THE VIBMONITOR
Our Quarterly Newsletter
4th Quarter 2020

LAWS OF THE REPUBLIC OF VANUATU

Building on our previous newsletters, we touch on the requirements of the CTSP Act

Company and Trust Services Providers Act No. 8 of 2010 (Official Gazette 8/3/13)

This Act applies to:

All company and trust service providers.

"When researching an agent for your company and trust service needs, you should ensure they are properly licensed by the VFSC.

These entities and individuals assist investors with company trading and registration requirements for a fee. They range from Local Companies, Trust Companies, lawyers, and accountants to private individuals. A list of the current providers can be found in the CTSP Directory ." www.vfsc.vu

Obligations: Placement of insurance policy on application and annual renewal of licence

Part 3 – Insurance and Segregation of Trust Money

8. Insurance

(1) A licensee other than the holder of a director's licence *must have adequate insurance cover, including Professional Indemnity insurance*, that:

(a) includes *directors' and officers' insurance*; and

(b) provides indemnity for partners and employees, former partners and employees, and consultants.

(2) Insurance must cover claims relating to negligence, errors and omissions, employee dishonesty, loss or theft of documents, costs of remedying matters that are the subject of a claim and costs & expenses involved…

(4) The minimum insurance cover for each licensee must be VT 5,000,000 for each claim, with an aggregate cover of not less than VT 50,000,000.

Penalty:

A licensee who fails to maintain insurance cover as required under this Clause is guilty of an offence punishable on conviction by a fine not exceeding VT 1,000,000.

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Please note that our RECEPTION has recently moved to the Ground Floor of Raffea House, with the entrance on Kumul Highway (between Vanuatu Bijouterie and BSP).

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What is the difference?

Public Liability Insurance

If someone from the public is injured as a result of your business operations, they may claim against your business for being negligent. Public liability is designed to cover this type of “general” liability.

Professional Indemnity Insurance

Professional indemnity insurance covers you for any breaches of your professional duty. If you offer professional advice or a service to a client for a fee, they could allege that your negligence resulted in them suffering a financial loss.

Director’s & Officer’s Insurance

Directors and **officers** (**D&O**) **liability insurance** protects the personal assets of corporate **directors** and **officers**, and their spouses, in the event **they are** personally sued by employees, vendors, competitors, investors, customers, or other parties, for actual or alleged wrongful acts in managing a company.