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## SECTION 2

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### GENERAL LICENSING POLICY FOR THOSE SEEKING AN INVESTMENT BUSINESS LICENCE

#### 2.1

##### THE COMMISSION'S FIT & PROPER TEST

The Investment Business Act 1991, as amended by the Investment Business (Amendment) Act 1993 ("IBA") requires that: - the applicant for a fiduciary (CSP or TSP) licence; an applicant for an investment business licence; and any controller, director or manager (including the company secretary and compliance officer) of the applicant;

must be "fit and proper persons".

The fitness and propriety criteria apply both in relation to the initial application for an investment business licence and thereafter to the licenceholder on an ongoing basis. The Commission's [General Licensing Policy for those seeking a Banking, Investment Business or Fiduciary Licence](#) sets out the criteria it will normally apply in assessing fitness and propriety. A direction will be issued under section 10 of the Investment Business Act 1991 if the Commission determines that an individual is not "fit and proper". The [Investment Business \("not fit and proper"\) regulations 2005](#) specify the information to be included in a register and public statements of such directions.

#### 2.2

##### GENERAL LICENSING POLICY AND SPECIFIC REQUIREMENTS FOR INVESTMENT BUSINESS LICENCEHOLDERS

The Commission's [General Licensing Policy for those seeking a Banking, Investment Business or Fiduciary Licence](#) sets out the general principles that apply to all licensed sectors. However, the definition of "investment business" includes a wide range and variety of activities as well as different disciplines and the Commission adapts its regulatory and supervisory approach accordingly. The particular requirements and expectations relating to the different categories of investment business licenceholder are specified in the tables in Appendix 1 to the licensing policy.

The Commission has also made regulatory codes under Section 6 of the IBA, which set out the Commission's requirements in relation to the conduct of investment business and place ongoing objectives on a holder of an investment business licence (see [Section 3](#) below).

#### 2.3

##### EXEMPTION FOR DISASTER RECOVERY OPERATIONS

[The Investment Business \(Exemptions\) \(Temporary Business Continuity\) Regulations 2002 \(SD589/02\)](#) allow investment businesses regulated in other, approved, jurisdictions to use Isle of Man based computer servers for their disaster recovery arrangements without the need for a licence from the Financial Supervision Commission, subject to certain conditions. Please see [this link](#) for further information.