

# Representative's Licence

## Guidelines



### FINANCIAL SERVICES AUTHORITY

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## **1. Introduction**

These guidelines have been prepared by the Financial Services Authority (“the Authority”) to provide assistance in matters pertaining to the application and licensing of Representatives under the Securities Act, 2007 (“the Act”). These guidelines also provide a summary of the Act, thus it is not intended to be comprehensive nor replace or override any legislative provisions. Applicants and licensees are therefore advised to read these guidelines in conjunction with the Act and Regulations.

### **1.1 Enquiries**

Enquiries on licensing related matters should be forwarded to the Authority:

By Post: Director of Capital Market Supervision Section  
Financial Services Authority  
P.O. Box 991  
Victoria,  
Mahé  
Seychelles

By e-mail: [capitalmarkets.supervision@fsaseychelles.sc](mailto:capitalmarkets.supervision@fsaseychelles.sc)

Tel: +248 4 380 800  
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## **2. Scope of the Act**

### **2.1 Definition of Representative**

Per the definition of the Securities Act, 2007 a Representative means an accredited securities dealer’s representative or an investment advisor’s representative.

### **2.2 Types of Representatives**

The Act makes a distinction between 2 main types of representatives:

- (a) Securities Dealer’s Representative
- (b) Investment Advisor’s Representative

A Securities Dealer’s Representative licence will be issued to an individual in the employment of (including a Director of), or acting for or by arrangement with a securities dealer who deals in securities on behalf of that securities dealer whether he is paid a salary, wages, commission or otherwise.

An Investment Advisor’s Representative licence will be issued to an individual in the employment of (including a Director of), or acting for or by arrangement with an investment advisor, who advises on securities on behalf of that investment advisor whether he is paid a salary, wages, commission or otherwise.

### 3. Offences

Any person who carries on the business of a securities dealer representative or an investment advisor representative without a licence issued by the Authority or, other than in accordance with a licence granted by the Authority commits an offence and is liable on summary conviction.

In the case of an individual, to a fine of US\$100,000 or the equivalent in Seychelles Rupees or to imprisonment for two years or both.

### 4. Application and Licensing of Representatives

To be able to engage in a representative business in Seychelles, a regulatory licence from the Authority is obligatory.

#### 4.1 Application for a Representative Licence

An application submitted to the Authority for a Representative Licence must comprise of the following documents:

- (a) A completed application form
- (b) The relevant application fee of US\$500
- (c) Personal Questionnaire Form completed by the applicant (see [Appendix 1](#) for Due-diligence requirements)
- (d) Notice of place at which the Register of Securities is to be kept (section 80(2)(a) of the Securities Act, 2007 and Schedule 1, Form 6 of the Securities (Forms and Fees) Regulations, 2008.)
- (e) Certificate in accordance with Schedule 1, Form 4, Section 7, Note (a) of the Securities (Forms and Fees) Regulations, 2008.
- (f) A written notification of accreditation from the licensee (section 53 of the Securities Act, 2007.)
- (g) Information about:
  - (i) the services which the applicant will hold himself out as being able to provide if the application is allowed
  - (ii) the business which the applicant's company proposes to carry on and to which the application relates.

**The Authority will only process an application if the application fee has been submitted.** During processing of the application, the Authority may request for additional information or supporting documents for the purpose of determining the application.

A person who supplies, to the Authority, information in connection with an application which he knows or reasonably knows is false or misleading, is guilty of an offence and liable to conviction to a fine of US\$25,000.

## 4.2 Submission of Application

All application seeking the approval of the Authority must be addressed and either hand-delivered or mailed to:

The Chief Executive Officer  
Financial Services Authority  
P.O. Box 991  
Victoria  
Mahé  
Seychelles

Attn: Capital Markets and Collective Investment Scheme Supervision Director

All application forms and other documents are available from the Authority's website ([www.fsaseychelles.sc](http://www.fsaseychelles.sc)).

## 4.3 Administrative process of license applications

The Authority will initiate the processing of a complete application, only upon payment of the required application fee. The following steps will then be carried out:

**Step 1:** Acknowledge receipt of the application.

**Step 2:** Carry out an initial review of the application to assess whether the application is complete according to the requirements detailed herein (refer to Representative Licence Application Checklist in the document Checklist for Licensees under the Securities Act, 2007).

**Step 3:** Begin to process the application if the application is deemed to be complete; or return the application to the applicant if the application is deemed to be incomplete, highlighting the area(s) of deficiencies.

Please note that the Authority may provide general and brief guidance on the area(s) of deficiencies, but it is the responsibility of the applicant to engage suitable professionals or service providers to ensure the completeness of the application.

**Step 4:** Request for additional information or supporting documents for consideration of the application from the applicant, if necessary.

**Step 5:** Inform the applicant on whether the application has been approved for licensing or not.

***Note that a person who supplies, to the Authority, information in connection with an application which he knows or reasonably knows is false or misleading, is guilty of an offence.***

## **5. Service Standards**

The Authority's current Service Standards for processing the application for a Representative, from receipt of a completed application for consideration by the Authority, is thirty (30) working days.

It is important to note that this service standard will only be achievable if all the requisite information/documents are provided at the time the application is lodged. The Authority is not responsible for delays arising from the submission of incomplete applications. The following is to be further noted:

- (a) The Authority will only process complete applications. Applications that are deemed to be incomplete will be returned to the applicant. Applicants will have a period of 3 months for resubmission of the application.
- (b) Applications not submitted within the 3-months cut-off period will be considered as void and a new application would have to be lodged along with payment of the required application fee, should the applicant remain interested in proceeding further with the application.

