

BANKING SUPERVISION

LICENSING REQUIREMENTS

Types of Applications and Relevant Information for licensing and making fundamental changes for Financial Institutions

Licensing Of A New Entity

International Financial Services Act, CAP 325 (IFSA): Sections 4-12 **Financial Institutions Act, CAP 324A (FIA):** Part 11 (Commercial Banks) Sections 3-9 **Part 111(Trust and Finance Companies and Merchant Banks) Sections 22-28**

1. Name reservation form approved by the Registrar of Corporate Affairs and Intellectual Property Office (CAIPO).
2. Corporate Documents, as deemed relevant:
 - i. Draft of entity's Memorandum and Articles of Association, where application is for a bank to be licensed as a separate legal entity;
 - ii. Certified copy of the Articles of Incorporation of the foreign bank, where application is to establish a branch and therefore register as an external company;
 - iii. Draft copy of Articles of Continuation where application is to have the bank continued;
 - iv. Articles of Organisation for entity organised under the Societies with Restricted Liability Act; and
 - v. Draft By Laws of the applicant.
3. Certified copy of the parent company's Articles of Association.
4. Complete corporate chart showing the relationship of the proposed bank to other affiliated companies, subsidiaries and partnerships, wherever resident.
5. Confidential Statements for all proposed directors, senior management executives, including two references for each person named
6. Independently prepared net worth statements for all high net worth applicants or other documented evidence acceptable to the Central Bank of Barbados (i.e. bankers certificate, title deeds, independent verification of Securities held etc.).
7. The number of shares, their type and the amounts payable thereon by each shareholder.

8. Particulars of any loans with conversion or voting privileges that are to be allocated to each shareholder.
9. Where the HNW applicant has a holding company or trust in the ownership structure,
 - i. Certified copies of share certificates verifying the shareholders of the holding company;
 - ii. Certified documents verifying the settler, trustee and beneficial owner; and
 - iii. Audited statements of the holding company including the IBC's even though these may not be required generally under the IBC Act.
10. Evidence that the licence fees have been paid for the IBCs which are holding companies of the bank.
11. An outline of the business plan of the proposed licensee that:
 - i. states its objectives, the market it intends to serve and the services it wishes to offer and how its objectives will be achieved;
 - ii. indicates the proposed date of commencement of business;
 - iii. explains the governance and control systems it intends to establish;
 - iv. sets out its plans for physical presence and record keeping;
 - v. identifies proposed outsourcing arrangements;
 - vi. states the proposed initial capital and its source of origin; and
 - vii. demonstrates that the resources, human, technical and financial, it possesses are adequate for the nature and scale of business.
12. Projected financial statements for first three years of operations, in good format.
13. If a branch/subsidiary of a foreign bank, the written authorisation of the home supervisory authority in the country of incorporation together with a certificate confirming that the proposed bank has complied with its statutory requirements at a date not more than three months prior to the application been provided.

After incorporation of the entity:

1. Certified copies of the corporate documents comprising:
 - i. Certificate of Incorporation or Registration issued by the Registrar of CAIPO
 - ii. Particulars of Directors, Managers, Secretary and Auditors in Barbados filed with the Registrar of CAIPO at the date of incorporation or registration and of all changes since then to the date of this application.
2. Certificate from the company's auditors in Barbados that either the required issue capital has been paid up in cash or the assigned capital represented by such unencumbered assets as approved by

the Central Bank of Barbados are in place and being held to the order of the bank at the date to which the certificate applies. The certificate will be accompanied by an opening balance sheet.

3. Copy of a receipt evidencing payment of the licence fee.
4. Confirmation that a place of business has been established

Change In Ownership (To An Existing Entity)

International Financial Services Act, CAP 325 (IFSA): Section 13 (1) (b)(i)(ii)(iv)(v) **Financial Institutions Act, CAP 324A (FIA):**Section 10(1)(b)(i)

1. Draft Sales Agreement
2. Certified copy of the Articles of Incorporation of the applicant, where relevant
3. Draft copy of Articles of Amalgamation, where relevant
4. Certified copy of the purchaser's parent company's Articles of Association.
5. Certified documents verifying the settler, trustee and beneficial owner where the purchaser or parent of the purchaser is a trust
6. Purchaser's current audited financial statements;
7. Purchaser's parent's current audited financial statements, where relevant
8. Management letter
9. Business plan detailing any strategic changes the applicant proposes to take the entity, inclusive of 3-year projected financial statements, where relevant
10. Detail any changes to the existing policies and procedures
11. Detail any implications for management and staff
12. A complete corporate chart showing the relationship of the entity to be acquired to affiliated companies, subsidiaries and partnerships, wherever resident;
13. The number of shares, their type and the amount payable thereon by each shareholder;
14. Particulars of any loans with conversion or voting privileges that are to be allocated to each shareholder;
15. Certified copies of share certificates verifying the shareholders of any holding company;
16. Names and percentage shareholding held by shareholders in group companies not publicly listed;
17. Independently prepared net worth statements for all of high net worth applicants, or alternatively, independent verification of all assets owned and level of liabilities

18. If a branch/subsidiary of a foreign bank, the written authorisation of the home supervisory authority in the country of incorporation together with a certificate confirming that the proposed bank has complied with its statutory requirements at a date not more than three months prior to the application
19. Copy of Exchange Control permissions, where applicable

Change In Ownership (To A New Entity)

International Financial Services Act, CAP 325 (IFSA): Section 13 (1) (b)(i)(ii)(iv)(v) **Financial Institutions Act, CAP 324A (FIA):**Section 10(1)(b)(i) **International Financial Services Act, CAP 325 (IFSA):** Sections 4-12 **Financial Institutions Act, CAP 324A (FIA):** Part 11 (Commercial Banks)Sections 3-9 Part 111(Trust and Finance Companies and Merchant Banks) Sections 22-28

