

LICENSING CRITERIA

Money Lending Licence

– FS-1.20

Note to the applicant:

1. The objective of the Licensing Criteria is to ensure the continuous and efficient collaboration between the Commission and the Applicant for a licence in order to ease the licensing process.
2. It should be noted that the Licensing Criteria neither derogate nor restrict the powers vested upon the Financial Services Commission, Mauritius (the 'Commission') by statute, and should be read together with the relevant Acts, regulations, rules, guidelines, circulars and codes.
3. This Licensing Criteria aims to provide guidance to investors and service providers with respect to the requirements when applying for a licence.
4. The Commission recommends that in submitting an application, an applicant should be conversant with the relevant provisions of the laws, guidelines and circulars which the Commission has issued or may issue from time to time.
5. The Commission requires that all applications be accompanied by a cover letter and by the information and/or documentation prescribed in the Licensing Criteria.
6. **Incomplete applications received by the Commission may be returned to the applicant.**
7. The Commission, upon inadequate or no response within 15 working days from the date of its first query, shall not proceed further with the application. After this period, the applicant will have to submit a fresh application.

**Information/Documents to be submitted with respect to application for an
Money Lending Licence**

A. Relevant Forms /Documents

1 Formal application under section 14A of the Financial Services Act 2007 for a Money Lending Licence and the duly filled-in, dated and signed Application form.

Submission of prescribed processing/annual fees

Type of Licence	Code	Fees	
		Processing	Annual
Money Lending	FS – 1.20	USD 1000	USD 1900
		MUR 43000	MUR 82 000

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Note: Payment of annual fee is not mandatory at time the application is submitted to the Commission

3 Duly filled in authority form and written and signed consent of each promoter, officer and/or controller.

4 Certified copy of shareholder’s resolution with respect to the Company’s application for a Money Lending Licence (for existing company).

5 Certified true copy of the resolution of the board of directors authorising two members of the board to sign the application (not applicable to a Global Business Company).

B. Structure

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- Copy of the constitution, duly dated and signed, accompanied by a legal certificate.
 - Certified true copies of statutory documents lodged with the Corporate and Business Registration Department (CBRD) with respect to the incorporation of the applicant.

C.	Activity
7	<p>Detailed Business Plan including, but not limited to, the following:</p> <ul style="list-style-type: none"> (i) Rationale of applying for a Money Lending Licence. (ii) introduction and background of promoter/shareholder; (iii) Details on the activities; (iv) detailed procedures of the mode of operation of the money lending activities; (iii) organisation/structure chart; (iv) target market; (v) 3 years' financial forecasts (Profit & Loss, Cash Flow and Balance Sheet); and (vi) any other relevant information.
8	<ul style="list-style-type: none"> (i) Details on the profile and location of the targeted clients. (ii) Submission of a confirmation that the applicant shall seek the necessary approval/authorisation in the jurisdictions where it intends to operate.
9	<p>Details on the operations/process flow (steps by steps) for the money lending activity, including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Client on-boarding/risk profiling process; 2. Credit assessment/rating; 3. Approval 4. Documentation and Disbursement <p>Note: the applicant to indicate who will take the ultimate responsibility for accepting and the signing off for on-boarding of clients.</p>
10	<ul style="list-style-type: none"> (i) An indication as to whether there will be a financing limit. If in the affirmative, to provide details on same. (ii) An indication of the frequency of borrowing a client may take and the maximum amount the applicant may lend to the same client.
11	<p>An indication of the interest rate to be charged to the clients and the basis on which the interest rate is calculated (submission of benchmarking and market research – if any).</p>
12	<p>Details on the other applicable fees for providing the services.</p>
13	<p>Details on the repayment period of the money lent.</p>