This service standard is not exhaustive or binding on the Authority. The licensing regime requires the Authority to exercise discretion. How the Authority does this will depend on the applicant's particular circumstances.

## **6. Granting of licence**

It should be noted that the Authority has discretion in granting or refusing a licence. The Authority may in dealing with an application take into consideration matters other than those mentioned above including, but not limited to, ensuring that all other parties to an application (e.g. legal advisors and company secretaries) are of satisfactory repute.

When dealing with an application the Authority will not grant a licence unless it is satisfied that the applicant:

- (a) is an individual
- (b) has sufficient educational or other qualifications or experience
- (c) is a fit and proper person to be licensed as a representative

The Authority shall not issue a Representative licence unless both the representative and the licensee have notified the Authority in writing that he is or is to be accredited.

Should the application be successful, the Authority will issue the licence (with any conditions) upon payment of the relevant annual licence fee.

### **6.1 Fitness and Propriety**

When considering the fitness and propriety of the applicant the Authority shall have regard to the applicant's:

- (a) financial status
- (b) educational or other qualifications or experience having regard to the nature of the application

- (c) ability to perform his proposed function competently, honestly and fairly
- (d) reputation, character, financial integrity and reliability
- (e) satisfactory completion of any examination requirements prescribed by the Authority

For more details on the fitness and propriety please refer to the Competency Standards.

## **6.2 Conditions to a Representative Licence**

Activities permitted under the Representative Licence are only those that are contained within the license and are limited to only such business as stated. The Representative must comply with the conditions contained in its licence.

The Authority may impose conditions that may be of general or special application and may make different provisions for different cases or classes of cases.

## **7. Renewal of licence**

The Representative licence granted under the Act is valid for a period of one year and must be renewed annually.

The Authority will only renew a licence upon:

- (a) the payment of the annual licence fee
- (b) lodgement with the Authority of a compliance certificate by the licensee in accordance with Form 10, Schedule 1 of the Securities (Forms and Fees) Regulations, 2008
  - **omitting the statement** “To: The Central Bank of Seychelles”  
**and replacing with** “To: The Financial Services Authority”

A licensed representative must ensure that formalities for the renewal are undertaken well ahead of the expiry date of the licence. It is an offence to operate as a representative without a valid licence.

Failure to renew the licence on time will attract an additional fee equivalent to one-twelfth of that annual fee for each month or part thereof during which the annual fee remains unpaid. Further action may be taken under section 56(2) of the Act for failure to renew the licence.

## **8. Notifications to the Authority**

Licensees are advised to read carefully the conditions issued with their licence as they may impose on the licensee’s obligations in addition to those specifically mentioned in the Act.

The Authority must be notified, in writing, within 7 days of:

- (a) any change of:
  - (i) name and address of the licensee
  - (ii) location of the premises at which records or other documents of the licensed business are kept
- (b) any disciplinary action taken against the licensee including an order of suspension or revocation

- (c) any change in the business of the licensee which causes it to cease its business as a representative

## **9. Registers**

### **9.1 Representatives' Registers**

Per section 79 of the Act, a licensed representative shall maintain a register of the securities for which that person has an interest as prescribed in Schedule 1, Form 5 of the Securities (Forms and Fees) Regulations, 2008.

### **9.2 Inspection of registers kept by the Authority**

The Authority maintains separate registers for each type of representative licensed under the Act. The registers are open to public inspection during ordinary office hours upon payment of the relevant fees set out in Schedule 2 of the Securities (Forms and Fees) Regulations, 2008.

## **10. Role of the Authority**

The Authority is conferred powers of supervision over the Representatives by the Act and may in carrying out its supervisory functions:

- (a) issue directions
- (b) request information or documents from licensees
- (c) revoke a Representative's licence
- (d) impose further conditions on a Representative's licence
- (e) appoint a person to advise a licensed representative on the proper conduct of its licensed business
- (f) appoint a person to assume the control of the affairs of the licensee relating to the licensed business
- (g) suspend a licence granted under the Act for a period of time, or until the happening of an event, as the Authority considers appropriate

The Act also imposes duties on the FSA, most notably, the duty not to disclose any information to a third party except where authorised under a written law.

## Appendix 1

### Due Diligence Requirements

The completed **Personal Questionnaire** should be accompanied by:

- 1 certified true copy of passport(s)
- 1 recent passport-sized photograph signed at the back by the certifier
- 1 certified proof of residential address that is not older than three months e.g. utility bill (water and/or electricity) and/or bank statement and/or tenancy agreement
- 1 original bank reference from each bank with which you are affiliated and/or a report from Credit Rating Agency from Country of Residence (if available)
- Certified copies of stated higher academic qualifications
- Certified copies of stated professional qualifications
- Certified copies of stated membership to professional bodies
- Detailed job description of your proposed role or position
- Latest Employment references (if applicable)
- A list of directorships, partnerships, other business interests or affiliations (if applicable)
- Original Police Character Reference/certificate not older than three (3) months from the Country in which the applicant resides or its equivalent
- Tax Clearance Certificate from the Country in which the applicant resides or its equivalent
- Politically Exposed Person Self-Declaration Form