



MONTSERRAT

CHAPTER 11.30

MONEY SERVICES BUSINESS ACT and Subsidiary Legislation

Revised Edition

showing the law as at 1 January 2013

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

MONEY SERVICES BUSINESS ACT

Act 4 of 2008 .. in force 1 September 2009 (S.R.O. 21/2009)

Amended by Act 9 of 2011 .. in force 27 September 2011 (S.R.O. 40/2011)

MONEY SERVICES BUSINESS (FEES) REGULATIONS – Section 49

S.R.O. 20/2009 .. in force 1 September 2009

Page

3

45



MONTERRAT

CHAPTER 11.30

MONEY SERVICES BUSINESS ACT and Subsidiary Legislation

Revised Edition

showing the law as at 1 January 2013

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

MONEY SERVICES BUSINESS ACT

Act 4 of 2008 .. in force 1 September 2009 (S.R.O. 21/2009)

Amended by Act 9 of 2011 .. in force 27 September 2011 (S.R.O. 40/2011)

MONEY SERVICES BUSINESS (FEES) REGULATIONS – Section 49

S.R.O. 20/2009 .. in force 1 September 2009

Page

3

45

CHAPTER 11.30

MONEY SERVICES BUSINESS ACT

ARRANGEMENT OF SECTIONS

PART 1

PRELIMINARY

SECTION

1. Short
2. Interpretation
3. Application of the Act

PART 2

LICENCES

4. Requirement for licence
5. Classes of licences
6. Application for licence, formalities and consideration
7. Alteration of facts disclosed in application
8. Adequacy of capital
9. Period of licence and licence fee
10. Authorisation of location and approval of new business premises
11. Display of licence certificate
12. Restrictions of names likely to mislead
13. Advertisement
14. Actions of fundamental change requiring approval
15. Change in directorship

PART 3

AUDIT, INFORMATION AND EXAMINATION

16. Annual audit, report and publication of financial statements and results
17. Notice of termination of auditor's appointment
18. Accounting records and systems of business control
19. Returns
20. Extension of time for providing information
21. Retention of records
22. Examination by the Commission
23. Confidential information
24. Exchange of information

PART 4

SEGREGATED ACCOUNTS,
BANKRUPTCY OR INSOLVENCY OF LICENSEE

25. Segregated accounts
26. Bankruptcy or insolvency of licensee
27. Utilisation of deposits, etc.

PART 5

ABANDONED PROPERTY

28. Abandoned property
29. Report, publication and disposal of abandoned property
30. Sale and handling of proceeds of sale of abandoned property
31. Claims on abandoned property
32. Penalties for failure to file abandoned property report

PART 6

ENFORCEMENT

33. Revocation and termination of licence
34. Suspension of licence
35. Persons carrying on money services business without a licence
36. Appointment of receiver
37. Commission may apply to court to preserve customers' interests
38. Powers of the Commission in respect of licensees
39. Transactions effected prior to suspension or revocation of licence
40. Powers and duties of the Commission
41. Criteria for prudent management
42. Management's duty of compliance with the requirements of the law
43. False or misleading information
44. Removal and disqualification of officers
45. Offences by officers of corporate bodies
46. General penalty

PART 7

IMMUNITIES, GUIDELINES AND REGULATIONS

47. Immunity
48. Prudential guidelines
49. Regulations

SCHEDULE 1: Class and description of licence

SCHEDULE 2: Forms

SCHEDULE 3: Form of licence

CHAPTER 11.30

MONEY SERVICES BUSINESS ACT

(Acts 4 of 2008 and 9 of 2011)

AN ACT TO PROVIDE FOR THE LICENSING AND REGULATION OF MONEY SERVICES BUSINESSES AND TO MAKE PROVISIONS FOR RELATED MATTERS.

Commencement

[1 September 2009]

PART 1

PRELIMINARY

Short title

1. This Act may be cited as the Money Services Business Act.

Interpretation

2. In this Act—

“**affiliate**” in relation to a licensee (“**L**”) means—

- (a) a company which is or has at any relevant time been
 - (i) a holding company or subsidiary of L;
 - (ii) a subsidiary of a holding company of L; or
 - (iii) a holding company of a holding company or a subsidiary of a subsidiary of L; or
- (b) any company or firm over which L has control;
- (c) any company or firm over which L and any person associated with L has control;
- (d) any company or firm which has common ownership with L;
- (e) any company or firm which has the same beneficial owner and share common management and interlinked businesses with L.

“**Anti-Money Laundering Regulations**” means the Anti-Money Laundering Regulations made under the Proceeds of Crime Act;

“**applicant**” means the person applying for a license under section 6;

“**Central Bank**” means the Eastern Caribbean Central Bank established under Article 3 of the Eastern Caribbean Central Bank Agreement 1983;

“**Commission**” means the Financial Service Commission established under the Financial Services Commission Act;

“**Court**” means the High Court of Justice established by the Supreme Court Order 1967;

“**designated licensee**” means a licensee who has been designated as a funds transfer system under the Payment System Act;

“**financial year**” means, in relation to a licensee, a period of not more than twelve months for which the audited financial statements of a licensee are prepared in accordance with this Act;

“**Governor**” means the Governor acting on the advice of Cabinet; (*Amended by Act 9 of 2011*)

“**licence**” means a Money Services Business Licence granted under section 6(4);

“**licensee**” means a person holding a licence under this Act;

“**Minister**” means the Minister responsible for Finance;

“**money services business**” means—

(a) the business of providing as a primary business any one or more of the following—

(i) transmission of money or monetary value in any form;

(ii) cheque cashing;

(iii) currency exchange;

(iv) the issuance, sale or redemption of money orders or traveller’s cheques; and

(v) any other services the Governor may specify by notice published in the *Gazette*; or

(b) the business of operating as an agent or franchise holder of any of the businesses mentioned in paragraph (a);

“**net worth**” means excess assets over liabilities as presented under international accounting standards subject to adjustment for non-admitted assets as determined by the Commission;

“**prescribed**” means prescribed by Regulations under section 49;

“**significant shareholder**” means a person who either alone or with an affiliate or related or connected person, is entitled to exercise or control 10% or more of the voting power at any general meeting of the licensee or another company of which the licensee is a subsidiary.

Application of the Act

- 3. (1)** This Act does not apply to—
- (a) a person licensed under the Banking Act or the International Banking and Trust Companies Act unless such person is operating as agent or franchise holder of a money services business;
 - (b) the Central Bank;
 - (c) an organisation licensed as a clearing agency under the Securities Act;
 - (d) an operator of a clearing house or funds transfer system.
- (2)** A money services business which is licensed under this Act is not required to be licensed under any other Act.
- (3)** This Act does not apply to or affect the validity of any money services business transaction in existence at the date of commencement of this Act.