14	Details on the collateral to be provided in relation to money lending facilities.
15	Details as to how the amounts due by clients will be managed and monitored. Please also indicate who will be responsible for same.
16	Details on measures put in place to have recourse on the amount due from clients (Recovery Policies and Procedures).
17	Procedures put in place by the Company in case of defaulting clients (late/non-payment).
18	<p>Money Lending platform (if applicable):</p> <p>In case the applicant will use its own/proprietary platform, the following to be submitted:</p> <ol style="list-style-type: none"> 1. Details on the platform and how it will be used for the money lending activity, including its functionalities. 2. Details on each process including, the role and function of the applicant from start to end (from client on-boarding, CDD checks, process, transaction, monitoring & so on to disbursement of the funds from a digital point of view). 3. An indication as to how the clients will access the platform. 4. An indication as to whether the platform caters for Mauritians only or for foreign clients as well. 5. Details on the checks and balances implemented in the event of default in the process. 6. Details as to how the applicant will ensure that client’s interests, rights and information shall be protected at all times on the platform. 7. An indication how the client will sign the contract/Loan agreement online. 8. Submission of a copy of the terms & conditions to be signed by clients online in order to proceed further on the platform. 9. Details on how the funds will be transferred through the platform to the clients’ bank account. In addition, provide an indication with how many banks the applicant will be tied up. 10. Whether the platform has been tried and tested in other financial institution. If yes, please submit evidence of same. 11. An indication whether an independent audit had been carried out on the platform. In the affirmative, please submit a copy of the report. 12. Details on the cyber-security features (including confidentiality of client data, encryption element to prevent hacking, back up, server etc.) of the platform to be used by the applicant. Please provide evidence of any independent audit performed to validate the security surrounding the application. 13. A confirmation that the platform complies with the Data Protection Legislations of Mauritius. 14. Clarify as to how the applicant will cater for clients with no internet and/or mobile facilities if the whole application process will be made online.

In case the applicant will use the platform of another developer/provider, the following to be submitted:

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1. Corporate profile and risk assessment on the platform provider.
2. An indication as to whether the platform provider is a regulated entity and if in the affirmative, to provide evidence of same.
3. Details on each process including, the role and function of the applicant from start to end (from client on-boarding, CDD checks, process, transaction, monitoring & so on to disbursement of the funds from a digital point of view).
4. An indication as to how the clients will access the platform.
5. An indication whether the platform caters for only Mauritian or for foreign clients as well.
6. Details on the checks and balances implemented in the event of default in the process.
7. Details as to how the applicant will ensure that client’s interests, rights and information shall be protected at all times on the Platform.
8. An indication on how the client will sign the contract/Loan agreement online.
9. Submission of a copy of the terms & conditions to be signed by clients online in order to proceed further on the platform.
10. Details on how the funds will be transferred through the platform to the clients’ bank account. In addition, provide an indication with how many banks the applicant will be tied up.
11. An indication whether the platform has been tried and test in other financial institution. If yes, please submit evidence of same.
12. Whether an independent audit had been carried out on the platform. In affirmative, please submit a copy of the report.
13. Details on the cyber-security features (including confidentiality of client data, encryption element to prevent hacking, back up, server etc.) of the Platform to be used by the Company. Please provide evidence of any independent audit performed to validate the security surrounding the application.
14. A draft copy of agreement to be entered between the applicant and the platform provider.
15. A confirmation that the platform complies with the Data Protection Legislations of Mauritius.
16. Clarify as to how the applicant will cater for clients with no internet and/or mobile facilities if the whole application process will be made online.

D. Fitness and Propriety of Promoters/ Beneficial Owners

20	Promoter / Shareholder	<p>Individual:</p> <ul style="list-style-type: none"> • CV ; • PQ Form; • Valid passport copy or National Identity Card; and • Proof of address [E.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (proof of address must not be more than 6 months old)].
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Corporate Body:

- Certificate of incorporation;
- Certificate of current standing (where applicable)
- Certified true copy of any licence/registration/authorisation held
- List of controlling shareholders and directors
- Latest audited financial statements
- Corporate Profile - in case latest audited accounts are not available
- Confirmation from the applicant/Management Company to the effect that it holds on records CDD documents on the controlling shareholders of the corporate body and that these will be made available to the Commission.

