

VARDIKOS & VARDIKOS

MONEY SERVICES BUSINESS



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Definition of money services business

Under The Money Services Business Act #8 of 2010 the term Money services Business is defined as the business of providing (as a primary business) any one or more of the following:

- Money Transmission;
- Cheque Cashing;
- Currency Exchange;

The Issuance or, sale or redemption of money orders or travellers checks; Such other services as the Governor in Council may specify by notice published in the Gazette; or The business of operating as a franchise holder of a business mentioned under (1).

| Class of Licence | Description of Licence | Application License Fee EC\$ | Annual License Fee EC\$ |
|------------------|--|------------------------------|-------------------------|
| CLASS A | Money Transmission | 2,500 | 5,000 |
| CLASS B | Issuance, Sale and Redemption of Payment Instruments | 2,500 | 5,000 |
| CLASS C | Cheque Cashing | 2,500 | 5,000 |
| CLASS D | Currency Exchange | 2,500 | 5,000 |
| CLASS E | Pay day advances | 2,500 Transmission | 5,000 |

Regulation of money services business

The Money Services Business Act #8 of 2010 provides for the licensing of all money services businesses and for the regulation of such businesses by the Financial Services Unit. The on-going supervision of money services businesses falls under the purview of the Regulatory Authority (FSU).

Requirements

Those institutions that provide the above mentioned services in the Commonwealth of Dominica are required:

- to be licensed in accordance with the licensing requirements;
 - to meet the minimum net worth requirements establish in law;
 - to have two directors;
 - to obtain the Authority's written approval prior to the appointment of all directors and officers (N.B.: if the Authority is of the opinion that the director or officer is not a fit and proper person, it may reserve the right to refuse to grant approval of the appointment);
 - to be in compliance with the Money Laundering Regulations;
 - to provide the FSU with annual audited financial statements.
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On-site/Off-site supervision

A primary objective of the Authority is to maintain a first class financial system and a supervisory system that reflects international supervisory standards. It does so through integrated off-site and on-site functions, the actual processes of which are reviewed continuously in light of experience and changes in the global financial industry. Inspections are conducted pursuant to the Money Services Business Act #8 of 2010 for the purposes of assessing the policies and procedures in place for the institution with regards to Money Laundering in order to determine its compliance with the relevant legislation. The objective of the inspection is to assess the business' operational controls and compliance with internal policies, legislation and regulatory requirements relating to customer due diligence and money laundering and other prudential matters.

Application for licensing

All applications for licensing under the Money Services Business Act #8 of 2010, should be submitted to the Authority. Applications should follow the requirements set out in the MSB Act.

Application Checklist

To assist applicants in preparing and submitting their applications, the FSU has created the following checklist of documents and information to be submitted as part of the application.

- The name and address of the money services business in respect of which the licence is sought.
- Name and address of the person (the "applicant") applying to carry on the money service business.
- The address of the principal office of the applicant and of its registered office if different.
- If the applicant is a company, a certified copy of:

Certificate of Incorporation; and Memorandum and Articles of Association; any Act, statute, charter, partnership agreement or other instrument constituting and defining the constitution of the applicant verified by a declaration made by one of its directors or partners or its secretary.

- The name and address of each person who: –Owns or controls the money services business; Is a director or officer of the money services business; an agent of the applicant; or
 - Otherwise participates in the conduct of the affairs of the money services business
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- The name and address of any depository institution at which a transaction account is maintained for the purposes of the money services business.
 - Where appropriate, a statement from the body responsible for the administration of the laws relating to money services business and the supervision in the country in which the applicant or its parent company in incorporated that the body is aware of the application.
 - If the applicant is a company incorporated in the Islands:
 - The full names, address and nationalities of each shareholder who holds more than five percent of its share capital;
 - The annual accounts for the two years immediately preceding the year of application of each shareholder which is a body corporate to which paragraph (a) applies, together with similar accounts for the parent body, if any of each body corporate;
 - Two or more references verifying good financial standing of each shareholder who is a natural person to whom paragraph (a) applies;
 - A list certified by its secretary containing the full names, address and nationalities of its directors, managers and officers;
 - Two character references for each of the persons referred to in paragraph (d) and, for each person, a police or other certificate satisfactory to the Authority that the person has not been convicted of a serious crime or any offence involving dishonesty;
 - Evidence acceptable to the Authority of the availability to the applicant at all times of adequate professional knowledge of, and experience in the money services business and the names of at least two of its directors actively engaged in the money services business of the applicant one of whom shall possess sound professional knowledge of, and experience in, money services business;
 - The name and address of the proposed auditor;
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- A statement giving the date for drawing up of the annual accounts of the applicant; Confirmation in writing under the hand of the presiding officer of the applicant and the presiding officer of its parent body, if any, that they concur in the making of the application; A statement in writing accepting legal responsibility for the obligations and liabilities of the applicant executed by and binding on the parent company if any, of the applicant;
 - Three business references, for the company, of which at least one shall be from a bank;
 - A detailed business plan, containing details of the current money services business activities, if and, of the applicant and its proposed activities of the licence applied for is granted including:
 - The reasons for wishing obtain the licence sought; The business aims of the applicant in respect of the business and its potential client base;
 - A detailed statement setting out its proposed initial assets and its proposed assets and expected liabilities at the end of each of the two years next succeeding the date of such grant together with an estimate of expected income;
 - Particulars of its management structure and personnel;
 - Names and addresses of the registered offices of all subsidiary companies of the applicant together with a statement as to how much of the capital of each such company contributes an asset of the applicant;
 - A chart showing the relationship to its subsidiaries and affiliates and any holding company and;
 - A brief description of each of its subsidiaries and affiliates; and
 - Details of the applicant's proposals for establishing and maintaining, in respect of the money services business, systems of control, and systems of inspections and reports, if the licence applied for is granted.
 - Companies incorporated outside the Islands In case of a company incorporated outside the Islands, in addition to the requirements (a) to (m) inclusive, the name and address of the supervisory authority or regulatory authority responsible of the supervision of each of the applicant's agents operating outside the Islands.
 - Prescribed Application Fee of **XCD\$2, 500**.
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Contact Us



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