## Application For Licence

In order to obtain a licence to operate a money services business, the applicant must complete a copy of the application form, provide the requisite documents and other information as specified, and pay the prescribed application and licence fees as listed in the [Schedule of Fees Insert](#).

In considering an application for a licence, the Commission will conduct such investigation as it may deem necessary to ascertain the:

- a. validity of the documents submitted in accordance with the application and a personal questionnaire;
- b. financial condition and history of the applicant;
- c. nature of the business of the applicant;
- d. experience of the persons who are to constitute its management;
- e. source of the initial capital; and
- f. convenience and needs of the community to be served by the granting of the licence.

Prior to submitting an application, applicants are advised to meet with the Commission to discuss their proposal. Unless the Commission is satisfied in relation to all aspects set out in the application and other related documents, authorization cannot be granted.

## **Processing Time for the Application for Licence**

The time frame for considering applications will depend greatly upon the quality of the information provided. All directors, significant shareholders, sub-agents and senior management (i.e. persons who hold key positions) will be subject to a strict assessment procedure in respect of probity and competence.

### Period of Licence

The licence will be valid from the date of first issue to the 31st of December of that year and is renewable each year on payment on or before the 15th day of January.

### Display of Licence Certificate

A licensee must display a copy of the certificate of its licence granted under the Money Services Business Act No. 7 of 2011, in a conspicuous place in the public part of any place of business of the licensee.

### False or Misleading Information

All licensee, director or an officer of a licensee who knowingly or willfully supplies false or misleading information to the Commission commits an offence and is liable on summary conviction to a fine not exceeding one hundred thousand dollars (\$100,000) or to imprisonment for a term of one year or both.

### Contact Details:

Director of Co-operatives and Non-Bank Financial Institutions:

[InsuranceandMoneyServicesBusinessTeam@fsrc.gov.ag](mailto:InsuranceandMoneyServicesBusinessTeam@fsrc.gov.ag)