

RESERVE BANK OF VANUATU

International Bank Prudential Guideline No 11

PHYSICAL PRESENCE OF LICENSEES AND EMPLOYEES IN VANUATU

1. The purpose of this guideline is to provide an interpretation of the requirements of Section 20 of the International Banking Act No.4 of 2002.
2. The intention of the section is that each licensee should have its own separate, stand-alone (as opposed to shared) premises, records, management staff and key equipment. Licensees will be dealt with on a case – by – case basis. It is not possible for this Guideline to address all possibilities and licensees are therefore encouraged to discuss proposals, which may include the outsourcing of aspects of their operations, with the Reserve Bank of Vanuatu prior to finalization.
3. Where a licensee proposes to outsource aspects of its activities, it should provide the Reserve Bank of Vanuatu with full details of the proposal. Outsourcing should be undertaken using a written legally binding agreement which should specify, for example, the nature of the service, performance benchmarks, confidentiality of data/information, exit and, in the extreme termination provisions.

PHYSICAL PRESENCE OF LICENSEES

4. Licensees must have dedicated premises and without such it will be difficult to show that there is an appropriate control environment. The Reserve Bank has no objection to shared reception, conference facilities or security services.
5. The licensee's premises need to be separate and distinct. Licensees should occupy separate offices and have their equipment (e.g. computers, files and filing system). A workstation in an open plan office would not suffice. The premises should be clearly identified as being the office of the licensee.
6. The premises must have direct public access. This may be by a corridor or other public area within a building. Access through an open plan office would not suffice.
7. There is no requirement for the premises to be opened or manned at any specified time. The premises are expected to be opened at advertised times for some period on normal working days.

8. Notwithstanding paragraph 6, the Reserve Bank of Vanuatu will expect to have continuous access to management and information to enable it to conduct prudential consultations and on-site inspections of the licensee.

EMPLOYEES IN VANUATU

9. As a matter of practicality the Reserve Bank expects that the bigger and more complex the licensee's business the more staff would be in Vanuatu to manage the bank's affairs and to maintain all necessary records. The precise number of staff can only be assessed against the intended business plan, taking into account the necessary systems and normal spread of control concepts to manage the licensee's activities.
10. There must be at least one person who is a direct employee of the licensee and who meets the requirements of Section 20(5) of the Act.
11. To satisfy the requirements of Section 20(5) of the Act, the licensee must be able to show that a person appointed to manage the bank in Vanuatu is vested with some executive powers to manage the day-to-day operations of the bank.
12. The resident director (required by Section 24 (1) of the Act) may, but need not, be an employee of the licensee.