

Isle of Man Financial Supervision Commission

Financial Services Act 2008

Application Form for a Financial Services Licence

(to be completed by all applicants excluding Professional Officer applicants)

**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**



Financial Supervision Commission Barrantee Oaseirys

Licence Application – Guidance Notes

There are several sections to the application form, please complete all sections. Where something is not applicable please write “N/A” beside the question. The form can be downloaded from our website in Microsoft Word format to be completed electronically; alternatively, the applicant can print the form and complete it in black ink. The application form and any information provided on additional sheets must be signed and dated.

Please read the Commission’s [General Licensing Policy](#) before making this application. Also, as part of applying for a Financial Services Licence applicants are required to submit a business plan alongside the completed application form. Please read the Commission’s [Business Plan Guidance](#) for assistance on the information to be included. Please note that where a “Rule” is referred to, this is the relevant rule from the [Financial Services Rule Book](#).

The Commission’s staff are available for consultation on a formal, or an informal basis, in the course of the preparation of an application for a licence and will 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 where it has any doubts about the applicability of the law.

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.

It should be noted that by virtue of section 40 of the Financial Services Act 2008 ("the Act") a person commits an offence if, for the purposes of obtaining a 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 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.

Financial Supervision Commission
January 2012

Section 1: Applicant Contact Details

1. Name of individual who is to be primary contact for the application

2. E-mail address

3. Postal Address

4. Daytime telephone number

5. The application fee payment should be made by BACS. Please confirm if the payment has been made.

No Yes If "yes", please state what reference was on the payment _____

*Bank : Isle of Man Bank Limited
Sort Code : 55-91-00
A/C Name: Isle of Man Government Financial Supervision Commission
Account No : 12557838
Payment Reference: Name of Applicant followed by "AF"*

Section 2: Company Details

1. Full name of applicant and company number

2. Date of incorporation

3. Country of incorporation

If not incorporated in the IOM please enclose a certified copy of the Memorandum and Articles of Association.

4. Business/Trading name (if applicable)

5. Registered office address

6. Business address in the Isle of Man (if different from above address)

7. Will the business operate from multiple addresses?

No Yes If "yes", please insert details below.

8. Website

9. Has a group structure chart been enclosed?

Yes To follow If "to follow", what date is it anticipated they will be submitted:

Please see the guidance note at end of this section for details of the information to be included on the chart.

<p>10. Names and addresses of any regulatory authority which authorises or registers the applicant, or other group companies of the applicant (applications pending should also be included). Please note that the Commission will seek references from any such regulatory authority.</p>	
Company (and licence number if known)	Regulatory Authority

11. Is there any outstanding litigation against the applicant or has the applicant issued any current proceedings?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please provide details on a separate sheet.
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12. Have there been any convictions or civil judgements against the applicant?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please provide details on a separate sheet.
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Question 9 (Structure Chart) - Guidance note

The structure chart should include the following:

- *The full legal ownership of the applicant including the name and place of incorporation of any parent companies;*
- *All controllers of the applicant as defined in section 48 of the [Financial Services Act 2008](#) and the percentage of shares held;*
- *If a foundation or a trust is present in the ownership structure details of all the key parties involved;*
- *The trust deed / foundation instrument and foundation rules must also be submitted;*
- *The name, country of incorporation and nature of business of all subsidiaries of the licence applicant;*
- *The location of any branches of the applicant;*
- *Details of other Group companies (including country of incorporation and names of directors), in particular those which undertake financial services; and*
- *Details of any regulatory authority to which any group company reports.*

Section 3: Proposed Activities

Please see the [Regulated Activities Order 2011](#) for assistance with completing this section of the form.

1. Mark all of the boxes relating to the regulated activities that will be undertaken by the applicant and list the subclasses required. Further information should be supplied about the proposed activities in the accompanying business plan.

Regulated Activity		Sub-classes
Class 1 - Deposit Taking	<input type="checkbox"/>	
Class 2 - Investment Business	<input type="checkbox"/>	
Class 3 - Services to Collective Investment Schemes	<input type="checkbox"/>	
Class 4 - Corporate Services	<input type="checkbox"/>	
Class 5 - Trust Services	<input type="checkbox"/>	
Class 7 – Management or Administration Services	<input type="checkbox"/>	
Class 8 – Money Transmission Services	<input type="checkbox"/>	

2. Is the applicant proposed to be a managed entity?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please answer the questions below.
	Who is the proposed manager?
	Has the proposed manager applied to extend its licence to include Class 3(9) or Class 7? No <input type="checkbox"/> Yes <input type="checkbox"/> N/A <input type="checkbox"/>

3. Is the application for a branch operation?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please answer the questions below.
	Which body is the lead regulator?
	Has consent has been obtained from the lead regulator? No <input type="checkbox"/> Yes <input type="checkbox"/>

4. Does the applicant intend to outsource responsibility for any aspect of the regulated activity to a third party?	No <input type="checkbox"/> Yes <input type="checkbox"/>
	<i>If so, full details of the arrangements should be included within the Applicant's business plan and a copy of the outsourcing agreement should also be supplied to enable the Commission to consider if the arrangement is appropriate.</i>