PART 2

LICENCES

Requirement for licence

- 4. (1)** Subject to subsections (2) and (5) a person shall not carry on money services business in Montserrat unless that person holds a licence in accordance with this Act.
- (2)** A person who immediately before the date of commencement of this Act was carrying on money services business shall upon that date be deemed to be duly licensed under this Act for a period of four months or such other period as the Commission approves and shall require a licence in order to carry on money services business after the expiry of that period.
- (3)** A person holding funds which that person has obtained by conducting money services business without being in possession of a licence granted under this Act shall settle its obligations in accordance with Regulations issued by the Governor.
- (4)** A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.
- (5)** The Governor may by Order exempt any person from the licence requirement contained in subsection (1) if—
- (a) that person is a local government body or agency; or
 - (b) it is considered that the exemption would be beneficial to the economic needs of Montserrat.

Classes of Licences

5. (1) There shall be several classes of licences as specified in Schedule 1 which may be applied for and granted subject to the provisions of this Act.

(2) The several classes of licences issued under this Act shall authorise the holders, for the period specified in the licence, to carry on money services business as specified under this section and not otherwise—

- (a) a “**Class A**” licence permits the holder to carry on any or all of the following businesses—
 - (i) transmission of money or monetary value in any form;
 - (ii) the issuance, sale or redemption of money orders or traveller’s cheques;
 - (iii) cheque cashing;
 - (iv) currency exchange;
- (b) a “**Class B**” licence permits the holder to carry on any or all of the following businesses—
 - (i) the issuance, sale or redemption of money orders or traveller’s cheques;
 - (ii) cheque cashing;
 - (iii) currency exchange;
- (c) a “**Class C**” licence permits the holder to carry on the business of cheque cashing;
- (d) a “**Class D**” licence permits the holder to carry on the business of currency exchange.

(3) The Governor acting on the advice of the Cabinet may by Order published in the *Gazette* amend Schedule 1 to add to, vary or remove the classes of licences. (*Amended by Act 9 of 2011*)

Application for licence, formalities and consideration

6. (1) In order to obtain a licence as a money services business, a person shall apply in writing to the Commission and submit the documents and other information as specified in Schedule 2 and pay the application fee as prescribed.

(2) In considering an application for a licence, the Commission shall conduct such investigation as it may deem necessary to ascertain—

- (a) the validity of the documents submitted in accordance with Schedule 2;
- (b) the financial condition and history of the applicant;

- (c) the nature of the business of the applicant;
 - (d) the experience of the persons who are to constitute its management;
 - (e) the source of initial capital; and
 - (f) the convenience and needs of the community to be served by the granting of the licence.
- (3) In considering an application for a Class A or Class B licence, the Commission shall, in addition to the matters specified in subsection (2), take into consideration—
- (a) the adequacy of capital structure; and
 - (b) the earning prospects of the applicant.
- (4) Within a reasonable time of its receipt of the application for a licence the Commission shall—
- (a) if it is satisfied that an application under subsection (1) is in order and that the applicant is a fit and proper person to be licensed to conduct money services business and that it can fulfill the obligations of a licensee under this Act—
 - (i) approve the application and issue a licence to the applicant in the form set out in Schedule 3, subject to the applicant paying licence fee as prescribed and making the prescribed statutory deposit in accordance with section 8, and subject to such other terms, conditions and restrictions it considers necessary;
 - (ii) on issuing the licence to the applicant submit a copy of the licence to the Central Bank and recommend to the Central Bank that the licensee be designated in accordance with section 11 of the Payment System Act; or,
 - (b) if it is of the opinion that it would be undesirable in the public interest to grant the licence or that the applicant is not a fit and proper person to be licensed to conduct money services business, it may refuse to grant the same and shall inform the applicant that it has refused to grant the licence.
- (5) In considering whether an applicant is a fit and proper person to be licensed, the Commission—
- (a) shall have regard to, in respect of each of its significant shareholders, directors, executive management and officers—
 - (i) his financial status;
 - (ii) his educational or other qualifications or experience having regard to the nature of his application;

- (iii) his ability to perform his proposed function efficiently, honestly and fairly; and
- (iv) his reputation, character, financial integrity and reliability; and

(b) may take into account any matter relating to—

- (i) any person who is or is to be employed by, or associated with, the applicant for the purposes of the business to which the application relates;
- (ii) any person who will be acting as a principal or representative in relation to such business; and
- (iii) any significant shareholder, director or officer of the applicant, any other company or firm in the same group of companies or to any director or officer of any such company or firm.

(6) For the purposes of this section, the Commission may have regard to any information in its possession whether furnished by the applicant or not.

(7) A licence to carry on money services business under this Act is not transferable.

(8) The Commission may at any time vary or repeal the conditions or restrictions it imposed pursuant to subsection (4).

(9) The Governor may amend or replace Schedule 2 by Order.

Alteration of facts disclosed in application

7. An applicant shall forthwith give written notice to the Commission of—

- (a) any proposed alteration to; or
- (b) the occurrence of any event which it knows affects or may affect in a material respect,

information supplied to the Commission in relation to the application, being a proposal or event made or occurring while the application is pending a decision by the Commission.

Adequacy of capital

8. (1) A licence shall—

- (a) maintain adequate capital in the prescribed form and according to the prescribed formula; and
- (b) deposit with the Commission, for the benefit of holders of outstanding payment instruments should the licensee become bankrupt or for any other reason be unable to meet its

contractual obligations to them, the prescribed portion of the capital referred to in paragraph (a).

(2) The Commission may prescribe the form, formula and portion referred to in subsection (1).

(3) The Commission shall hold the capital deposited under paragraph (1)(b) in a trust account.

(4) The Commission shall retain the deposit for a period of at least six months after the licensee ceases money services business in Montserrat subject to any court order made in respect of the said deposit.

(5) Where there is a deficiency in the prescribed capital, the Commission shall require the licensee to present a plan that is satisfactory to the Commission to reconstitute its capital within thirty days or such longer period as may be determined by the Commission.

(6) Where the licensee—

(a) fails to present a plan that is satisfactory pursuant to subsection (5); or

(b) fails to implement a plan presented pursuant to subsection (5),

the Commission shall take such remedial action as it deems necessary in accordance with section 38.

(7) The requirements of this section shall not apply to the holder of a Class C or Class D licence.

(8) The Governor may by Order exempt any other licensee from the requirements of this section.

Period of licence and licence fee

9. (1) Every licensee shall pay the annual licence fee, according to the classification of the licence, as prescribed.

(2) A licence to carry on money services business is valid from the date of first issue to 31 December of that year and is renewable each year on payment on or before 15 January of the prescribed annual fee.

(3) All licence fees paid under this Act shall be payable to the Commission.

Authorisation of location and approval of new business premises

10. (1) A licence granted under this Act authorises the licensee to carry on money services business in Montserrat at the place of business designated in the licence and at such other place as the Commission may authorise in writing.

(2) No licensee shall open a new place of business or change the location of an existing place of business in Montserrat without the prior

approval of the Commission and no licensee shall close an existing place of business in Montserrat without having given thirty days prior written notification to the Commission.

(3) No licensee shall open a place of business elsewhere than in Montserrat without the prior written approval of the Commission.

(4) No licensee shall close a place of business outside of Montserrat without having given twenty-one days prior written notification to the Commission.

Display of licence certificate

11. A licensee shall display or cause to be displayed and shall keep displayed a copy of the certificate of its licence granted under this Act in a conspicuous place in the public part of any place of business of the licensee.

