

FSC Ref:



***FINANCIAL SUPERVISION COMMISSION
THE INVESTMENT BUSINESS ACTS 1991 - 1993***

***APPLICATION FORM
FOR A BODY CORPORATE***

***THIS FORM IS TO BE USED BY A COMPANY TO APPLY FOR A LICENCE AS:
A CATEGORY 1, 2 or 3 INVESTMENT BUSINESS LICENCE***

Completed applications together with any supporting material should be sent to:-

*Financial Supervision Commission
P O Box 58
Finch Hill House
Bucks Road
Douglas
Isle of Man
IM99 1DT*

APRIL 2007

LICENCE APPLICATION - GUIDANCE NOTES

*The form can be downloaded from our website in Microsoft Word format, with boxes that will expand to fit the text. You must not alter or delete any questions. Alternatively, you can print the form and complete it using **BLOCK CAPITALS AND BLACK INK**. You may provide information on additional sheets, if necessary, signed and dated.*

The staff of the Commission are available to be consulted on a formal or an informal basis in the course of the preparation of an application for a licence and will try to give appropriate guidance where it is sought. However, in order that the role of the staff of the Commission is not misunderstood, the Commission wishes to emphasise that:-

- (i) the preparation and submission of an application for a licence is the responsibility of the Applicant;*
- (ii) the decision whether or not to issue a licence is the responsibility of the Commission; and*
- (iii) the Commission normally takes legal advice on questions of law that confront it and Applicants for licences must similarly be prepared to seek legal advice on questions of law that confront them.*

Please read the Financial Supervision Commission's Regulatory Codes for Investment Business before making this application.

Reference should be made to the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code (11-17) in order to clarify the relevant Category to be applied to the applicant.

It should be noted that by virtue of Section 3(11) of the Investment Business Act 1991 ("the Act") a person commits an offence if, for the purposes of obtaining an Investment Business Licence, he knowingly or recklessly gives any information which is false in a material particular. Any person guilty of an offence under any provision of the Act (except Section 10(4)) shall be liable:-

- (a) on summary conviction, to a fine not exceeding £5,000; or to a term of custody not exceeding six months, or to both;*
- (b) on conviction on indictment, to a fine or to a term of custody not exceeding 2 years, or to both.*

It is not necessary for the Declaration contained in Appendix 4 to accompany the initial application. In fact, Applicants would have difficulty in signing such a declaration where the details contained in the application have not been effected, eg the company has not yet been formed, directors not yet appointed etc. In such circumstances, whilst the Commission might be prepared to consider the application, a licence will not be issued until the Declaration has been provided.

Failure to commence a class of business within 6 months from the date of the licence may result in the licence being withdrawn.

Licences are normally issued for an indefinite period.

Note: *Only the application fee should accompany this application. The licence fee will be requested once the licence is issued.*

If an application is incomplete or does not disclose all information which may affect the Commission's assessment, this may result in significant delays in processing. The Commission does not accept responsibility for any loss caused to the Applicant by any delay.

Financial Supervision Commission

APRIL 2007

DOCUMENTATION WHICH FORMS PART OF THIS APPLICATION

In addition to the application form itself, a number of other documents should accompany the application, as set out below:-

- | | <i>Document
Attached</i> |
|--|------------------------------|
| 1. <u>Personal Questionnaires & Bankers' Questionnaires.</u> Completed Personal Questionnaires and Bankers' Questionnaires or Personal Declarations for the controllers, directors, Company Secretary and Managers. | <input type="checkbox"/> |
| 2. <u>Business Plan.</u> A two year business plan. Applicants should refer to Appendix I for guidance on contents. | <input type="checkbox"/> |
| 3. <u>Declaration.</u> A signed Declaration in the format provided in Appendix 4 to this form. | <input type="checkbox"/> |
| 4. <u>Payment.</u> A cheque payable to "Isle of Man Government" for the amount of the application fee. | <input type="checkbox"/> |
| 5. <u>Client Agreement/Terms of Business.</u> A copy of the proposed Client Agreement or Terms of Business (see paragraph 5 of the Financial Supervision Commission Conduct of Business Regulatory Code). | <input type="checkbox"/> |
| 6. <u>*Professional Indemnity Insurance Policy.</u> A copy of the Professional Indemnity Insurance policy taken out by the Applicant in compliance with paragraph 3 (5) of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code (<i>Note: If a copy of the Policy is not available, then a statement from your Broker, addressed to the Commission, as detailed in the guidance note to paragraph 3(5), containing details of services covered, the minimum cover and excess payable, will suffice.</i>) | <input type="checkbox"/> |
| 7. <u>*Client Account letter</u> (<i>if applicable</i>) A letter from the bank which maintains the Applicant's client account. | <input type="checkbox"/> |
| 8. <u>*Memorandum & Articles of Association of companies incorporated outside the Isle of Man.</u> Applicants that are <u>not</u> incorporated in the Isle of Man should supply a copy of the Memorandum and Articles of Association and Certificate of Incorporation – certified by a Director or the Company Secretary as a true copy. | <input type="checkbox"/> |
| 9. <u>*Accounts.</u> A copy of audited accounts of the Applicant covering the previous 3 accounting years (or since the company's incorporation if less than 3 years have elapsed). If audited accounts are not available, then unaudited accounts may be submitted. (The Commission may also require to see the audited accounts of any parent company, subsidiary or fellow subsidiary). | <input type="checkbox"/> |
| 10. <u>*Auditor's letter.</u> A letter from the Applicant's proposed auditor, confirming the auditor's willingness to serve. (Only required from new businesses that do not have an existing auditor in place). | <input type="checkbox"/> |