5. Does the applicant intend to use any third parties as agents, either in or outside the Isle of Man, to undertake any of the regulated activities covered by this application?	No <input type="checkbox"/> Yes <input type="checkbox"/>
	<i>If so, full details of the arrangements should be included within the Applicant's business plan and a copy of the agency agreement should also be supplied to enable the Commission to consider if the arrangement is appropriate.</i>

Section 4: Shareholders, Controllers, Directors and Key Persons

The controllers, directors and key persons will need to be vetted. For guidance on the appropriate form to be completed refer to the [Vetting Guidance](#). Please also refer to the [Training and Competence Framework](#) which guidance on the level of experience and/or qualifications expected for certain roles.

1. Including all directors / key staff indicate the total number of staff within the applicant.	
	<i>Please also enclose a staff structure chart including role titles/ key responsibilities.</i>

2. List who will be the controllers of the applicant, and, where appropriate, the number of shares held by each. For the definition of controller please see section 48 of the Financial Services Act. If extra room is needed please use additional sheets.

Name	No. of Shares *

* *If shares are the subject of an option agreement or forward contract, provide details on a separate sheet.*

3. List who will be the directors, or proposed directors, of the applicant. Also, confirm if the individual will be an executive or non-executive director. If extra room is needed please use additional sheets.

Name	Date Appointed or proposed to be appointed	Executive or Non Executive
		Executive <input type="checkbox"/> Non-Exec <input type="checkbox"/>
		Executive <input type="checkbox"/> Non-Exec <input type="checkbox"/>
		Executive <input type="checkbox"/> Non-Exec <input type="checkbox"/>

		Executive <input type="checkbox"/> Non-Exec <input type="checkbox"/>
		Executive <input type="checkbox"/> Non-Exec <input type="checkbox"/>

4. List who will be the “Isle of Man Resident Officers” for the applicant (please see Rule 8.21). The Commission expects there to be two nominated individuals. If the applicant proposes to have more than two Isle of Man Resident Officers please explain the rationale in the accompanying business plan.

5. Indicate who will take on the following key person roles within the applicant. If extra room is needed, please use additional sheets.

Company Secretary <i>Please ensure the individual has appropriate qualifications / experience in accordance with Rule 8.23.</i>	
MLRO <i>(usually includes role of “CFT officer”) See Rules 8.18 and 9.2.</i>	
Deputy MLRO (except those applying for Class 8 (1), (2)(b) or (3) permissions) <i>(usually includes role of “deputy CFT officer”) See Rules 8.18 and 9.2.</i>	
Compliance Officer (except those applying for Class 8 (1), (2)(b) or (3) permissions) <i>See Rules 8.18 and 8.19.</i>	
Key Person (If applicable) <i>(please specify role)</i>	
Key Person (If applicable) <i>(please specify role)</i>	
Key Person (If applicable) <i>(please specify role)</i>	
Key Person (If applicable) <i>(please specify role)</i>	

6. Have the required vetting forms and job descriptions been enclosed with the application?	Yes <input type="checkbox"/> To follow <input type="checkbox"/> If “to follow”, what date is it anticipated they will be submitted:
	<i>Please ensure that a list of current appointments as Director, Company Secretary, Trustee, Protector or Enforcer is included with each person’s vetting form.</i>

7. Does the applicant intend to use a locum?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please state the name and address of the applicant's locum.
	<i>Full details of the arrangement should be included within the Applicant’s business plan to enable the Commission to consider if the arrangement is appropriate.</i>

Section 5: Financial Details of the Applicant

See Rule 2.37 for the financial resource requirements (“FRR”) for different classes of licenceholders.

1. Indicate the proposed level of authorised and issued share capital of the applicant.	Authorised share capital:
	Issued share capital (including details of any share premium if applicable):
	<i>Please note evidence will be required to demonstrate that the level of issued and paid-up share capital (including any share premium) complies with the requirements of Rule 2.37).</i>
2. Is the applicant intending to rely on a subordinated loan?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please indicate the amount of the proposed loan:
	<i>If subordinated loan is proposed to be put in place a copy of the agreement must be provided to the Commission for approval. A pro-forma agreement is available. If applicable it should be supported by a copy of the audited accounts of the lender.</i>
3. Are there any amounts outstanding on any existing loans to any personnel of the applicant?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please provide further details in the business plan.
4. Is the applicant intending to apply for financial assistance from IOM Government?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please provide further details in the business plan, including any conditions attached to such a financial grant.

5. Identify what types of bank accounts are already operated, or proposed to be opened by the applicant.

Type of Account	Name and Address of Bank	Account Name	Bank letter enclosed ***
Office Account (s)			Not required
Client Account (s) *			No <input type="checkbox"/> Yes <input type="checkbox"/>
Payment Account (s)**			No <input type="checkbox"/> Yes <input type="checkbox"/>

* Client Accounts as defined in Rule 3.3.