1. Name reservation form approved by the Registrar of CAIPO if required
2. Draft Sales Agreement
3. Certified copy of the Articles of Incorporation of the applicant, where relevant
4. *If the business is being transferred to a new entity that is to be licensed, the application will follow the procedures as set out in the licensing guidelines until licensing is completed.*

Change In Business Activity

International Financial Services Act, CAP 325 (IFSA): Section 13 (1) (b) **Financial Institutions Act, CAP 324A (FIA):** Section 13 (2)(a)

1. Detailed Business plan including projected 3 yr balance sheet and income statement
2. Policies or procedures governing the new line of business
3. *If Articles of Incorporation and Licence are restricted:*
 - i. Copy of proposed Articles of Amendment
4. *Additional requirement:*
 - i. An inspection of the licensee may be required to satisfy that the licensee has the capacity to manage new business
5. *After approval has been granted:*
 - i. Copy of approved Articles of Amendment
 - ii. Return of Old Licence

- iii. New Licence to be issued

Change In Share Capital (Reduction)

International Financial Services Act, CAP 325 (IFSA): Section 13 (1) (b)(vi) **Financial Institutions Act, CAP 324A (FIA):** Section 13 (4)(d); Section 7(a)

1. Special resolution
2. Balance sheet showing the impact of the reduction on capital

Change Of Name

International Financial Services Act, CAP 325 (IFSA): Section 13 (1) (b)(iii)(iv) **Financial Institutions Act, CAP 324A (FIA):** Section 13 (4)(c)

1. Special resolution
2. Copy of approved Request for Name Search & Name reservation form
3. Copy of proposed Articles of Amendment
4. *After approval has been granted:*
 - i. Copy of approved Articles of Amendment
 - ii. Return of Old Licence
 - iii. New licence to be issued

Change Of Place Of Registered Office And Business

International Financial Services Act, CAP 325 (IFSA): Section 6(2)(b) **Financial Institutions Act, CAP 324A(FIA):**

1. Copy of draft Notice of change of address of registered office

Any Other Fundamental Company Changes In Accordance With Section 197 (1) Companies Act, Cap. 308

ACCORDANCE WITH SECTION 197 (1) COMPANIES ACT, CAP. 308

Required Documentation:

1. Special resolution
2. Copy of proposed Articles of Amendment
3. *After approval has been granted:*
 - i. Copy of approved Articles of Amendment

Confidential Statement

Instructions for completing the confidential statement of prospective shareholders directors and executive officers.

[Download Confidential Statement Instructions](#)

Exemption From The Reserve Fund

International Financial Services Act, CAP 325 (IFSA): Sections 20(1) and (2) **Financial Institutions Act, CAP 324A(FIA):** Section 18 (1-4);Section 33 (1-4)

Required Documentation:

1. Draft copy of full audited financial statements for which the exemption is required

Voluntary Liquidation

International Financial Services Act, CAP 325 (IFSA): Sections 62 (1) (2)(a)(b);63; 64 **Financial Institutions Act, CAP 324A(FIA):** Section53(1) (2)(a)(b); 54;55 **International Financial Services Act, CAP 325 (IFSA):** Section 105 **Financial Institutions Act, CAP 324A(FIA):** Section 100

1. Certificate of solvency from its auditors highlighting there are sufficient assets to repay its depositors and other creditors
2. Copy of the special resolution approving the voluntary liquidation by at least two-thirds of its shareholders

3. Liquidation plan outlining the process by which the winding-up will be effected
4. *After approval has been granted:*
 - i. The licensee is required to submit the following:
 - i. The original banking licence;
 - ii. Copy of the notice of the voluntary winding up as published in the Official Gazette;
 - iii. Letter of Cancellation of Registration of External Company signed by the Registrar (for External Companies only)
 - iv. Where applicable, copies of the releases obtained from the bank's depositors, verifying that they have no further claims on the institution; and
 - v. Confirmation of the disposal of all assets under management and the payment of all creditors
5. *If any of the above information remains outstanding when the licence fee becomes statutorily due on January 1, then the fee is still payable. However, discretion will be exercised on a case-by-case basis.*
6. Where an entity intends to continue as a business as another corporate entity, such as an international business company, it must provide:
 - i. The Certificate of Amendment/Amalgamation
 - ii. Restated Articles of Incorporation
7. *These should reflect that the entity is no longer authorised to carry on banking business and that the word "bank" is removed from its name, where applicable, in accordance with Section 105 of IFSA or Section 100 of FIA.*

Transfer Of Business By Vesting Order (To An Existing Licensee)

International Financial Services Act, CAP 325 (IFSA): Section Financial Institutions Act, CAP 324A(FIA): Section 84-86

Required Documentation

1. Copies of the corporate documents for all entities involved in the transfer
2. Copy of the Asset Transfer Agreement with verification of the particulars of the agreement by affidavit or declaration sworn to or as the case may be, made by senior officers of both institutions.
3. Evidence to confirm either payment of or exemption from stamp duty or property transfer tax. (An application must be sent directly to the Minister by the licensee to whom the business is being transferred)

4. *If the business is being transferred to a new entity that is to be licensed, the application will follow the procedures as set out in the licensing guidelines until licensing is completed.*

Establishment Of A Branch/Subsidiary/Representative Office

International Financial Services Act, CAP 325 (IFSA): Section 12(4) (a) and (b) **Financial Institutions Act, CAP 324A(FIA):** Section 97 (1) and (2)

Required Documentation

Copies of corporate documents