

**INVESTMENT DEALERS (LICENSING)
REGULATIONS 2003**

Arrangement of Regulations

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**INVESTMENT DEALERS (LICENSING)
REGULATIONS 2003**

(Legal Notice 26 of 2003)

<i>12 of 2001</i>	MADE by the Governor under sections 4, 6, 12 and 13 of the Investment Dealers (Licensing) Ordinance 2001.
Citation	1. These Regulations may be cited as the Investment Dealers (Licensing) Regulations 2003.
Definitions	2. Definition –
<i>Cap 118</i>	“bank” and “liquid assets” have the meanings respectively assigned to them in the Banking Ordinance.
Application form for investment dealers’ licence	3. An application for an investment dealers licence shall be made to the Financial Services Commission in the prescribed form and shall be accompanied by a Biographical Affidavit in the prescribed form.
Capital requirements	4. (1) A licensed investment dealer shall maintain in liquid assets, a minimum capital of \$250,000 or 2.5% (whichever is higher) of investments and money held on behalf of clients. (2) The minimum capital required to be held under paragraph (1) shall be held in a bank approved by the Financial Services Commission and shall not be withdrawn or transferred from that bank except with the prior specific approval of the said Commission. (3) Paragraph (1) does not apply to banks licensed under the Banking Ordinance.
Compliance certificates	5. A licensed investment dealer shall, not later than 31st March in each year submit to the Financial Services Commission – (a) a Certificate of Solvency and Annual Compliance Certificate in the prescribed form and signed by a director and a senior executive officer responsible for its investment business confirming that the investment dealer has complied with all of the statutory requirements or indicating any failure to do so; and (b) a certificate of an approved auditor certifying that the investment dealer has at all times complied with all of the statutory requirements.
Keeping clients’ assets	6. A licensed investment dealer shall maintain accounts in respect of all transactions and balances relating to his business and shall, in particular, maintain separate accounts for his clients’ assets.

7. A licensed investment dealer shall maintain with a recognised insurer, professional indemnity insurance in the amount of not less than \$2,000,000 to cover any one loss including any loss due to theft by an employee or negligence by a director.

SCHEDULE I

(Regulation 3)

APPLICATION FOR INVESTMENT DEALERS LICENCE

PART I: PRELIMINARY

1. Name and address of principal or registered office of company, partnership applying for a licence

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(Applicant must complete Part II or III as appropriate and send the application form to the Financial Services Commission, accompanied by the appropriate fee which is not refundable).

2. Name and address of subsidiary companies/associates to be included in the licence.
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.....

3. State the type of licence which is sought (section 8 of the Ordinance). Attach a business plan describing the nature of the business which is to be undertaken, the administrative procedures which are to be adopted, and financial projections for business.
.....
.....

PART II: APPLICANTS THAT ARE COMPANIES

4. Address/es where applicant and (if applicable) its parent and/or subsidiary company carry on business
.....
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.....

5. State whether applicant was incorporated or registered under the Companies Ordinance or incorporated and registered outside the Islands, giving in either case the date of incorporation or registration, and the registration number.

cap 122

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.....
.....
(Attach (i) a copy of the memorandum and articles of association, charter or statutes of the applicant or other instrument constituting the applicant, certified under the seal of the registrar of companies or the public seal of the country where the applicant was incorporated and if the instrument is not written in English, a certified translation thereof and (ii) proof of incorporation and registration in or outside the Islands).

6. Names and addresses of directors, managers and other key personnel.
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.....

(Attach biographical affidavits for these persons and evidence by way of certificates, references, CV's or otherwise that each person herein named is sufficiently experienced and knowledgeable in the business of dealing in investments, advising upon investments and managing funds. These should be sufficient to demonstrate that the persons who manage the applicant are fit and proper persons to conduct the business by virtue of integrity, solvency and competence).

7. Names, addresses, nationalities and proportions of shares held by individuals –

- (a) who are registered shareholders holding ten per-cent or more of the issued share capital of the applicant:

.....
.....
.....

(Attach biographical affidavits of these persons)

- (b) who are beneficial owners of ten per-cent or more of the issued share capital of the applicant but are not registered as shareholders.