Restrictions of names likely to mislead

12. (1) No licensee shall be granted or continue to hold a licence under a name which—

- (a) is identical to that of any company, firm or business house, whether within Montserrat or not, or that so nearly resembles that name as to be misleading;
- (b) falsely suggests the patronage of or connection with some person or Minister, whether within Montserrat or not;
- (c) falsely suggests, that the money services business has a special status in relation to or derived from the Government, has the official backing of or acts on behalf of the Government or any department, branch, agency or organ of Government, or of any officer of Government, or is recognised in Montserrat as a national or central money services business.

(2) The Commission may refuse to grant a licence to or revoke the licence of a person who contravenes subsection (1).

(3) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.

Advertisement

13. (1) No person, other than a licensee or entities exempted under section 3, shall—

- (a) use any English or foreign words in the description or title under which the person carries on business within Montserrat, representing that that person is carrying on money services business;

- (b) make any representation in any billhead, letter, letterhead, circular, paper, notice or advertisement or in any other manner that that person is carrying on money services business within Montserrat; or
- (c) in any manner solicit or receive money from any person for the purpose of carrying on money services business within Montserrat.

(2) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.

Actions of fundamental change requiring approval

14. Unless the approval of the Commission is first obtained no licensee shall—

- (a) change its name;
- (b) change its principal office;
- (c) transfer the whole or any substantial part of its assets or liabilities in Montserrat other than in the ordinary course of its business; or
- (d) enter into a merger or consolidation within Montserrat.

Change in Directorship

15. (1) A licensee must, no less than thirty days prior to the proposed date of appointment of a director or other senior officer—

- (a) submit to the Commission a completed Form B in Schedule 2 and the prescribed application form in respect of each proposed appointee; and
- (b) obtain approval of the Commission for appointment of the proposed appointee as director or other senior officer.

(2) Upon receipt of the completed Form B in Schedule 2 and the prescribed application form the Commission shall conduct an investigation to determine whether the proposed appointee satisfies the fit and proper criteria established in section 6(5).

(3) Within fifteen days of the receipt of the completed Form B in Schedule 2 and the prescribed application form the Commission shall—

- (a) approve the appointment of the proposed appointee to the proposed post and notify the licensee; or
- (b) inform the licensee that the proposed appointee does not satisfy the fit and proper criteria and refuse approval for appointment of the proposed appointee to the proposed post.

(4) Notwithstanding subsection (1), where prior notification of the appointment of a proposed appointee as director or other senior officer of a licensee is not possible, the licensee—

- (a) may appoint the proposed appointee as director or other senior officer as the case may be, conditional on the approval of the Commission in accordance with subsection (3); and
- (b) shall within five days of such appointment submit to the Commission the forms prescribed under subsection (1) and a letter specifying the reasons for the appointment of the proposed appointee without prior approval.

PART 3

AUDIT, INFORMATION AND EXAMINATION

Annual audit, report and publication of financial statements and results

16. (1) A licensee shall appoint annually an auditor who must be a chartered accountant, a certified public accountant, a member of the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) or some other suitably qualified person, satisfactory to the Commission whose duties shall—

- (a) be to examine the books and records and to make a report on the annual financial statements and financial position; and
- (b) include all or any of the following duties as may from time to time be imposed on the auditor by the licensee at the request of the Commission—
 - (i) to submit such additional information in relation to the audit of the licensee as the Commission considers necessary;
 - (ii) to carry out any other examination or establish any procedure in any particular case;
 - (iii) to submit a report on any of the matters referred to in subparagraphs (i) and (ii);
 - (iv) to submit a report on the financial and accounting systems and risk management controls of the licensee;
 - (v) to provide an opinion on whether suitable measures to counter money laundering and to combat the financing of terrorism have been adopted by the licensee and are being implemented in accordance with the applicable laws.

(2) A licensee shall within three months of the end of the financial year, forward the audited financial statements referred to in subsection (1)

to the Commission unless prior written approval for an extension has been granted by the Commission.

(3) The audited financial statements referred to in subsection (1) shall cover a period of not more than eighteen months beginning on the date the licensee was incorporated, or if the licensee has previously prepared audited financial statements, beginning at the end of the period covered by the most recent audited financial statements.

(4) A designated licensee shall submit audited financial statements annually to the Central Bank in accordance with the provisions of the Payment System Act and shall submit a copy of such audited financial statements to the Commission.

(5) A licensee shall remunerate the auditor in respect of the discharge by the auditor of all or any of the duties set out in subsection (1).

(6) If in the course of the performance of an auditor's duties an auditor is satisfied that—

- (a) there has been a serious breach of or non-compliance with the provisions of this Act or any regulations, notice, order, guidelines or directions issued under this Act;
- (b) there is evidence—
 - (i) that a criminal offence involving fraud or other dishonesty may have been committed; or
 - (ii) of any suspicious transaction as defined in the Anti-Money Laundering Regulations,

the auditor shall immediately report the matter to the licensee and the Commission.

(7) The Commission may request copies of reports submitted to the licensee by both its internal and external auditors.

(8) An auditor shall report to the Commission any matter it is required to report on any licensee to any investigative, regulatory or other institution, simultaneously with its report to that institution.

(9) A licensee who fails to secure compliance with a request under subsection (1)(b) commits an offence and is liable on conviction to a fine of \$50,000 for each such failure.

(10) If a licensee fails to appoint an auditor satisfactory to the Commission, the Commission may appoint an auditor for such licensee. The remuneration of the auditor so appointed shall be determined by the Commission and paid by the licensee.

(11) The Commission may appoint an auditor to conduct an independent audit of a licensee, in accordance with the instructions of the Commission, and to report the findings or results thereof to the Commission.

(12) No auditor shall be liable for breach of any duty solely by reason of compliance with the provisions of subsections (1), (6) or (8), or any other request for information by the Commission.

(13) No person having an interest in any licensee otherwise than as a depositor and no director, manager, secretary, employee or agent of a licensee shall be eligible for appointment as auditor for such licensee.

(14) Any person appointed as auditor who shall, after an appointment, acquire any interest in a licensee, or become a director, manager, secretary, employee or agent of such licensee shall immediately cease to be such auditor.

(15) The Governor may by Order—

- (a) exempt any licensee or any class of licensee from the audit requirement contained in subsection (1);
- (b) waive the audit requirement contained in subsection (1) in respect of any licensee or any class of licensee;
- (c) require that the Commission conduct an *ad hoc* audit of any licensee or any class of licensee in respect of which the audit requirement is waived or lifted under paragraphs (a) and (b) of this subsection.

(16) The Commission may assess a licensee for the reasonable expenses of conducting any *ad hoc* audit ordered by the Governor under subsection (15)(c).

Notice of termination of auditor's appointment

17. A licensee must notify the Commission in writing of its intention to terminate the appointment of its auditor, or not to reappoint its auditor for a new term, and state the reasons for its decision in the notification.

