



## **GENERAL APPLICATION REQUIREMENTS AND PROCESSES**

### **Introduction**

The Financial Services Commission (the Commission) of Barbados serves as the regulatory authority overseeing the non-bank financial services sector, including entities such as credit unions, insurance companies, mutual funds, securities market actors, and occupational pension plans. In accordance with the Financial Services Commission Act, 2010-21, the Commission is mandated to supervise and regulate these entities to ensure the stability and integrity of Barbados' financial system.

This guideline provides information on the requirements and procedures for obtaining a licence or registration to operate within the non-bank financial services sector in Barbados. It encompasses the general criteria for eligibility, the application process, requisite documentation, and expected timeframes for processing applications. Applicants are advised to review this document in conjunction with other relevant guidelines issued by the Commission.

Prospective applicants must ensure compliance with all pertinent domestic laws, regulations, and guidelines, notably those related to anti-money laundering (AML) and combating the financing of terrorism (CFT). Adherence to these legal frameworks is imperative for maintaining the integrity and reputation of Barbados' financial sector.

The Commission is committed to fostering a transparent and efficient regulatory environment. Applicants are encouraged to engage with the Commission during the pre-application phase to facilitate a clear understanding of the regulatory expectations and to promote a seamless application process.

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## Who should apply for a Licence or Certificate of Registration

A valid licence or certificate of registration is required for operations as:

- **A credit union**
- **An insurance company**
- **An insurance intermediary** (agent, broker, salesman, sub-agent, loss assessor, insurance surveyor)
- **A holding company** (insurance)
- **An insurance management company**
- **An association of underwriters**
- **A mutual fund**
- **A mutual fund administration/manager**
- **A securities market actor:**
  - Broker
  - Trader
  - Investment adviser
  - Underwriter
  - Securities company
- **A self-regulatory organisation:**
  - Stock exchange
  - Central securities depository
- **An occupational pension plan**
- **An issuer of securities:** Required to file a registration statement if they propose to issue securities to the public.

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## General Criteria

Applicants must demonstrate that they meet the criteria for a licence or registration. Key criteria for corporate bodies and natural persons include:

### Corporate Bodies

- **Transparent Ownership Structure:** Provide full details of the corporate structure, including a corporate chart.

- **Fitness and Propriety:** Beneficial owners/shareholders, executive officers, senior staff, and other key persons must be fit and proper. Applicants are asked to review the Commission's [Fit and Proper Guideline](#). Key considerations include a clean regulatory history, relevant qualifications and experience, ethical conduct and character, and financial soundness.

Applicants are encouraged to submit a copy of any vetting done on key persons.

- **Suitability & Resources:** Demonstrate suitable experience or a favourable track record in equivalent business and ensure adequate, experienced staff.
- **Capital Adequacy & Future Funding:** Meet capital and/or solvency requirements with adequate financial sources for ongoing needs.
- **Business plans:** A detailed plan which sets out how the business will function and strategic goals for the company. All assumptions should be detailed and supported.
- **Proforma financials:** A set of financial statements that outline the expected future performance of the business.
- **Corporate Governance:** Establish an appropriate governance framework.
- **Risk Management:** Implement policies, procedures, and internal controls to mitigate business risks.
- **Legislative Requirements:** Meet specific licensing requirements outlined in relevant legislation.

### **Natural Persons**

- **Fitness and Propriety:** Meet the same standards as corporate entities.
- **Qualifications and Experience:** Provide proof of relevant qualifications and experience.
- **Legislative Requirements:** Comply with specific requirements outlined in relevant legislation.

***Applicants are encouraged to provide detailed documentation to substantiate their ability to meet the licensing criteria. This may include references, actuarial reports or feasibility documents, financial data with key assumptions, references, human resource plans, risk management documents and a certificate of good standing where applicable.***

## **The Application Process**

### **Pre-Application Engagement**

The Commission encourages discussion and meetings with all prospective applicants before they submit a formal application. This voluntary engagement is particularly useful for ensuring that the applicant understands the process and the Commission's expectations regarding the completeness of the application.

### **Innovative Proposals**

The Commission recognises the importance of fostering innovation within the financial services sector. Applicants introducing new or unique products, services, or business models are encouraged to engage with the Commission through the following mechanisms:

**1. Pre-Application Consultations:**

- Prospective applicants may schedule consultations with the Commission to present their innovative ideas, discuss potential regulatory considerations, and seek guidance on compliance requirements.

**2. Regulatory Sandbox:**

- The Commission may provide access to a sandbox environment where applicants can test their innovations under regulatory oversight without the full burden of compliance. This allows for real-world evaluation while ensuring consumer protection and market integrity.