.....
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.....

(Attach biographical affidavits of these persons)

8. State names, addresses, registered or head offices, countries or places of incorporation and proportion of shares held by companies –

- (a) that are registered shareholders holding ten per-cent or more of the issued share capital of the applicant

.....
.....
.....

(Attach annexes if necessary)

- (b) that are beneficial owners of ten per-cent or more of the

issued capital of the applicant but are not registered as shareholders

.....
.....
.....

(Attach annexes if necessary)

NOTE:

It is necessary to answer at both 7(b) and 8(b) if 10% of the shares are held by a company, and in turn the ownership of that company means that the said 10% of the shares are beneficially owned by one person.

- 9. Date for drawing up the annual accounts of the applicant (attach the most recent set of annual accounts).

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PART III: APPLICANTS OTHER THAN COMPANIES

- 10. Name and address of each partner in the applicant

.....
.....
.....

(Attach (i) two references, one of a financial character either from a bank or trust company, in respect of the person or persons named, (ii) a biographical affidavit in respect of each person named, (iii) any other evidence by way of certificates, CV's or otherwise that the person or persons concerned are sufficiently experienced and knowledgeable and fit and proper to conduct the business and (iv) a certified copy of a partnership agreement).

- 11. Does the applicant intend to employ a person as a manager or senior officer with responsibility for the management of the companies in respect of which the applicant proposes to act as company manager or provide it with company services? Yes or No. (If "Yes", give that person's name and address, attaching the appropriate references and biographical affidavit and proof of the person's status as a Belonger or of his right of residence in the Islands).

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- 12. Date for drawing up the annual accounts of the applicant (Attach a statement of assets and liabilities, duly certified, at the end of the month immediately preceding this application)

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Please submit a declaration in the form set out overleaf.

13 We [insert the name of the Applicant named in 1 or 4 above] hereby apply for an investment dealers licence in the name of, and declare that to the best of our knowledge and belief the information supplied in support of this application is true and accurate.

We [insert the name of the Applicant named in the above paragraph], also undertake to inform the Financial Services Commission of any changes material to this application which may arise while the application is being considered.

To be dated and signed by two directors of the Applicant:

SCHEDULE II

(Regulation 3)

FINANCIAL SERVICES COMMISSION BIOGRAPHICAL AFFIDAVIT

TO BE COMPLETED BY EACH SHAREHOLDER, DIRECTOR, MANAGER AND SENIOR OFFICER OF APPLICANT

Full name and address of applicant

In connection with the above-named company, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.)

Please state if answer is "no" or "none" where appropriate

1. Surname
Forenames

2. (A) HAVE YOU EVER HAD YOUR NAME CHANGED?
..... IF YES, GIVE THE REASON FOR THE
CHANGE

(B) Other names used at any time

3. Social Security No./PassportNo/National Insurance No/ or other similar identification No. applied to Government record systems. Give details of I.D.
- 4 (a) Date of birth
(b) Place of birth
5. Nationality , including statement as to whether it was acquired by birth or naturalisation
6. Business address
7. Business telephone No.
8. Current residential/private address
Street
City
State/Providence
Country
9. List your residential/private addresses for the last (10) years

DATE	ADDRESS	CITY, STATE, COUNTRY
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.....
.....
.....
10. Education: Dates, names, locations, and degrees
College
.....
.....
GRADUATE STUDIES
.....
.....
Others

11. List membership in professional societies and associations

12. Present or proposed position with the applicant company

13. In carrying out your duties will you be acting on the direction or instructions of any other person? If so, give particulars.

14. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years giving :

DATE	EMPLOYER & ADDRESS	TITLE
.....
.....
.....
.....
.....
.....

15. (a) Present employer may be contacted. Yes No
- (b) Former employers may be contacted. Yes No
- (c) List names, address, phone/fax numbers of independent references.

16. Have you ever been in a position which required a fidelity bond?

If any claims were made on the bond, give details

.....

17. Have you ever been denied an individual or position schedule fidelity bond, had a bond cancelled or revoked?
 Yes No

If yes, give details

18 List any professional, occupational, and vocational licences issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past (State date licence issued, issuer of licence, date terminated, reasons for termination).