Accounting records and systems of business control

18. (1) A licensee must in accordance with this section, in respect of its money services business—

- (a) keep accounting records; and
- (b) establish and maintain systems—
 - (i) of internal control and record keeping; and
 - (ii) for inspection and report.

(2) The systems of control, inspection and report shall ensure that the money services business is so conducted and its records so kept that—

- (a) the information necessary to enable the directors and the business to discharge their duties and functions is sufficiently accurate, and is available with sufficient regularity or as

needed and with sufficient promptness, for those purposes;
and

- (b) the information obtained by or furnished to the Commission under or for the purposes of this Act is sufficiently accurate for the purpose for which it is obtained or furnished.

(3) A licensee shall institute procedures to ensure that its accounting records and systems of business control comply with the requirements of the Anti-Money Laundering Regulations.

Returns

19. (1) The holder of a Class A or Class B licence, must, in the format provided by the Commission, file quarterly returns with the Commission within fifteen days of the end of a quarter, along with a written declaration that the information set out in the application for the licence remains correct and gives a full and fair picture of its money services business.

(2) The holder of a Class C or Class D licence must, within fifteen days of the end of the financial year, file an annual return with the Commission along with a written declaration that the information set out in the application for the licence remains correct and gives a full and fair picture of its money services business.

(3) A designated licensee must submit a copy of its returns to the Central Bank within the stipulated time.

(4) The Commission may assess a penalty of an amount of \$5,000 against any corporation or a director of a corporation who fails to—

- (a) file the quarterly returns within the stipulated time specified in subsection (1);
(b) provide complete and accurate information with respect to a return or other information required by this Act, or

comply with any directions given in writing by the Commission.

(5) A penalty imposed under this section constitutes a debt due to the Commission and is immediately payable and may be recovered as a debt in any court.

(6) Interest shall be charged on the unpaid amount of a penalty on a day to day basis on all amounts in arrears at the rate of 2% above Central Bank rate.

Extension of time for providing information

20. At the request of a licensee, the Commission may extend, from time to time, any period within which such licensee is, in accordance with the provisions of this Act, obliged to furnish any document or information.

Retention of records

21. (1) A licensee shall retain for a period of at least six years from the date of creation of each particular record, all records created and obtained by them, in particular records of each transaction executed by them, records of each outstanding transaction, bank reconciliation records and bank statements received during the course of operation and administration of its money services business.

(2) The retention of records under subsection (1) may be affected by electronic means.

Examination by the Commission

22. (1) The Commission shall examine or cause an examination to be made of each licensee from time to time or whenever in its judgment such examination is necessary or expedient in order to determine that such licensee is in a sound financial condition and that the requirements of this Act have been complied with in the conduct of its business.

(2) For the purpose of determining the condition of a licensee and its compliance with this Act, the Commission may at any time examine or cause an examination to be made of any affiliate of the licensee in Montserrat to the same extent that an examination may be made of the licensee.

(3) The Commission may assess a licensee for the reasonable expenses of conducting an examination under subsections (1) and (2).

(4) The Commission shall forward copies of balance sheets, statements and reports on the results of any examination to the licensee.

(5) A licensee refusing to make available for examination any books, accounts and records having been requested to do so by the Commission commits an offence and is liable on conviction to a fine of \$50,000 or imprisonment for a term of two years or both such fine and imprisonment.

Confidential information

23. No person who has acquired knowledge in his capacity as director, manager, secretary, officer, employee or agent of any licensee or as its auditor or receiver or official liquidator or as director, officer, employee or agent of the Commission, shall disclose to any person or governmental authority the identity, assets, liabilities, transactions or other information in respect of a customer of the licensee except—

- (a)* with the written authorisation of the customer, his heirs or legal personal representatives;
- (b)* for the purpose of the performance of his duties within the scope of his employment in conformity with the provisions of this Act;

- (c) when lawfully required to make disclosure by any court of competent jurisdiction within Montserrat; or
- (d) under the provisions of any law of Montserrat.

Exchange of information

24. Notwithstanding section 23, the Commission may—

- (a) share any information received or any report prepared by it in the performance of its duties under this Act with the Central Bank, or any foreign authority responsible for the supervision or regulation of affiliates of a licensee, or for maintaining the integrity of the financial system; or
- (b) provide access, to any officer of the Central Bank or a foreign authority responsible for the supervision or regulation of affiliates of a licensee in order to assess the safety and soundness of an affiliate;
- (c) on a reciprocal basis, and subject to—
 - (i) an agreement of confidentiality and a Memorandum of Understanding between the Commission and the Central Bank or such authorities; and
 - (ii) any law on the protection of confidential information.

PART 4

SEGREGATED ACCOUNTS, BANKRUPTCY OR INSOLVENCY OF LICENSEE

Segregated Accounts

25. (1) A licensee on receipt of funds from a customer shall immediately and irrevocably segregate the amount intended for transmission or delivery to the payee customer exclusively for the purpose of the proper payment of the funds in due course to the payee customer.

(2) Any funds which are not delivered or transmitted to the payee customer by or on behalf of the licensee shall be a first charge on the assets of a bankrupt or otherwise insolvent licensee and shall be—

- (a) re-paid to the payor customer; or
- (b) paid to the payee customer,

by the licensee, receiver, liquidator or administrator out of the segregated account to which it was placed or was deemed to have been placed.

Bankruptcy or insolvency of licensee

26. (1) A licensee must notify the Commission as soon as practicable after bankruptcy or insolvency proceedings are instituted.

(2) A person does not contravene subsection (1) if it took reasonable steps to comply with that subsection.

(3) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of \$50,000.

Utilisation of deposits, etc

27. (1) Despite anything to the contrary in the Bankruptcy Act, or the Companies Act, any funds delivered to a licensee by or on behalf of a customer, prior to the issue of any bankruptcy, winding-up or receivership order against that licensee shall be utilised by the licensee, receiver or liquidator solely to discharge the licensee's contractual obligations to the customer.

(2) Notwithstanding anything to the contrary in the Bankruptcy Act, or the Companies Act, if a licensee goes into bankruptcy, receivership or is wound up, any provision contained in a written agreement between that licensee and a customer is binding upon the liquidator, receiver or administrator in respect of any payment or settlement obligation.

(3) A person who contravenes the provisions of subsection (1) commits an offence and is liable on conviction to a fine of \$50,000.

PART 5

ABANDONED PROPERTY

Abandoned Property

28. (1) Subject to subsection (2) the following items which are held or owing by a licensee shall be presumed to be abandoned—

- (a) any funds paid in Montserrat toward the purchase of shares or other interests in a licensee, together with any interest or dividend, but excluding any lawful charges;
- (b) any sum payable on written instruments issued in Montserrat on which a licensee is directly liable; or
- (c) any sum delivered to the licensee for transmittal to a person in Montserrat or in another jurisdiction for and on behalf of a payee.

(2) The items enumerated in subsection (1) shall not be presumed to be abandoned if the owner has, within two years of the date of deposit, payment of funds or issuance of instruments, as the case may be—

- (a) corresponded in writing with the licensee concerning the items; or
- (b) otherwise indicated an interest in the items as evidenced by a memorandum concerning them written by a licensee.