Trust:

- A certified true copy of the trust deed
- Name of the trust, its date and place of registration
- An indication of the value of assets held by the trust
- CDD documents on the -
(a) settlor/contributor and the trustee
(b) beneficiaries, or confirmation from the management company/trustee(s) that it holds on record comfort on the beneficiaries, that has been obtained from a recognized source
- For a discretionary trust, a written confirmation from the applicant to the effect that it has adequate arrangements in place with the trustee of the trust to make available the CDD documents on the beneficiaries at the time of distributions to beneficiaries of the trust and that it is comfortable that these arrangements will enable it to satisfy its obligation under Section 4.1 of the Code on the Prevention of Money Laundering and Terrorist Financing

Limited Partnership:

- Certificate of registration/establishment/good standing of the limited partnership and its general partner
- Latest audited financial statements of the limited partnership and its general partner
- Corporate profile – in case latest audited accounts are not available
- Confirmation from the Management Company/applicant to the effect that it holds on record CDD documents on the significant limited partners of the limited partnership and that these will be made available to the Commission upon request

Société:

- Profile of the société (including a copy of the *acte de société*); and
- CDD on the principals, administrators or gérants of the société.

The applicant should refer to section 20 of the Financial Services Act 2007 for Matters related to fit and proper person requirements

D Resources, Infrastructure and Staff	
21	<p>Directors</p> <ul style="list-style-type: none"> • CV; • PQ Form; • Valid passport copy or National Identity Card; and • Proof of address [E.g. a recent utility bill issued or a recent bank or credit card statement or a recent bank reference (proof of address must not be more than 6 months old)]. <p><i>The applicant should demonstrate compliance with Circular Letter CL 280313 on Directorship</i></p>
22	<p>Officers</p> <p>The applicant shall ensure that it has at all times two officers based full time and who are conversant with the operations of money lending activity.</p> <p>Note: applicable for domestic companies.</p>
23	<p>Money Lending Team</p> <p>Details of the members of the money lending team, who will be responsible to handle the operations of money lending activity together with the submission of their PQ forms and CV (demonstrating a proven track record in the provision of such services);</p> <p>The applicant should ensure that at least 2 members are appointed on the money lending team to ensure business continuity; and</p> <p>The applicant needs to indicate as to whether these persons are regulated or hold a licence from a regulated authority. If in the affirmative, to provide evidence of same.</p> <p>The strength of the money lending team is a key component of the application. Applicants should therefore provide adequate information on its members, demonstrating their suitability to discharge their responsibilities.</p>

24	Compliance Officer	<p>Details on the Compliance Officer, together with submission of full CDD details on him/her.</p> <p><i>Outsourced compliance function</i></p> <p>Where the compliance function is being outsourced to another company, the applicant should:</p> <p>(i) provide details on the checks and balances put in place by the Company with respect to this outsourced function, that is, how the board will satisfy itself that the outsourced function is meeting the expectations of the Board [such as, by way of reviewing and validating the process employed by the service provider, periodic reporting to the Board by the service provider, periodic review of the process by the Board]; and</p> <p>(ii) Name of the person who will act as compliance officer for the applicant.</p>
25	MLRO /Deputy MLRO	<p>(i) Details on the MLRO and Deputy MLRO, together with the submission of their full CDD.</p> <p>(ii) A confirmation that the MLRO and Deputy MLRO meet the requirements of the competency standards issued by the Commission.</p> <p>Note: The MLRO and DMLRO should be independent from the Board of Directors.</p>
26	Auditor	<ul style="list-style-type: none"> • Details on the auditor to be appointed should be provided; • The audit firm should be approved by the Financial Reporting Council (FRC); and • Details on the signing partner within the audit firm should also be provided and the latter should be registered with The Mauritius Institute of Professional Accountants (MIPA) <p>Note: The names of the auditor and signing partner should be as per FRC list.</p>
E. Prudential and Safeguarding Requirements		
27	Legal Certificate as required under Section 72(1) of the FSA 2007 (applicable only to a Global Business Company)	

