

## **APPENDIX 2**



## **INVESTMENT BUSINESS ACT 2003**

## **APPLICATION**

**FOR AN INVESTMENT BUSINESS LICENCE**

## **Guidance Notes**

- 1. This form should be completed by a Senior Executive or other person responsible for the conduct of the business and having legal capacity to sign on behalf of the applicant.**
- 2. Before completing this form, applicants should refer to the Investment Business Act 2003 (the Act), Regulations and the Statement of Principles, Codes of Conduct and relevant papers issued by the Authority.**
- 3. This form must be submitted typed or written in BLOCK CAPITALS in ink.**
- 4. The signatory should, on completion of the form, initial each page of the application and any supplementary sheets and sign the declaration on the last page.**
- 5. Completed applications with relevant supporting material should be sent to:-**

**Investment Department  
The Bermuda Monetary Authority  
Burnaby House  
26 Burnaby Street  
Hamilton HM 11  
Bermuda**

- 6. If you require further assistance or have any queries in connection with this application please contact the Investment Department by telephone at 295-5278 or by fax at 278-0272. Additional information may also be found on the Authority's website at <http://www.bma.bm>**

## Documentation to accompany the Application

The application must be accompanied by the following items (as applicable):-	Document Attached?
1. <b>Memorandum &amp; Articles of Association.</b> A copy of the Applicant's Memorandum and Bye-laws, and (where company is formed outside Bermuda) Certificate of Incorporation. Partnerships should submit a copy of the Partnership Agreement.	
2. <b>Accounts.</b> A copy of the most recent financial statements for the business (audited where available) together with financial statements for its parent company and other members of the group (where relevant).	
3. <b>Clients' Agreements.</b> Copies of any standard investment agreements the applicant intends to use.	
4. <b>Business Plan.</b> A statement setting out the nature and scale of the investment business which is to be carried out by the applicant, and particulars of the arrangement(s) proposed for the operation of that business (see Appendix 2a).	
5. <b>Questionnaires. IB Form 2's</b> completed by all proposed institutional controllers of the entity (as defined in Section 7 of the Act) together with <b>IB Form 3's</b> completed by all proposed individual controllers and officers of the entity.	
6. <b>Group Structure.</b> Licensed institutions forming part of wider groups must provide an up-to-date chart giving full details of the group structure.	
7. <b>Cheque representing the appropriate application fee</b>	

# APPLICATION FOR AN INVESTMENT BUSINESS LICENCE

Pursuant to Section 16 of the Investment Business Act 2003

## PART I: DETAILS OF APPLICANT (complete as appropriate)

Name of applicant	
Address of registered office	Address of principal place of business in Bermuda
Other places of business in Bermuda	Other places of business outside Bermuda
Any other names which the applicant uses or proposes to use for purposes of or in connection with any business carried on	
Date and place of formation of company/partnership or other body	
Contact name	E-mail address
Fax number	Telephone number
Scope of investment activities proposed (as defined in Part 2 of the First Schedule to the Act) – please check as appropriate	
<input type="checkbox"/> Dealing in investments	<input type="checkbox"/> Arranging deals in investments
<input type="checkbox"/> Managing investments	<input type="checkbox"/> Investment advice
<input type="checkbox"/> Safeguarding and administering investments	

## **PART II: OPERATIONS OF THE UNDERTAKING**

1. Name(s) and address(es) of the applicant's principal banker(s) within the last 10 years.
  
2. Name(s) and address(es) of banker(s) with whom the applicant maintains or proposes to maintain client accounts.
  
3. Name(s) and address(es) of the main custodian(s) of the client assets:
  - securities
  
  - other
  
4. Name and address of the applicant's auditors (where applicable). Please give the name and professional qualification of the relevant partner(s).
  
5. Names and addresses of any other regulatory body with responsibility for the applicant.
  
6. Names of all directors and senior executives (identify with an asterisk independent executive directors).

7. Names of all controllers of the undertaking, indicating the relevant category of controller and whether individual or corporate, (for example, “majority shareholder controller” if the person controls 50 per cent or more of the shares or voting power of the institution).

8. Names and positions in the undertaking of the persons who effectively direct the business for the purposes of paragraphs 2 and 3 of the minimum criteria for licensing set out in the Second Schedule to the Act.

9. (a) Where applicable, amount and currency of the company’s issued and paid-up share capital.

(b) Where applicable, amount and currency of the company’s authorized share capital.