Report, publication and disposal of abandoned property

29. (1) A licensee who holds any of the items enumerated in section 28 shall within ninety days after the end of its financial year report such holdings to the Commission, and subsequently pay or deliver to the Commission all property presumed to be abandoned listed in the report in accordance with Regulations issued by the Governor.

(2) Upon paying or delivering such property identified in subsection (1) into the custody of the Commission a licensee is relieved of all liability to the extent of the value of the property for any claim in that respect.

(3) Within thirty days after the end of its financial year but before the filing of the report to the Commission required by subsection (1), a licensee shall publish in the *Gazette* and a newspaper circulating in Montserrat the name of the owner and particulars concerning the property and shall mail a notice to the owner at his last known address containing particulars concerning the property.

Sale and handling of proceeds of sale of abandoned property

30. (1) A licensee may sell at public sale all property other than money presumed to be abandoned after the expiration of sixty days from the later date of publication or mailing required by section 29(3) following such advertisement of the sale as the Governor may prescribe.

(2) A purchaser shall receive title to the property free from all claims of the owner or prior holder and from all persons claiming through or under him.

(3) A licensee shall deposit with the Commission the proceeds of the sale of property in accordance with subsection (1) less all reasonable costs incurred by it in connection with the sale, mailing of notices, and service as it may deem appropriate to assure the prompt payment of claims which may subsequently be made and approved by the Governor.

(4) Any property remaining unsold shall be delivered to the Commission and shall be disposed of by the Commission in such manner as the Governor may direct.

Claims on abandoned property

31. (1) Any person claiming an interest in any property which has been paid to, or delivered into the custody of the Commission or in the proceeds from the sale may file a claim with the Commission and, after an appropriate hearing the decision of which shall be communicated to the claimant and made a public record, the Commission may deliver up the property or make payment.

(2) Any person aggrieved by a decision of the Commission may commence an action in the High Court to establish his claim within thirty days following the decision of the Commission.

Penalties for failure to file abandoned property report

32. (1) A licensee shall not wilfully fail to file the report or to pay or deliver property presumed to be abandoned into the custody of the Commission in accordance with section 29(1) or 30(4).

(2) A licensee who contravenes subsection (1) commits an offence, and it and each of its directors shall be liable on conviction to a fine of \$1,000 or to imprisonment for a term of three months or to both such fine and imprisonment.

PART 6

ENFORCEMENT

Revocation and termination of licence

33. (1) The Commission may revoke any licence to carry on money services business in Montserrat if the licensee—

- (a)* fails to commence operations within a period of three months following the granting of the licence; or
- (b)* fails to comply with the conditions or restrictions of its licence; or
- (c)* is in breach of any of the provisions of this Act which is applicable thereto; or
- (d)* ceases to carry on money services business in Montserrat for a period in excess of ten months; or
- (e)* is conducting its affairs in a manner detrimental to the public interest or to the interest of its customers; or
- (f)* goes into liquidation or is wound up or otherwise dissolved; or
- (g)* by reason of any other circumstances, is no longer a fit and proper person to hold a licence.

(2) Before revoking a licence under subsection (1), the Commission shall give the licensee concerned notice in writing of its intention to do so, specifying therein the grounds upon which it proposes to make the revocation and shall require the licensee to submit to it within a specified period being not less than thirty days, a statement of objections to the making of the revocation and thereafter, the Commission shall advise the licensee of its decision.

(3) Notice under subsection (2) shall be served at the licensee's last known address and shall be published in the *Gazette* or in any local newspaper.

(4) If any licensee is aggrieved by any decision made under subsection (1), that licensee may appeal to the High Court within fourteen

days of such decision, setting out the grounds of such appeal, and the High Court may revoke or confirm the said decision.

(5) Where a licence to carry on money services business in Montserrat has been revoked, the Commission shall, as soon as possible thereafter cause a notice of the revocation to be published in the *Gazette* and a newspaper circulating in Montserrat and cause such other steps to be taken as are deemed to be necessary to inform the public of such revocation.

(6) The Commission shall terminate a licence at the request of the licensee.

Suspension of licence

34. (1) The Commission may, if it thinks it necessary—

- (a) as a matter of urgency for the protection of the public; or
- (b) as a result of any investigation under this Act or Regulations made under this Act,

suspend a licence granted under this Act for such period, or until the happening of an event, as the Commission considers appropriate.

(2) A person whose licence is suspended under this Act shall be notified accordingly by the Commission and shall, for the purpose of this Act, be deemed not to be licensed from the date of notification of suspension.

(3) Notice under subsection (2) shall be served at the licensee's last known address and shall be published in the *Gazette* or in any local newspaper.

(4) If any licensee is aggrieved by any decision made under subsection (1), that licensee may appeal to the High Court within fourteen days of such decision, setting out the grounds of such appeal, and the High Court may revoke or confirm the said decision.

Persons carrying on money services business without a licence

35. (1) If the Commission has reasonable cause to suspect that—

- (a) any person is carrying on money services business without a licence granted under this Act; and
- (b) evidence of contravention of section 4(1) is to be found on any premises in Montserrat,

the Commission may lay information on oath before a Magistrate as regards its suspicions.

(2) Upon filing of the information in subsection (1), the Magistrate, may by warrant authorise an officer of the Commission named in such warrant to enter and search such premises with a police officer and seize any books, accounts, records, vouchers and other documents, cheques,

securities and any cash as may be found on the premises relating to the conduct of money services business, to ascertain whether the person is carrying on money services business without a licence.

(3) Any such warrant may authorise—

- (a) the Commission to detain the books, accounts, records, vouchers and other documents, cheques, securities and any cash for a period not exceeding thirty days;
- (b) the officer to make copies of the books, accounts, records, vouchers and other documents, cheques, securities and any cash; and
- (c) the Commission to retain copies of the books, accounts, records, vouchers and other documents, cheques, securities and any cash.

(4) The person authorised by a warrant to search any premises may—

- (a) seize any books, accounts, records, vouchers and other documents, cheques, securities and any cash found—
 - (i) in the premises; or
 - (ii) in the possession of any person described in paragraph (b) of this subsection,

if he has reasonable grounds for believing that any of those books, accounts, records, vouchers and other documents, cheques, securities and any cash related to the conduct of money services business on those premises;

- (b) search every person who—
 - (i) is found in those premises; or
 - (ii) has recently left or is about to enter those premises, whom he has reasonable grounds to believe is in possession of any books, accounts, records, vouchers and other documents, cheques, securities and any cash in respect of the conduct of money services business on those premises;

(5) In pursuance of any warrant issued under this section, no person shall be searched by an officer of the opposite sex.

(6) Where under this section a person has the power to enter any premises, he may if necessary use reasonable force to enter the premises.

(7) A person who obstructs the Commission or any other person in the exercise of any powers conferred under this section commits an offence and is liable on conviction to a fine of \$5,000 or to imprisonment for a term of six months or both such fine and imprisonment.

Appointment of receiver

36. (1) Without prejudice to section 4(1), where a person is found under section 35(1) to be conducting money services business without a licence, the Commission may apply to the court for appointment of a receiver to liquidate the business.

