



Range of activities for Protected Cell Companies (PCCs) extended

New regulations amending the Protected Cell Companies Act to permit wider use of PCCs for global business activities have been adopted. This amendment comes into force on publication in the Government Gazette.

The [Protected Cell Companies \(Amendment of Schedule\) Regulations 2005](#) have been enacted following various representations made by the industry to extend the use of the PCC structure to other business activities besides CIS and insurance businesses. The qualified global business activities that qualify for a PCC will be

- Asset holding
- Collective investment schemes
- Insurance business
- Specialised collective investment schemes
- Structured finance businesses

The Commission will be issuing practice notes in due course to provide guidance on the use of the PCC structure in relation to the newly permitted business activities. The main proposals regarding the Practice Notes were issued by the Commission for consultation in October 2004 and concern the creation, administration, management and taxation of PCCs.

Pending the finalisation of the Practice Notes, the Commission has indicated that it will entertain applications for proposed PCCs wishing to conduct any of the activities set out in the amended schedule to the PCC Act. Existing companies holding a Category 1 Global Business Licence conducting a permissible activity wishing to convert to a PCC structure may also apply. The Commission may grant these applications subject to such terms and conditions it may deem appropriate having regard to the risks associated with the proposed activity.

Financial Services Commission

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