	Draft copy of agreement to be entered into by the applicant with its clients (accompanied by a legal certificate certifying that the agreement complies with the laws of Mauritius).
28	<p>Note:</p> <p>(i) The agreement should detail the scope of services and responsibilities of the Company vis-à-vis its clients (the services to be provided should be in line with the licence sought); and</p> <p>(ii) A confirmation from the Applicant's legal counsel that the agreement is in line with the laws of Mauritius.</p>
29	Please demonstrate how the applicant will ensure that client's interests and rights will be protected at all times during the whole process (including how same will be translated in the clients' agreement).
30	Provide details on the structure of the Board and Corporate Governance measures put in place for the proper functioning of the Board of Directors.
31	Details and assessment on the source of funding (with documentary evidence).
32	Copy of the internal procedures and compliance manual (including details on AML/CFT policies and procedures).
33	Detailed description of systems and procedures to prevent money laundering and financing of terrorism.
34	An indication as to who will be responsible to conduct due diligence checks on clients of the applicant and confirmation that all supporting documentation will be kept at its registered office address of the applicant.
35	An indication of amount of Professional Indemnity Insurance Cover that the applicant intends to subscribe to along with a quote from an insurer.
36	Detailed description of measures to be put in place with regard to the infrastructure surrounding confidentiality, security and safety of client information and records.
37	<p>Details on the risk management policy of the applicant</p> <p><i>(including but not limited to the framework of the applicant's risk management and monitoring system with respect to the major risks faced)</i></p>
38	Disaster Recovery and Business Continuity Plan.

39	Procedures for complaints handling and an indication as to who will be responsible to handle complaints and the time frame within which complaints will be resolved.
40	Detailed description of systems and procedures to prevent and deal with any conflicts of interest that may arise during the course of the business.
41	Details as to how the Company will be complying with Section 18 of the Financial Services Act 2007 by demonstrating that it has adequate resources, infrastructure, staff in place with the appropriate competence, experience and proficiency to carry out the money lending activity.
42	Provide details on the IT infrastructure that the Company will be having in terms of its hardware and software. Please also indicate whether the IT Infrastructure will be outsourced and in the affirmative, provide details on the service provider and the draft agreement to be entered into with the latter.
43	An undertaking that the Company shall at all times ensure (i) Compliance with existing local Data Protection Legislations of Mauritius; and (ii) that it has adequate controls and procedures in place to mitigate any potential cyber security risks.
44	An undertaking that the Company shall provide the Commission with a copy of any promotional material(s) to be used in connection with the proposed business of the Company and adhere to the Guidelines for Advertising and Marketing of Financial Products issued under Section 7(1) (a) of the Financial Services Act.

45	Minimum Capital Requirement	<p>The applicant shall maintain a minimum stated unimpaired capital of Mauritian rupees 30,000,000 or an equivalent amount and submit evidence pertaining thereto.</p> <p>For a Global Business Company, the following should be submitted:</p> <ul style="list-style-type: none"> (i) An undertaking that the applicant shall at all times maintain the prescribed minimum stated unimpaired capital and shareholders' funds at the higher amount of Rs 30,000,000 (or its equivalent) or 5% of its total liabilities or such other amount as the Commission may require. (ii) An undertaking that the applicant will not start its operations, trade, or incur any liabilities prior to meeting its minimum unimpaired stated capital of MUR 30,000,000 (or its equivalent) or 5% of its total liabilities or such other amount as the Commission may require; (iii) An undertaking that within one month of the Licence being issued evidence that the proceeds of the share issue amounting to MUR 30,000,000 (or its equivalent) or 5% of its total liabilities or such other amount as the Commission may require, have been credited to the applicant's bank account will be submitted to the Commission. <p>For a domestic company applying for a Money Lending Licence, the following should be submitted:</p> <ul style="list-style-type: none"> (i) The applicant should ensure that stated capital of MUR 30,000,000 or 5% of its total liabilities or such other amount as the Commission may require is injected prior to the licence being issued. (ii) Certified true copies of statutory filings with respect to the share capital. (iii) Confirmation that the stated capital is fully paid.
46	Segregation of clients funds	<p>Details on measures put in place with respect to segregation of clients' funds.</p>
F. Others		
47	Substance Requirement	<p>Provide details as to how the applicant intends to comply with Section 71 (3) (a) of the Financial Services Act in terms of :</p> <ul style="list-style-type: none"> (i) carries out its core income generating activities in Mauritius; (ii) employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and (iii) incurs a minimum expenditure proportionate to its level of activities, as required under the Income Tax Act <p>Please also indicate the time frame which it intends to implement same.</p>

48	An indication as to how the applicant will market its money lending services to the clients.
49	Details of the registered office address and a draft copy of lease agreement (where applicable).
50	An indication of the financial year end date of the applicant.

Disclaimer: The above list is provided for guidance and is not exhaustive. The Commission will assess the information provided on its own merits and may require additional information to determine the application.

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