(2) Before applying for the appointment of a receiver under subsection (1), the Commission shall give the person concerned notice in writing of its intention to do so and shall require the person to comply with the requirements of this Act within a specified period being not less than thirty days and thereafter the Commission shall advise the person of his decision.

Commission may apply to Court to preserve customers' interests

37. (1) The Commission may, in a case where a licensee, or a person who has at any time been a licensee, is being wound up voluntarily, apply to the Court if the Commission considers that the winding-up is not being conducted in the best interests of the licensee's customers or creditors, and the Court shall make any order it considers appropriate.

(2) If it appears to the Commission that there is reasonable ground for suspecting that an offence against this Act has been or is being committed by any person, the Commission may, with the approval of the Court, take any action it considers necessary, in the interest of the person's customers or creditors, to preserve any assets held by that person.

Powers of the Commission in respect of licensees

38. (1) Whenever the Commission is of the opinion that—

- (a)* a licensee is or appears likely to become unable to meet its obligations as they fall due;
- (b)* a licensee is carrying on business in a manner detrimental to the public interest or the interest of its customers or creditors;
- (c)* a licensee has contravened this Act;
- (d)* a licensee has failed to comply with a condition of its licence;
- (e)* there has been or is, on the part of a licensee or its directors, a failure to satisfy any one or more of the criteria of prudent management set out in section 41;
- (f)* a licensee, director, manager, secretary or other officer concerned in the management of a licensee refuses to cooperate with the Commission in the performance of its functions under section 40;
- (g)* a licensee is carrying on business in an unlawful manner;
- (h)* a licensee has failed to maintain the prescribed capital; or

- (i) is violating any law, regulation or guideline to which the licensee or person is subject,

the Commission may take one or more of the measures set out in subsection (2).

(2) Without prejudice to sections 33 and 34, the measures that the Commission may take in pursuance of subsection (1) are as follows—

- (a) impose conditions, or further conditions, as the case may be, upon the licence and may amend or revoke any of the conditions;
- (b) require the suspension or removal of a director or officer of the licensee;
- (c) at the expense of the licensee, appoint a person to advise the licensee on the proper conduct of its affairs and to report to the Commission within three months of the date of his appointment, or any extension of appointment and at such intervals as the Commission may require;
- (d) at the expense of the licensee, appoint a person to assume control of the licensee's affairs who shall have all the powers of a person appointed as a receiver or manager under the Bankruptcy Act, who shall report to the Commission within three months of the date of his appointment, or any extension of appointment and at such intervals as the Commission may require;
- (e) require a licensee, to take, refrain from, or discontinue any action as the Commission considers necessary;
- (f) revoke the licence.

(3) The Commission may, on receipt of a report under subsection (2)—

- (a) revoke the appointment of the person appointed under subsection (2)(c) or (d);
- (b) extend the period of appointment of a person appointed under subsection 2(c) or (d);
- (c) subject to any conditions that the Commission may impose, allow the licensee to reorganise its affairs in a manner approved by the Commission; or
- (d) revoke the licence.

(4) The Commission must comply with the procedures established in section 33(3), (4), (5) and (6) if it decides to revoke a licence pursuant to subsections 2(f) and 3(d).

(5) If any licensee is aggrieved by any decision made under subsection (2), that licensee may appeal to the High Court within fourteen

days of such decision, setting out the grounds of such appeal, and the High Court may revoke or confirm the decision.

Transactions effected prior to suspension or revocation of licence

39. The suspension or revocation of a licence under this Act does not void or affect any agreement, transaction or arrangement relating to a provision of money services business entered into by the licensee before the suspension or revocation of the licence and does not affect any right, obligation, or liability arising under any such agreement, transaction or arrangement.

Powers and duties of the Commission

40. (1) The Commission shall ensure the proper administration of this Act and without limiting the generality of the foregoing, shall—

- (a) maintain a general review of money services business practice in Montserrat;
- (b) whenever it thinks fit, examine the affairs or business of any licensee carrying on business within Montserrat for the purpose of satisfying itself that this Act has been or is being complied with and that the licensee is in a sound financial position and is managing its business in a prudent manner;
- (c) assist in the investigation of any offence against the laws of Montserrat which it has reasonable grounds to believe has or may have been committed by a licensee or by any of its directors or officers in their capacity as directors or officers;
- (d) examine—
 - (i) returns furnished to it under section 19; and
 - (ii) audited financial statements forwarded to it under section 16, and to report on them to the Minister whenever it thinks fit;
- (e) require or perform consolidated supervision of affiliates whenever it thinks fit; and
- (f) cooperate with and facilitate the Central Bank in consolidated supervision of designated licensees.

(2) In the performance of its functions under this Act the Commission is entitled at all reasonable times—

- (a) to have access to the premises, books, records, vouchers, documents, cash and securities of any licensee;
- (b) to remove and make copies of any books, records, vouchers and documents found on the premises of a licensee;
- (c) to request the information, matter or thing from any person who it has reasonable grounds to believe is carrying on

money services business in contravention of section 4(1);
and

- (d) to call upon the manager of the licensee or any similar person, or an officer designated by either of them, for any information or explanation the Commission may require for the purpose of enabling it to perform its functions under this Act; and information requested under this subsection shall be provided in such form as the Commission may require.

(3) A person who fails to comply with a requirement under subsection (2) commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.

Criteria for prudent management

41. For the purpose of section 40(1)(b), the criteria of prudent management are as follows—

- (a) maintenance of—
- (i) adequate reserves and other capital resources in amounts which may be prescribed by the Commission;
 - (ii) adequate assets in liquid form in amounts which may be prescribed by the Commission;
 - (iii) a system for managing and containing risks to the net worth of the licensee's business and risks to its net income, whether arising from fluctuations in interest or exchange rates or from other factors;
 - (iv) the requisite accounting records;
 - (v) systems of internal control and record keeping; and
 - (vi) systems for inspection and report;
- (b) management conducted with prudence and integrity by a sufficient number of persons, having regard to the range and scale of the business, who are fit and proper to be directors or, as the case may be, officers of the licensee in accordance with the criteria established under section 6(5); and
- (c) conduct of the licensee's business with adequate professional skills.

Management's duty of compliance with the requirements of the law

42. A director, manager, secretary or other officer concerned in the management of a licensee who fails to take all reasonable steps to secure compliance by the licensee with the requirements of this Act commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or to both such fine and imprisonment.

False or misleading information

43. A licensee, director or an officer of a licensee who knowingly or wilfully supplies false or misleading information to the Commission commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.

Removal and disqualification of officers

44. (1) Any person who is a director, manager or other officer concerned with the management of a licensee shall cease to hold office upon—

- (a) notification by its management team of a finding by 2/3 of its members of his permanent incapacity or serious neglect of, or misconduct in office;
- (b) his being declared bankrupt or compounding with, or suspending payment to, his creditors;
- (c) his conviction in a court of law of any offence involving fraud or dishonesty;
- (d) his being sentenced for an offence involving a term of imprisonment of or exceeding six months or in default of a payment of a fine; or
- (e) his being deemed not to be fit and proper person in accordance with the criteria established under section 6(5).