.....
.....
.....

19. During the last ten (10) years, have you ever been refused a professional, occupational, or vocational licence by any public or governmental licensing agency or regulatory authority, or has any such licence held by you ever been suspended or revoked? Yes No

If yes, give details
.....
.....

20. List any financial services businesses which you control directly or indirectly or in which you own legally or beneficially 10% or more of the outstanding stock (in voting power).

.....
If any of the stock is pledged or hypothecated in any way, give details.
.....

21. Have you at any time failed to satisfy any debt adjudged due and payable by you as a judgement-debtor under an order of a court in the Turks and Caicos Islands or elsewhere. If so, give particulars.

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22. Have you in connection with the formation or management of any body corporate, partnership or incorporated institution other than a partnership, been adjudged by a court in the Turks and Caicos Islands or elsewhere civilly liable for any fraud or other misconduct by you towards such a body or company or towards any members thereof? If so give particulars.

.....

23. Has any body corporate, partnership or incorporated institution other than a partnership with which you were associated as a director or officer in the last 10 years, in the Turks and Caicos Islands or elsewhere, been compulsorily wound up or made any

compromise or arrangement with its creditors, or ceased trading in circumstances where its creditors did not receive or have yet to receive full settlement of their claims, either where you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.

.....

24. Will you or members of your immediate family subscribe to or own, beneficially or off records, shares of stock of the applicant insurance company or its affiliates?

If any of the shares or stock are pledged or hypothecated in any way, give details.
.....

25. (a) Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence or pardoned for conviction of or pleaded guilty or nolo contendere to an information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging a violation of any corporate securities statute or any insurance law, or have been the subject of any disciplinary proceedings of any federal or state regulatory agency?

Yes No

If yes, give details.
.....

- (b) Has any company been so charged allegedly as a result of any action or conduct on your part? Yes No

If yes, give details
.....

26. Have you ever been adjudged a bankrupt?

27. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any financial services business which, while you occupied any such position or capacity with respect to it, become insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? Yes No

If yes, give details including names and dates
.....

28. Has the certificate of authority or license to do business of any financial services business of which you were an officer or director or key management person ever been suspended

or revoked while you occupied such position? Yes No

If yes, give details
.....
.....

Dated and signed this day of at

I hereby certify under penalty that I am acting on my behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

(SIGNATURE OF AFFIANT)

STATE OF

COUNTY OF

The above named personally appeared before me and is personally known to me, being duly sworn, deposes and says that he executed the above instrument and that the statements and answers contained therein are true and correct to the best of his knowledge and belief.

Subscribed and sworn before me this day of 20....

(Notary Public)

(Seal)

My Commission Expires

SCHEDULE III

(Regulation 5)

ANNUAL CERTIFICATE OF SOLVENCY

(Issued under the Investment Dealers (Licensing) Ordinance 2001)

Name of Financial Institution:.....

We the undersigned the duly incumbent directors for the time being do hereby solemnly and sincerely declare that the company as at the date hereof, has sufficient assets available from its own resources (not including any

.....
Director

.....
Senior Executive

Date:.....

Date:.....

JAMES POSTON
GOVERNOR

25th June 2003

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Investment Dealers (Licensing) Regulations 2003 are made under the Investment Dealers (Licensing) Ordinance 2001 and provide for –

- (a) the form of an application for an investment dealers licence;
- (b) the form of a biographical affidavit to be completed by each shareholder, director, manager and senior partner of an applicant for an investment dealer's licence;
- (c) the minimum capital requirement of \$250,000 or 2.5% (whichever is higher) of investments and money to be held by an investment dealer on behalf of clients;
- (d) the minimum capital requirement to be held in liquid assets in an institution domiciled in the Islands and not to be withdrawn or transferred from that institution without prior specific authority of the Financial Services Commission; and
- (e) the forms of an Annual Certificate of Solvency and a Compliance Certificate to be completed by a director and senior executive of an investment dealer and submitted to the Financial Services Commission within three months after the 31 March of each year certifying that the investment dealer has complied with statutory requirements.