Category of Licence:	
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CONTACT DETAILS

Full Name of Applicant:	
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Business Name (if applicable):	
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Registered Office Address:	
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Business Address in the Isle of Man: (if different from above)	
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Contact Name:	
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E-mail:	
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Website:	
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Telephone Number:	
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Fax Number:	
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ABOUT THE APPLICANT

1. Country of Incorporation.	
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2. Company Registration Number.	
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3. Date of Incorporation.	
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4. Authorised share capital.	
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5. Issued share capital and paid up share capital, if different.	
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6. State method by which paid-up share capital was raised.	
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7. If shares are the subject of an option agreement or forward contract, please provide details.	
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8. Amount and nature of any loan capital.	
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9. Amounts outstanding on any existing loans to directors, managers or controllers of the Applicant, and any proposed loans.	
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10. Financial year-end.	
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11. Indicate below what Professional Indemnity Insurance cover the Applicant has.		
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	COVER	EXCESS
Professional Indemnity Insurance		

CONTROLLERS, DIRECTORS AND KEY PERSONS

A table is set out on the next page, for recording core information about the directors, controllers and key persons of the Applicant.

These people will need to be vetted and, according to the date since their last vetting, should submit either a [Personal Questionnaire](#) ("PQ") and [Bankers' Questionnaire](#) ("BQ"), or a [Personal Declaration](#) ("PD").

If the Applicant has a locum, please advise the Commission separately of the identity of the locum. If the locum is an individual, please supply a completed PQ and BQ, or a PD.

For an example of how the completed table might look, click on the following link:
<http://www.gov.im/lib/docs/fsc/sampletable.pdf>

12. Name(s) and address(es) of bank(s) with whom office accounts are maintained or where it is intended to open such accounts. Please list first the Applicant's main bankers.

13. Are clients' money accounts to be operated (as defined in the Financial Supervision Commission (Clients' Money) Regulatory Code)?

YES **NO**

If "Yes" please state the name(s) and address(es) of the bank(s) with whom such accounts are to be maintained or where it is intended to open such accounts.

Name	Address

14. Has the Applicant at any time within the last 6 years received an indication from a banker that its office account or a clients' money account has not been kept in a satisfactory manner?	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>

If yes, please explain the circumstances.

15. Name and address of the Applicant's auditors (including the contact person).	
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Question 16 is not applicable to Applicants for a Category 1 Investment Business Licence.

16. Confirmation that Auditors Professional Indemnity Insurance Cover is held to a level of at least £10 million (See Appendix 2)	
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17. Names and addresses of any regulatory authority by which the Applicant or other group companies are licensed.

(*Note: The Commission may seek references from any such regulatory authority.*)

Company	Regulatory Authority

18. Apart from any listed in questions 17. and 18. above, please provide details of any branches or subsidiaries of the Applicant that carry on Investment Business activities outside the Isle of Man.

Name	Place of Incorporation	Names of Directors	Activity

19. Does your business comply with the Anti-Money Laundering legislation?

YES

NO

If no, please give details:

20. Have there been any convictions or civil judgements against the Applicant?

YES

NO

If yes, please give details:

21. Is there any outstanding litigation against the Applicant or has the Applicant issued any current proceedings?

YES

NO

If yes, please give details:

APPENDIX I

DETAILS TO BE INCLUDED IN BUSINESS PLAN

- A. Background
 - a) A brief resume of the group's history and aspirations.
 - b) A group structure chart showing the name and jurisdiction of all subsidiaries and where it is proposed that the Applicant will appear in the group. Indicate also any regulatory authorities to which any group companies report.
 - c) A brief outline of the major sources of income for the group.
- B. The business objective and philosophy of the Applicant; including the reasons for wishing to establish a presence in the Isle of Man.
- C. The types of services/products to be offered.
- D. Marketing strategy and methods, including the market to which services/products are to be directed.
- E. A list of product companies with whom the Applicant has or intends to have agency agreements.
- F. Details of any sub-contracting arrangements for services or advice to be bought in from third parties or other group companies.
- G. Management and staff structure of the Applicant, showing managers/controllers and their responsibilities.
- H. Control procedures (i.e. how work is to be reviewed, separation of function achieved etc.)
- I. In the case of a small business, information regarding the arrangements made to ensure that the interests of investors will be safe-guarded in the event of death, incapacity, holidays and sickness. ("The Locum Principle"). See the Financial Supervision Commission (General Requirements) Regulatory Code 6.
- J. Financial Information.
 - a) Category 1 Investment Business
 - i) Projected Profit and Loss Account and Balance Sheet for the next two years.
 - ii) A signed Financial Declaration in the format provided in Schedule 4 of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code.
 - b) Categories 2 and 3 Investment Business
 - i) Projected Profit and Loss Account and Balance Sheet for the next two years.
 - ii) A Statement of Financial Resources as at the date of the latest audited accounts. If the Applicant has no audited accounts or the audited accounts are in respect of an accounting period ending more than 6 months before the date of the application, the Applicant must supply a Statement of Financial Resources based on the projected Profit and Loss Account and Balance Sheet and the end of the Applicant's current or first financial year ending should not be more than 12 months after the date of application.
 - iii) The Statement of Financial Resources required in (ii) above must be in the format provided in Schedule 3 of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code.

APPENDIX 2

(NOT REQUIRED FOR CATEGORY I LICENCE APPLICATIONS)

ACCOUNTANT'S CONFIRMATION IN CONNECTION WITH THE APPLICATION FOR THE ISSUE OF AN INVESTMENT BUSINESS LICENCE UNDER SECTION 3 OF THE INVESTMENT BUSINESS ACTS 1991-3

Dear Sirs

We refer to the applications by _____
("the company") for the grant of authority to carry on Investment Business under section 3 of the
Investment Business Acts 1991-3. A copy of the application form together with the related business
plan are attached and initialled for identification purposes.

We confirm that:

1. we are prepared to accept appointment as auditors to the company;
2. we carry Professional Indemnity Insurance for not less than £10 million;
3. we consider that the information provided in respect of the business plan has been properly prepared on the basis of the assumptions made by the directors of the company for which they are solely responsible.
4. the Financial Resources Statement contained in the business plan has been prepared in accordance with Schedule 3 of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code.

Yours faithfully

APPENDIX 3

DECLARATION TO BE COMPLETED BY CATEGORY I INVESTMENT BUSINESSES

I/we confirm that I/we have read and understood the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Codes 1(4), 11 12 and I/we declare that my/our business is, or will be conducted in accordance with the limitations imposed upon Category I Licenceholders.

Signed _____ DIRECTOR

Name _____

Date _____

APPENDIX 4

FINANCIAL SUPERVISION COMMISSION

THE INVESTMENT BUSINESS ACTS 1991-3

DECLARATION

This declaration must be signed by two directors or a director and company secretary of the Applicant. A licence under Section 3 of the Investment Business Act 1991-3 ("the Act") will not be issued until a completed Declaration in this form has been received by the Financial Supervision Commission.

We declare that the information supplied in the attached application is complete and correct to the best of our knowledge and belief at the time of this Declaration.

We further declare that the Company is, in our judgement and to the best of our knowledge, not "unable to pay its debts" as defined in section 163 of the Companies Act 1931.

We hereby apply to be licensed by the Financial Supervision Commission ("the Commission") in accordance with Section 3 of the Act.

We agree to provide any further information that the Commission may require when considering this application.

We agree to notify the Commission of any other information which is material to this application, and also to notify the Commission immediately of any material changes in the information provided in this application which may occur after the date of submission of the application and prior to the date on which a licence is granted or the date on which the Applicant is notified that his application has been unsuccessful.

We understand and accept that the Commission may wish to make enquiries - both now and on a continuing basis - to satisfy itself as to the initial and continuing fitness and propriety of the Company and its controllers, directors and managers. Accordingly, we authorise the bankers named in this application, together with any other person, body or institution (including the Police) that the Commission may approach, to provide such information, as the Commission believes may be relevant to its assessment.

We confirm that we have read and understood the Regulatory Codes issued by the Financial Supervision Commission pursuant to the Investment Business Act 1991-3 and we declare that our business is, or will be, conducted in accordance with such Regulatory Codes.

For and on behalf of (name of Applicant):

Signed _____ DIRECTOR

Name _____

Date _____

Signed _____ DIRECTOR/COMPANY SECRETARY

Name _____

Date _____

By virtue of Section 3(11) of the Act, a person commits an offence if for the purposes of obtaining licence he knowingly or recklessly gives any information which is false in a material particular. Any person guilty of an offence under any provision of the Act (except Section 10(4)) shall be liable:-

- (a) on summary conviction, to a fine not exceeding £5,000 or to a term of custody not exceeding 6 months, or to both;*
- (b) on conviction on indictment, to a fine or to a term of custody not exceeding 2 years, or to both.*