(2) No person who has been a director of, or directly or indirectly concerned in the management of a licensee, the licence of which has been revoked shall, without the approval of the Commission act or continue to act as a director, or be directly or indirectly concerned in the management of any licensee.

(3) A person who contravenes subsection (1) or (2) commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or to both such fine and imprisonment.

Offences by officers of corporate bodies

45. (1) Where an offence under this Act has been committed by a body of persons which is—

- (a) a body corporate, society or other body of persons, every person who at the time of the commission of the offence was a director, manager, secretary or other officer of the body corporate, society or other body of persons as well as that body corporate, society or other body of persons commits the offence;
- (b) a partnership or firm, every partner of the partnership or firm as well as that partnership or firm commits the offence,

and is liable to be proceeded against and punished accordingly.

(2) No person referred to in subsection (1) shall be convicted of an offence under that subsection where he proves, that—

- (a) the act constituting the offence took place without his knowledge or consent; or
- (b) he exercised all due diligence to prevent the commission of the offence.

General penalty

46. A person who contravenes any provision or requirement of this Act for which no offence is specifically created or penalty provided commits an offence and is liable on conviction to a fine of \$50,000 or to imprisonment for a term of two years or both such fine and imprisonment.

PART 7

IMMUNITIES, REGULATIONS AND GUIDELINES

Immunity

47. Neither the Commission nor an employee of the Commission shall be liable for anything done or omitted in the discharge or purported discharge of its functions under this Act unless it is shown that the act or omission was in bad faith.

Prudential guidelines

48. The Commission may, in administering the provisions of this Act, issue prudential guidelines and related orders respecting—

- (a) policies, practices and procedures for evaluating the quality of assets;
- (b) policies, procedures and systems for identifying, monitoring and controlling transfer risk, market risk, operational risk; and such other risks as the Commission shall specify;
- (c) corporate governance;
- (d) auditors;
- (e) procedures to be adopted by licensees and the Commission; and
- (f) anti-money laundering and combating the financing of terrorism matters.

Regulations

49. The Governor may make Regulations for giving effect to the provisions of this Act, and without limiting the generality of the foregoing, may make Regulations respecting—

- (a) the form of advertising by licensees;
- (b) registers and records to be kept under this Act;
- (c) forms to be used by licensees; and
- (d) fees payable under this Act.

SCHEDULE 1

(Section 5)

CLASS AND DESCRIPTION OF LICENCE

| Class of Licence | Description of Licence |
|-------------------------|--|
| Class A | Money Transmission |
| Class B | Issuance, Sale and Redemption of Payment Instruments |
| Class C | Cheque Cashing |
| Class D | Currency Exchange |

SCHEDULE 2*(Section 6)***FORM A****INFORMATION TO BE CONTAINED IN AND TO ACCOMPANY
AN APPLICATION FOR THE GRANT OF A LICENCE**

1. The name and address of the money services business in respect of which the licence is sought.
2. The name and address of the applicant.
3. The type of money services business the applicant proposes to conduct.
4. The source and quantum of funds for initial capital or acquisition of the money services business.
5. The address of the principal office of the applicant and of its registered office if different.
6. The designated place(s) of business in Montserrat if different from the principal office.
7. If the applicant is a corporation, limited liability company, partnership or other entity the applicant must provide—
 - (a) the date and place of incorporation or formation and a copy of the memorandum and articles of association, Act, 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; and
 - (b) a brief description of the structure or organisation of the applicant including any parent or subsidiary of the applicant.
8. The name and address of each person who—
 - (a) owns or controls the money services business;
 - (b) is a director or officer of the money services business;
 - (c) is an agent of the applicant;
 - (d) otherwise participates in the conduct of the affairs of the money services business.
9. The following information is also required from the named persons in Item 7 and each significant shareholder—
 - (a) legal name and any alias and residential address;
 - (b) occupation (over the previous five years) and business address;

- (c) date of birth;
- (d) citizenship;
- (e) social security number;
- (f) passport number;
- (g) two character references, a police or other certificate satisfactory to the Commission that the person has not been convicted of a serious crime or any offence involving dishonesty.

10. The name and address of any depository institution at which a transaction account is maintained for the purposes of the money services business.

11. Where appropriate a statement in writing in a form acceptable to the Commission from the body responsible for the administration of the laws relating to money services businesses and the supervision of the businesses in the country in which the applicant or its parent company is incorporated that the body has no objection to the application being made.

12. If the applicant is a company the following information is required where applicable—

- (a) the annual accounts for the two year period immediately preceding the date of the application of each significant shareholder which is a body corporate, together with similar accounts for the parent body, if any, of each of the bodies corporate or the annual accounts for the current year, in the case of a body corporate which is in existence for less than two years;
- (b) two or more references verifying the good financial standing of each significant shareholder who is a natural person;
- (c) the name and address of its proposed auditor;
- (d) a statement giving the date for the drawing up of the annual accounts of the applicant;
- (e) 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;
- (f) three business references of which at least one shall be from a bank;
- (g) a detailed business plan, containing details of the current money services business activities, if any, of the applicant and its proposed activities if the licence applied for is granted, including—
 - (i) the reasons for applying for the licence;

- (ii) the business aims of the applicant in respect of the money services business and its potential client base;
 - (iii) 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;
 - (iv) particulars of its management structure and personnel;
 - (v) the 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 company constitutes an asset of the applicant;
 - (vi) a chart showing the relationship to its subsidiaries and affiliates and any holding company;
 - (vii) a brief description of each of its subsidiaries and affiliates; and
 - (viii) details of the identified economic needs that the applicant intends to meet, growth prospects in that service area over the next five years, the exact nature and source of capital financing to be made available to the company for start-up and ongoing operations;
- (h) details of the applicant's proposals for establishing and maintaining, in respect of the money services business, systems of control, inspection and report, if the licence applied for is granted; and
- (i) in the case of a company incorporated outside Montserrat, the name and address of the supervisory or regulatory authority responsible for the supervision of each of the applicant's agents operating outside Montserrat.

13. If the applicant is a franchise holder the contract and any other documents relating to the operation of the franchise.

14. The applicant must submit a description of any money services business, other than that which is the subject of the application, previously or currently engaged in by the applicant.

15. The applicant must submit completed copies of a Personal Questionnaire for each executive officer, director and significant shareholder.