**3. Tailored Guidance:**

- Applicants proposing significant innovations may receive tailored feedback on the Commission's expectations in terms of applicant's risk management strategies, operational frameworks, and compliance pathways to ensure successful implementation.

**4. Collaborative Development:**

- The Commission may work collaboratively with innovators to refine proposals and align them with existing regulatory standards, facilitating a smoother path to approval.

Using this approach will encourage innovation while safeguarding the stability and integrity of Barbados's financial ecosystem.

## **Steps to Submission of the Application Package**

Submit the complete application package with a cover letter providing the details of the primary contact with whom the Commission may liaise in relation to the application. Applications should be submitted electronically to [NewApplications@fsc.gov.bb](mailto:NewApplications@fsc.gov.bb) with the email subject "*New Applicant – Name of the entity – Nature of the required registration*".

In instances where a physical application is submitted, this should be delivered to our offices at Bay Corporate Building, Bay Street, St. Michael. Applicants should not address applications directly to an officer as this may delay the review of the application.

Incomplete application packages delay the review of the application and adversely affect the application process. Applicants should note that the failure to complete the application within the specified time (see page 8) may result in the application being closed and the applicant having to restart the application process (inclusive of paying a new fee).

## **Review and Assessment**

The Commission employs a thorough and structured assessment process to evaluate all applications for licences or registrations. Once a complete application has been received by the Commission, it is assessed in-depth, and where necessary, the Commission may request additional information to determine suitability for a licence or registration certificate. This process ensures that applicants meet the required standards of competence, financial soundness, and compliance with domestic laws and international best practices.

The following list broadly describes the minimum criteria (for companies). The list is not exhaustive, and applicants should reference the legislation governing the activity being proposed.

- i. **Governance:** It is expected that all applicants will adhere to the Commission's [Corporate Governance Guideline](#) and the management of conflicts of interest and accountability mechanisms. Documentation submitted should detail the ownership (this should be transparent and have sufficient details to enable the regulator to assess the suitability of the ownership structure), and evidence to demonstrate compliance with the guideline.

- ii. **Fitness and propriety:** Documentation should be submitted to support the fitness and propriety of beneficial owners/shareholders, executive officers, senior staff, the compliance officer, and other key persons such as the authorised representatives. Applicants are also required to submit the name of and supporting information for the Compliance Officer.
- iii. **A business plan:** This should detail the nature of the activities proposed by the prospective registrant.
- iv. **Financial soundness:** An assessment is made of the financial capacity of the applicant, including the adequacy of operational and financial assumptions, financial statements, capital adequacy and solvency ratios, actuarial reports, and future funding strategies. The Commission looks at the entity's ability to meet initial and ongoing financial arrangements and the excess of working capital over the regulatory minimum initial capital. It is expected that applications will be supported by pro forma financial statements for three years. The underlying assumptions should be detailed and include, inter alia, the assumptions on the profitability objectives, target market and market share, the break-even point, and the proposed fees. Established applicants should also provide three years of historical financial information and explanations for any significant variations seen.
- v. **Regulatory capital:** An assessment of capital adequacy and ability to meet initial and ongoing regulatory capital and solvency requirements is made. Auditor confirmation of the regulatory capital is required
- vi. **Operational readiness:** This can include an assessment of the feasibility of the proposed operations, the risk management policies and proposed internal controls and resource management plans including details on the human and technological resources. This includes information necessary to assess the suitability of the experience, the track record in businesses equivalent to that to be conducted as well as experienced staff, suitability of the IT systems, operational capital, and ability to support the growth of the proposed registrant, etc.

Technologically dependent applicants should consider submitting an independent external assessment of the suitability of the technological platform

For mutual funds, it will also include an assessment of the adequacy of disclosure and market conduct policies and approaches. Details on the resources (human, capital, and technological).

- vii. **Risk management:** Details on the risk management approach is required. This will include copies of policies, procedures, and details of internal controls needed to mitigate the risks to which the business will be subject. Failure to submit

AML/CFT policies that are in line with the legislative requirements will significantly delay applications. Details of any proposed outsourcing arrangements should be declared, as approval of outsourcing arrangements must be approved by the Commission.

- viii. **Overall compliance:** Compliance with legislative requirements is essential. Entities are expected to provide a checklist to demonstrate that they meet the requirements outlined in the relevant legislation. Applicants are assessed against the relevant legislative framework, paying particular attention to alignment with the Commission's guidance on and the international framework for AML/CFT.
- ix. **Reputation and market impacts:** The applicant's reputation and the potential impact of its operations on Barbados' financial services sector are assessed. For companies that are part of a multinational group or are regulated by other regulators, an assessment of the group's compliance with international standards is made. To this end the Commission will engage with other regulatory authorities in reviewing the applicant's compliance history and operations.