10. Applicant's financial year-end.

**Part III: Insurance Cover**

Indicate below whether the Applicant has cover in respect of the following:-

	Yes	No	Limit	Deductible	Insurer	Broker
Errors & omissions	<input type="checkbox"/>	<input type="checkbox"/>				
Directors and officers liabilities	<input type="checkbox"/>	<input type="checkbox"/>				
Fidelity and forgery	<input type="checkbox"/>	<input type="checkbox"/>				
Loss of property	<input type="checkbox"/>	<input type="checkbox"/>				
Computer crime	<input type="checkbox"/>	<input type="checkbox"/>				
Computer damage	<input type="checkbox"/>	<input type="checkbox"/>				
Business interruption	<input type="checkbox"/>	<input type="checkbox"/>				
Office contents	<input type="checkbox"/>	<input type="checkbox"/>				
Political risk	<input type="checkbox"/>	<input type="checkbox"/>				
Other insurance (please provide details)	<input type="checkbox"/>	<input type="checkbox"/>				

Has any application for insurance by the applicant or any predecessors in business ever been refused?	
Have any material <b>insurance</b> claims been made by the applicant or any predecessors in business?	

Name(s) and address(es) of insurer(s):

## Part IV: Prior Issues

If the answer to any of the questions below is yes, please give full particulars in the space provided at the back of this questionnaire clearly stating to which question the details relate.

	YES/NO
(a) Has the applicant ever applied for and been refused a licence or an equivalent authorisation or registration to conduct banking, investment, insurance or trust business in Bermuda or elsewhere?	Yes/No
(b) Has the applicant failed to satisfy a judgement debt under a court order in Bermuda or elsewhere within a year of the making of the order?	Yes/No
(c) Has the applicant made any compromise or arrangement with its creditors or otherwise failed to satisfy creditors in full?	Yes/No
(d) Has the applicant ever had a receiver appointed over any of its property in Bermuda, or has the substantial equivalent of any such person been appointed in any other jurisdiction? If so, give full particulars.	Yes/No
(e) Has the applicant ever had a petition for an administration order or the substantial equivalent of such a petition served on it in any jurisdiction?	Yes/No
(f) Has the applicant ever had a notice of resolution for liquidation in Bermuda, or had the substantial equivalent of such a notice given in any other jurisdiction?	Yes/No
(g) Has a petition ever been served in Bermuda for the compulsory liquidation of the applicant or any member of a group of which the applicant is a member or has the substantial equivalent of such a petition ever been served in any other jurisdiction?	Yes/No
(h) Has an inspector or other authorised officer of any government department or agency, professional association or other regulatory body appointed under any Bermuda law (e.g. the Companies Act 1981) or equivalent overseas enactment, ever investigated the affairs of the applicant or any member of a group of which the applicant is a member?	Yes/No
(i) Has the applicant or any member of a group of which the applicant is a member been required to produce books or records pursuant to section 110 of the Companies Act 1981 or similar provisions of regulatory legislation (e.g. section 40 of the Banks and Deposit Companies Act) within Bermuda or elsewhere?	Yes/No
(j) Has the applicant or any member of a group of which the applicant is a member ever been censured, prosecuted, or warned as to future conduct, or disciplined or publicly criticized by, or made the subject of a court order at the instigation of any supervisory or regulatory authority?	Yes/No
(k) Has the applicant or any member of a group of which the applicant is a member ever been refused entry in Bermuda or elsewhere to any professional body, stock exchange or trade association concerned with banking, trust or financial services?	Yes/No
(l) Is the applicant or any member of a group of which the applicant is a	Yes/No

member engaged or does it expect to be engaged in Bermuda or elsewhere in any litigation which may have a material effect on the resources of the undertaking?	
--	--

**Declaration**

This declaration must be completed by the Applicant in block capitals or typed.

I, (full name and address)

confirm that I have read and understand the provisions of the Investment Business Act 2003 (the “Act”) and I declare that the business in respect of which this application is made will be conducted in accordance with the provisions of the Act, the Regulations and any Codes of Conduct.

I declare that the particulars supplied in the application are true to the best of my knowledge and belief.

Signature of applicant

Position in undertaking

Date

**WARNING** Any person who, in relation to an application for a licence, issues a document or supplies information which is false or misleading in a material respect; or signs a document which is false or misleading in a material respect; or takes part in the preparation or issue of a document, or the supplying of information which is false or misleading in a material respect, shall be guilty of an offence and liable on summary conviction to a fine of \$25,000 or to imprisonment for two years or to

both; and on conviction on indictment to a fine of \$100,000 or imprisonment for four years (Section 82 of the Investment Business Act 2003).