16. The applicant must submit copies of the applicant's audited financial statements.

17. Any other information requested by the Commission.

FORM B
PERSONAL QUESTIONNAIRE
[Fit and Proper Test]
PART A

NAME: _____

PREVIOUS NAMES (IF ANY): _____

ALIASES: _____

DATE OF BIRTH: _____

CITIZENSHIP: _____

PLACE OF BIRTH: _____

SOCIAL SECURITY NUMBER: _____

PASSPORT NUMBER: _____

PLACE AND DATE OF ISSUE: _____

PHOTO IDENTIFICATION: _____

ADDRESS (Home & Business): _____

OCCUPATION: _____

1. Have you at any time been charged or convicted of any offence by a civil, criminal or military court? (excluding minor Road Traffic offences). If so, please give details of charge, and if convicted, the date of conviction and full particulars of the offence and the penalty imposed—

2. Have you ever been the subject of investigation/disciplinary procedures, censured, disciplined by any professional body to which you belong or have belonged? If so, give particulars—

3. Have you ever been refused entry to any profession or vocation? If so, give particulars—

4. Have you ever been dismissed or requested to resign from any office or employment?

If so, give particulars—

5. Have you ever been censured, disciplined by, or made the subject of a court order at the instigation of—

- (a) any regulatory authority?
 - (b) any officially appointed enquiry?
 - (c) any other established body concerned with the regulation of a relevant activity (as described in the glossary at the end of this form)? If so, give particulars.
-
-

6. In connection with the formation or management of any corporation, have you been adjudged by a court civilly or criminally liable for any fraud, misfeasance or other misconduct towards that corporation or any member of the corporation? If so, give particulars—

7. In connection with the formation or management of any corporation have you been disqualified by a court from being a director or from acting in the management or conduct of the affairs of any corporation? If so, give particulars—

8. Have you ever—

- (a) been adjudged bankrupt by a court in any jurisdiction?
- (b) had a receiving order made against you?
- (c) had your estate sequestrated?
- (d) entered into a deed of arrangement, or other composition or arrangement with your creditors?

If so, give particulars—

9. Has a bankruptcy petition ever been served on you? If pending, give details of the circumstances and if not pending, how was the matter resolved?

10. Have you, your company or your employer previously dealt on a regular basis with any person carrying on a relevant activity (as described in the glossary at the end of this form) who has to your knowledge at any time, indicated that he is unwilling to effect further transactions with you, your company or your employer, by reason of any act or omission by you? If so, give particulars—

11. Will you be actively engaged in the business or the entity to which this application relates and devote the major portion of your time to it?

PART B

RELATED OR OTHER INTEREST

1. Are you a director of any company, partnership, corporate body or any other business organisation engaged in money services business? If so, state—

- (a) name of company/corporation/etc.;
- (b) nature of business;
- (c) date of commencement of directorship;
- (d) whether or not employed on service contract (e.g. managing directorship) in any case.

2. Have you been a director of a deposit taking institution, credit extending institution, other financial service provider, any other limited company or corporation other than those stated in the previous questions? If so, state—

- (a) name of company/corporation;
- (b) nature of business;
- (c) date of commencement of directorship;
- (d) date of cessation of directorship.

3. Are you or have you been engaged—

(a) in partnership?; or

(b) in business as a principal on your own account?

If so, give particulars—

4. Are you a beneficial owner of any controlling interest in any unlisted private or public company? If so, give particulars—

5. Have you ever been a director of, or directly concerned with the management of a bank or other financial institution—

(a) that has been wound up by a court?

(b) the licence of which has been revoked?

(c) which has been placed in receivership?

(d) which has entered into a composition with its creditors?

(e) whose business had been adjudged to have been conducted imprudently or fraudulently?

(f) which has failed to meet the solvency requirements prescribed by law?

If so, give particulars—

6. Have you ever been a director, or been directly concerned with the management or conduct of affairs of any company which has gone into liquidation, whilst you were, or within one year of your being a director, or so concerned? If so, give details of the circumstances including the following—

(a) name of company;

(b) name of liquidator;

(c) address of liquidator.

7. Have you ever been concerned with the management or conduct of affairs of any corporation which, by reason of any matter relating to a time when you were so concerned, has been censured or disciplined by—

(a) any regulatory authority?

(b) any official appointed enquiry?

(c) any other body concerned with regulation of a relevant activity?

If so, give particulars—

8. Do you (in your personal capacity or through any entity controlled by you) have outstanding debt of any amount sixty or more days in arrears? If so, state the following—

- (a) form;
- (b) amount;
- (c) source;
- (d) maturity date.

9. Has any person, firm or company guaranteed the indebtedness? If so, give particulars (see previous question)—

10. Are you at present guaranteeing the debts and obligations of any third parties? If so, give particulars—

I,..... certify that all the statements contained in this questionnaire are true, accurate and fair to the best of my knowledge and belief.

.....

Signature

AUDITED FINANCIAL STATEMENTS

1. If the applicant is a business that was in existence and operating prior to the date of application, copies of audited financial statements (balance sheet, profit and loss, auditor's report and notes to accounts) for the five consecutive years immediately preceding its application, except however that where such applicant has been functioning for less than five years, a copy of its audited financial statements for each year it has been in operation shall be sufficient.

2. Where item 1 is not applicable the opening balance sheet. (audited).

3. Operating projections for the proposed licensee's first five years of business. This should include balance sheet, income statement and cash flow projections prepared in an acceptable accounting format. Details of any financial or economic assumptions on which these projections are based should be clearly indicated.

4. Where the applicant is a subsidiary or affiliate of another company, submit in addition to item 1 or 2, audited financial statements of the parent company and all other "**connected**" companies.

GLOSSARY

"**connected**", in relation to a company means two or more companies or groups of companies with interests which are so interrelated that they should be considered as a single unit;

"**corporation**" means a body corporate, incorporated in Montserrat or elsewhere;

"**relevant activity**" means—

- (a) banking, finance, insurance, money-lending, money management, debt-financing, hire purchase financing, leasing or other financial activities;
 - (b) dealing in securities;
 - (c) providing investment or financial advice and management.
-

SCHEDULE 3

(Section 6)

FORM OF LICENCE

MONTSERRAT

MONEY SERVICES BUSINESS ACT

(CAP. 11.30)

LICENCE No.

..... is licensed under the Money Services Business Act, to carry on the business of *[money transmission/issuance, sale and redemption of payment instruments/cheque cashing/currency exchange]** at his designated place of business located at, Montserrat subject to the following conditions/restrictions:

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

The licensee shall forthwith notify the Commission of any change in the information supplied in the application for this licence.

.....

Granted this day of, at Brades, Montserrat.

.....
Commission

*Delete where applicable

MONEY SERVICES BUSINESS (FEES) REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATIONS

1. Short title
2. Interpretation
3. Fees

SCHEDULE

MONEY SERVICES BUSINESS (FEES) REGULATIONS – SECTION 49

(S.R.O. 20/2009)

Commencement

[1 September 2009]

Short title

1. These Regulations may be cited as the Money Services Business (Fees) Regulations.

Interpretation

2. In these Regulations “Act” means the Money Services Business Act.

Fees

3. The application fee and the annual licence fee for a licence under the Act shall be as set out in the Schedule hereto.

SCHEDULE

| <i>Class of licence</i> | <i>Description of licence</i> | <i>Fees</i> | |
|-------------------------|--|------------------------|---------------------------|
| | | Application Fee | Annual Licence Fee |
| Class A | Money Transmission | \$2,000 | \$5,000 |
| Class B | Issuance, Sale and Redemption of Payment Instruments | \$2,000 | \$4,000 |
| Class C | Cheque Cashing | \$1,000 | \$1,000 |
| Class D | Currency Exchange | \$1,000 | \$1,000 |