### **Supporting Documents**

Notwithstanding the above, the below provides guidance on the Commission's expectations with respect to supporting documents.

### **Business Plan**

The plan should include, at minimum, the following:

1. A detailed description of the activities to be undertaken and long and short-term objectives.
2. A description of the organisational structure showing the complete beneficial structure and an organisational chart identifying the parent companies, affiliated companies, subsidiaries, associated companies, and key persons within the organisation.
3. A description of the business which describes:
  - a. the activities;
  - b. products, and services;
  - c. the target markets (inc. jurisdictions);
  - d. the perceived competitive advantage; and
  - e. any restrictions on the activities of the business.

4. Detailed information on the key persons (owners, board of directors, officers and qualifications, and the human resource plan (inclusive of competence and numbers and resource management plan.)
5. Capital plan (including, inter alia, if an injection of capital is required, source of capital, and strategic plan for its oversight.)
6. Marketing strategies.
7. Details of outsourcing arrangements (if any) and the approach to managing the risk(s) associated with such arrangements.
8. Risk management strategy – an overview of the risk management policies and controls in the areas of risk relevant to the nature of the business. Policies must be provided for AML/CFT (including the identity and qualifications of the compliance officer), corporate governance, risk management and conflicts of interest.
9. The technological platform to be used and an analysis of the adequacy of same, and;
10. Business monitoring and exit plans.

### **Other**

Other supporting documents required by the Commission to facilitate its assessment of the application include:

1. An assessment of the proposed operations of the applicant and the potential for it to pose a systemic risk to Barbados. The statement should include an explanation for the determination.
2. An assessment of the operations and its determination as to whether those operations have the potential to have a material financial impact on the international financial services system. The statement should include an explanation for the determination.

### **Regulatory Checks**

Applicants are advised that in assessing the application, the Commission verifies the regulatory history of applicants. As such the Commission may request information from other regulators related to the ultimate beneficial owner, the prospective registrant's regulatory history, its parent (if applicable), directors, and other relevant persons.



## **Changes in Particulars**

Entities seeking registration or licensing must promptly notify the Commission of any changes to particulars specified in their application. **Failure to do so will adversely affect the application.**

## **Approval and Notification of a Decision**

The Commission strives to maintain transparency and consistency throughout the assessment process. Each application is evaluated on its merit, with decisions made based on objective criteria. By adhering to these assessment standards, the Commission seeks to uphold the integrity and stability of Barbados' financial services sector while fostering compliance with global regulatory benchmarks.

Applicants are notified of a decision upon the conclusion of the review of the application. Where the application is successful, the applicant is required to remit the relevant initial registration/licence fees prior to collecting the relevant certificates of registration/licence.

Please see the 2022 Fees Order on the Commission's [website](#) relative to the applicable category of registration for information on initial licence/registration and other fees.

A licence or certificate is issued after the registration fee is paid and any prerequisites are fulfilled.

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## **Application Processing Timeframes**

The Commission takes a risk-based approach to the processing of applications, which improves the efficiency of the process.

### **General Timeframes**

The Commission seeks to process applications as quickly as possible. The time to process applications is dependent on the complexity of the proposed business, the completeness of the applications and the need to conduct external regulatory checks and further research. In general, it can take 6 - 8 weeks to process an application. However, the Commission is actively working to reduce this timeline.

## **Board Approval for Licensing Companies**

All applications for the licensing of companies must be reviewed and approved by the Board of the Commission. This additional step ensures robust oversight and reinforces the Commission's commitment to maintaining a stable and compliant financial services sector.

## **Factors that Can Affect Timelines**

Processing times may vary due to:

- **Completeness of Application:** Delays often result from missing documentation or failure by the applicant to address requests for additional information promptly. Applicants should note that the Commission may refuse to process an incomplete application, and it stops the clock when additional information is required.
- **Regulatory Checks:** Verification of regulatory history with foreign authorities may extend processing times for applicants with cross-border operations or affiliations.
- **Applicant Responsiveness:** Timely responses to queries and the provision of requested information by the applicant are critical to maintaining the expected timelines. Applicants should note that the Commission may refuse to process an incomplete application, and it stops the clock when additional information is required.

## **Communication of Timelines**

The Commission is committed to maintaining transparency throughout the application process. Once the application is submitted to the appropriate email, applicants receive a system-generated acknowledgement of their submission. The assigned Analyst carries out an initial review of the application and checks for completeness. If information is missing, the Analyst will advise the applicant via email or letter, indicating the expected deadline for the receipt of the information. Significant delays or changes to the projected timeline will be communicated promptly.

