

**CORPORATE SERVICE PROVIDERS ACT 2000**

**CORPORATE SERVICE PROVIDERS (EXEMPTIONS) REGULATIONS 2002**

*Approved by Tynwald 20 March 2002*

*Coming into operation 1 March 2002*

In exercise of the powers conferred on the Financial Supervision Commission under paragraph 1 of Part II of Schedule 2 to the Corporate Service Providers Act 2000<sup>(a)</sup>, and of all other enabling powers, and after consultation with the Treasury, the following Regulations are hereby made:-

**Citation and commencement**

1. These Regulations may be cited as the Corporate Service Providers (Exemptions) Regulations 2002 and shall come into operation on 1 March 2002.

**Interpretation**

2. In these Regulations:

“the Act” means the Corporate Service Providers Act 2000.

**Exemptions**

3. In paragraph 10A(2) of Part 1 of Schedule 2 to the Act, for the definition of nominee company substitute –

““nominee company” means a company whose business consists solely of acting as a director, secretary and/or nominee holder of shares or nominee member of or in a client company and which is:

- (a) a subsidiary of a body corporate that is the holder of a CSP licence; or
- (b) wholly beneficially owned by a sole trader that is the holder of a CSP licence; or
- (c) wholly beneficially owned by all the partners of a partnership, the partnership being the holder of a CSP licence;”.

4. In paragraph 12(2) of Part 1 of Schedule 2 to the Act, for “any regulated activity” substitute “the regulated activities of acting as a director or an alternative director”.

---

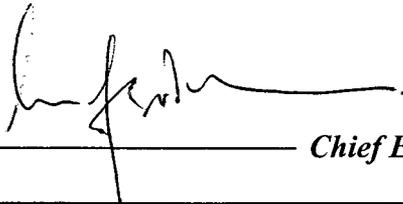
<sup>(a)</sup> 2000 c.13

5. In paragraph 12 of Part 1 of Schedule 2 to the Act, apart from in paragraph 12(1)(e)(iii), for "person", wherever occurring, substitute "individual".
6. In sub-paragraph 12(1)(e)(iii) of Part 1 of Schedule 2 to the Act, for "the person satisfies" substitute "the individual satisfies".

Made this 13<sup>th</sup> day of February 2002.



Chairman



Chief Executive

**EXPLANATORY NOTE**  
*(This note is not part of the Regulations)*

These Regulations are made by the Financial Supervision Commission for the purpose of adding to and amending the exemptions in Part 1 of Schedule 2 of the Corporate Service Providers Act 2000 ("the Act") from the requirement under section 2(1) and (2) of the Act to hold a CSP licence when engaging in, by way of business, any regulated activity as defined in Part 1 of Schedule 1 of the Act.

The Regulations extend the exemption for a subsidiary company of a CSP licenceholder which provides nominee services through its parent to cover any company which is wholly owned by an unincorporated CSP licenceholder (such as a sole trader or partnership).

The Regulations also clarify the exemption in respect of allowing an individual to hold up to ten directorships before being required to hold a CSP licence, so that the exempted directorships do not also include acting as a secretary for the companies concerned.

Furthermore, the Regulations amend paragraph 12 by the substitution of the word "individual" for "person" where appropriate, so that the exemptions in respect of acting as a director or secretary of a company apply to natural, rather than legal, persons.