** Payment Accounts as defined in Rule 3.33.

*** A letter should be obtained from the bank confirming that the accounts are held in trust on behalf of clients (Rules 3.10 and 3.37).

6. 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 / payment account has not been kept in a satisfactory manner?

No Yes If "yes", explain the circumstances on a separate sheet.

7. Accounting reference date of the applicant.

Please refer to Rule 2.2 for further details.

8. Please provide the name and address of the applicant's auditors, including the contact person (except those applying for Class 8 (1), (2)(b) or (3) permissions).

Please refer to Rule 5.2 to ensure the auditors are suitable. The auditors should sign off Appendix 1.

9. For all Class 8 applicants only, what is the anticipated turnover, from the money transmission services, for the next 12 months?

10. All applicants (except those applying for Class 8 (1), 8 (2)(b) or 8(3) permissions) must enclose the following documentation. Further details on each item can be found in the business plan guidance. Please indicate if each item has been attached to the business plan.

Projected profit and loss account, balance sheet and cash flow forecasts for the next two years (three years for Class 1 and Class 8 (2) (a) and Class 8 (4) applicants).	No <input type="checkbox"/> Yes <input type="checkbox"/>
If the applicant is an established company, a copy of the accounts of the applicant for the previous two accounting years (or for the period since the applicant was established, if it is less than two years).	No <input type="checkbox"/> Yes <input type="checkbox"/>
A statement of financial resources as at the date of the latest audited accounts (if applicable).	No <input type="checkbox"/> Yes <input type="checkbox"/>
A statement of financial resources as it is expected to appear after one year of operation, on the basis of the core assumptions in the Business Plan.	No <input type="checkbox"/> Yes <input type="checkbox"/>

Section 6: Insurance Cover

See Rule 8.54 to ensure the proposed level of cover complies with the Rule Book

1. What level of insurance cover is held, or is proposed? Evidence of the cover in place should be submitted. If the cover is not yet in place please provide a quote that has been obtained. Prior to a licence being issued a copy of the schedule must be provided.

	Level of indemnity	Excess	Evidence of cover included
Professional Indemnity (“PI”) (not applicable to Class 1 or Class 8 (1), (2) and (3) applicants)			No <input type="checkbox"/> Yes <input type="checkbox"/>
Directors and Officers cover (if appropriate)			No <input type="checkbox"/> Yes <input type="checkbox"/>

2. Is the applicant covered by a group policy?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes” please enclose a copy of the group policy.
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3. Is it proposed that a letter of comfort is put in place for the applicant in relation to the level of excess on its PI cover?	No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, further details must be provided in the business plan. <i>Please note this can only be provided by applicant’s parent company. A copy of the audited accounts of the provider of the letter of comfort must be submitted.</i>
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4. Please indicate if the policy covers the following items.	If you have / propose clients, or manage / administer any assets, in the USA/Canada, does the policy include this region?	No <input type="checkbox"/> Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Does your PI policy cover Fidelity Guarantee (Employee Theft)?	No <input type="checkbox"/> Yes <input type="checkbox"/>
	If applying for Class 4 &/or 5 permissions, does the policy cover outside directorship/trusteeship liability (including Corporate Directors/Trustees)?	No <input type="checkbox"/> Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Have you had any claims on the PI policy in the last 12 months? If yes, please provide additional details on an additional sheet.	No <input type="checkbox"/> Yes <input type="checkbox"/>

Appendix 1 – Auditor’s / Accountant’s confirmation in connection with the application for the issue of a financial services licence under section 5 of the Act.

To be completed by the auditors of all applicants except those applying for Class 8 (1), (2)(b) or (3) permissions

Dear Sirs

We refer to the application by _____
 (“the company”) for the grant of authority to carry on certain regulated activities under section 5 of the Financial Services Act 2008. 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 applicant;
2. we carry Professional Indemnity Insurance at the appropriate level for this applicant;
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.

Yours faithfully

Appendix 2 – Financial Services Act 2008 Declaration

This declaration must be signed by two directors or a director and company secretary of the applicant. A licence under Section 7 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 7 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 key persons. 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 Commission’s [General Licensing Policy](#).

We confirm that we have read and understood the [Financial Services Rule Book](#) issued by the Financial Supervision Commission pursuant to the [Financial Services Act 2008](#) and we declare that our business is, or will be, conducted in accordance with that Rule Book.

We confirm that we have read and understood the [Proceeds of Crime \(Money Laundering\) Code 2010](#); the [Prevention of Terrorist Financing Code 2011](#) and any other relevant code of practice under section 157(1) of the Proceeds of Crime Act 2008 or section 27A of the Terrorism (Finance) Act 2009, as amended, and we declare that our business is, or will be, conducted in accordance with these Codes.

Signed _____ Director

Name _____

Date _____

Signed _____ Director / Company Secretary (Delete as appropriate)

Name _____

Date _____

By virtue of Section 40 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 information, to a fine or to a term of custody not exceeding 2 years, or to both.*