## **Commitment to Efficiency**

While the Commission aims to process applications expeditiously, it prioritises a thorough review to uphold the integrity of Barbados' financial sector. Applicants are

encouraged to submit complete and accurate applications to facilitate timely processing and decision-making.

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## **Application Package**

Prospective applicants should reference the specific legislation governing the proposed activity for the application requirements, but in general, completed applications should include:

- I. A completed application/registration form that is signed and dated by the appropriate or requisite persons with authority to make the application on behalf of the applicant;
- II. supporting documentation as per the checklists on the Commission's website (inclusive of a business plan where applicable); and
- III. the application fee.

## **General Documentation Requirements**

- **Application Form:** Legibly completed and signed by authorised persons.
- **Language:** Submit documents in English or accompanied by official translations.
- **Clear Copies:** Ensure documents are legible and certified if required.
- **Application Fees:** Non-refundable and must be remitted with the application.

## **Fees**

Application fees are non-refundable and must be remitted at the time of the application submission. Refer to the [2022 Fees Order](#) on the Commission's website for information on the relevant application fees. Applicants **must** provide evidence of payment, e.g. a copy of the cheque or wire transfer instructions.

## **Application Delay or Withdrawal**

Where an applicant wishes to delay or withdraw an application, proactive and timely written communication of a change of plans must be provided. The reason for the delay or withdrawal should be outlined in the notification to the Commission, as well as the length of time required. An application may be placed on hold for a maximum of one (1) month; thereafter, the application will be closed. Withdrawn applications will be closed following notification from the entity.

## **Closed Applications**

For the purposes of processing the application, information must be complete and current at the time of assessment. The Commission will generally close the application process when an entity has failed to respond to or provide the information required without reasonable excuse by the time indicated on response from the Commission. Applicants seeking to reapply after the application has been closed must restart the entire process inclusive of paying a new application fee.

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## **Post-Licensing Obligations**

### **Responsibilities of Licensed Entities**

Successful applicants should ensure that they have policies and procedures in place prior to commencing operations in order to ensure they are properly managing their risks and to ensure compliance with the requirements. Additionally, successful applicants should review and understand the relevant domestic laws, regulations, rules, and guidelines that apply to their licence/ registration. The lack of awareness of a regulatory requirement is not an acceptable excuse for failure to comply with regulatory obligations.

Registered/Licensed institutions are required to adhere to ongoing obligations to maintain their licensed status and ensure continued compliance. These obligations include, but are not limited to:

#### **1. Annual Reporting:**

- Submission of audited financial statements within the prescribed timeframe.
- Filing of annual returns, including updates on ownership structures, operational changes, and financial health.

#### **2. Regulatory Audits:**

- Participation in periodic audits conducted by the Commission to verify compliance with relevant laws and guidelines.
- Cooperation during inspections and the provision of requested documentation.

#### **3. Ongoing Compliance with AML/CFT Requirements:**

- Maintaining robust anti-money laundering (AML) and combating the financing of terrorism (CFT) controls.
- Reporting suspicious transactions promptly to the designated authorities.

#### 4. Notification of Changes:

- Prompt notification to the Commission of any changes in key personnel, ownership, or business operations.
- Immediate reporting of any incidents that may impact the entity's solvency or regulatory standing.

#### 5. Adherence to Sector-Specific Regulations:

- Compliance with additional obligations specific to the sector in which the entity operates (e.g., insurance, securities, pensions).

Failure to meet these obligations may result in regulatory actions, including fines, suspension, or revocation of the licence or registration. The Commission's commitment to maintaining the integrity and stability of the financial sector requires licensed entities to remain fully compliant at all times.

## FAQs

### Incorporation/Registration

- **Does the Commission incorporate or register corporate bodies?** No, this is the responsibility of the Corporate Affairs and Intellectual Property Office (CAIPO).
- **Can entities apply for pre-approval before registering with CAIPO?** No, entities must first register with CAIPO.

### Fees

- **Are application fees refundable?** No.
- **Do I pay both the application fee and the initial licence fee simultaneously?** No. The initial licence fee is paid after application approval.
- **Are initial licence fees prorated?** No. Full payment is required, and annual fees are due by January 31 of the following year.

### Advice

- **Does the Commission provide legal advice?** No. Applicants should seek independent professional legal advice.

### Unsuccessful Applications

- **What happens if my application is unsuccessful?** Decisions are communicated, and information on appeals or hearings is provided if applicable.