



Financial Services Authority
República de Honduras

Application Form for a Financial Services Licence

(to be completed by all applicants for licences under the
Financial System Law 2004 excluding Professional
Officers and Class 1(3) – banks' Representative Offices)

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

The Financial Services Authority of Honduras
PO Box: 2119
Tegucigalpa MDC
Honduras, C.A.

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 the Financial Services Authority of Honduras ('**Authority's**') website in PDF 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 Authority's Licensing Policy for Regulated Activities under the Financial Systems Law 2004 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.

The Authority'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 Authority is not misunderstood, the Authority 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 Authority; and
- (iii) the Authority normally takes legal advice on questions of law that confront it and an applicant for a licence must similarly be prepared to seek legal advice if it has any doubts about the applicability of the law.

The Authority has determined that an application for a licence must be made on this form. Any deviation from this form may invalidate the application.

If an application is incomplete or does not disclose all information which may affect the Authority's assessment, this may result in significant delays in processing. The Authority 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 Systems Law ("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, or if he fails to furnish information which that person is required to furnish to the Authority. Any person guilty of an offence under any provision of the Act shall be liable:

- (a) on summary conviction, to a fine not exceeding L100,000; or to a term of custody not exceeding six 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.

Financial Services Authority of Honduras
October 2016

Section 1: Applicant Contact Details

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

2. E-mail address of primary contact	
---	--

3. Postal address of applicant	
---------------------------------------	--

4. Daytime telephone number of primary contact	
---	--

5. Please confirm if the payment has been made.	No <input type="checkbox"/> Yes <input type="checkbox"/> If "yes", please state what reference was on the payment _____

Section 2: Company Details

1. Full name of applicant and company number	
2. Date of incorporation	
3. Country of incorporation	
	<i>If not incorporated in the Honduras please enclose a certified copy of the Memorandum and Articles of Association.</i>
4. Business/Trading name(s) (if applicable)	
5. Registered office address	
6. Business address in Honduras (if different from above address)	
7. Will the business operate from multiple addresses?	No <input type="checkbox"/> Yes <input type="checkbox"/> If "yes", please insert details below.
8. Website address	
9. Has a group structure chart been enclosed?	Yes <input type="checkbox"/> <i>Please see the guidance note at end of this section for details of the information to be included on the chart.</i>

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 Authority will seek references from any such regulatory authority.	
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.
---	--

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.
---	--

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 15 of the Financial Services Act 2011 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 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 sub-classes 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 - Fund Administration	<input type="checkbox"/>	
Class 5 - Trust Services	<input type="checkbox"/>	
Class 6 – Securities Dealer	<input type="checkbox"/>	
Class 7 – Management or Administration Services	<input type="checkbox"/>	
Class 8 – Money Transmission Services	<input type="checkbox"/>	

<p>2. Is the applicant proposed to be a managed entity?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please answer the questions below.</p>
	<p>Who is the proposed manager?</p>

<p>3. Is the application for a branch operation?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please answer the questions below.</p>
	<p>Which body is the lead regulator?</p> <p>Has consent has been obtained from the lead regulator? No <input type="checkbox"/> Yes <input type="checkbox"/></p>
<p>4. Does the applicant intend to outsource responsibility for any aspect of the regulated activity to a third party?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>
	<p><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 Authority to consider if the arrangement is appropriate.</i></p>
<p>5. Does the applicant intend to use any third parties as agents, either in or outside of Honduras, to undertake any of the regulated activities covered by this application?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>
	<p><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 Authority to consider if the arrangement is appropriate.</i></p>

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.

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

<p>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 Systems Law 2004). If extra room is needed please use additional sheets.</p>	
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 each 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. 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</i>	
MLRO	
Deputy MLRO	
Compliance Officer (except those applying for Class 8 (1), (2)(b) or (3) permissions)	
Key Person (If applicable)	
Key Person (If applicable)	
Key Person (If applicable)	
Key Person (If applicable)	

6. Have the required vetting forms and job descriptions been enclosed with the application?	Yes <input type="checkbox"/>
	<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 Authority to consider if the arrangement is appropriate.</i>

Section 5: Financial Details of the Applicant
 See Rule 2.30 for the financial resource requirements (“FRR”) for different classes of licenceholders.

<p>1. Indicate the proposed level of authorised and issued share capital of the applicant.</p>	<p>Authorised share capital:</p> <hr/> <p>Issued share capital (including details of any share premium if applicable):</p> <p><i>Please note evidence will be required to demonstrate that the level of issued and paid-up share capital.</i></p>
<p>2. Is the applicant intending to rely on a subordinated loan?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/> If “yes”, please indicate the amount of the proposed loan:</p> <hr/> <p><i>If a subordinated loan is proposed to be put in place, a copy of the agreement must be provided to the Authority for approval.</i></p>
<p>3. Are there any amounts outstanding on any existing loans to any personnel of the applicant?</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p> <p>If “yes”, please provide further details in the business plan.</p>

4. 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"/>

5. 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 / segregated account has not been kept in a satisfactory manner?	No <input type="checkbox"/> Yes <input type="checkbox"/> If "yes", explain the circumstances on a separate sheet.
---	---

6. Accounting reference date of the applicant.	
---	--

7. Please provide the name and address of the applicant's auditors, including the contact person.	
--	--

<p>8. For all Class 8 applicants only, what is the anticipated turnover from money transmission services for the next 12 months?</p>	
---	--

<p>10. All applicants (except those applying for Class 8 (1), 8 (2)(b) or 8(3) permissions) must enclose the following documentation. Please indicate if each item has been attached to the business plan.</p>	
<p>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).</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>
<p>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).</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>
<p>A statement of financial resources as at the date of the latest published accounts (if applicable).</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>
<p>A statement of financial resources as it is expected to appear after one year of being licensed, on the basis of the core assumptions in the Business Plan.</p>	<p>No <input type="checkbox"/> Yes <input type="checkbox"/></p>

**Appendix 1 – Auditor’s / Accountant’s confirmation in connection with the application
for the issue of a financial services licence**

*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 the Financial
System Law 2004. 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 System Law 2004 Declaration

This declaration must be signed by two directors or a director and company secretary of the applicant. A licence under Section 7 of the Financial System Law 2004 ('the Act') will not be issued until a completed declaration in this form has been received by the Financial Services Authority of Honduras.

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 making this declaration.

We hereby apply to be licensed by the Financial Services Authority of Honduras ("the Authority") in accordance with Section 7 of the Act.

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

We agree to notify the Authority of any other information which is material to this application, and also to notify the Authority 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 the application has been unsuccessful.

We understand and accept that the Authority 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 applicant 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 Authority may approach, to provide such information, as the Authority believes may be relevant to its assessment.

We confirm that we have read and understood the Authority's Licensing Policy for Regulated Activities under the Financial System Law 2004.

We confirm that we have read and understood the Anti-Money Laundering and Countering the Financing of Terrorism Code 2015 and we declare that our business is, or will be, conducted in accordance with this Code.

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 L500,000 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.***