

LICENSING CRITERIA

Virtual Asset Market Place (Class S) – VA-1.5

Notes to the applicant:

1. The objective of the licensing criteria is to ensure the continuous and efficient collaboration between the Financial Services Commission, Mauritius (the “Commission”) and the applicant for a Virtual Asset Market Place (Class S) Licence (the “Licence”) in order to ease the licensing process.
2. It should be noted that this licensing criteria neither derogate nor restrict the powers vested upon the Commission by statute, and should be read together with the relevant Acts, Regulations, Rules, Guidelines, Circulars and Codes issued thereunder.
3. This licensing criteria aims to provide guidance to applicants when applying for a Virtual Asset Market Place (Class S) Licence.
4. An applicant is expected, at the time of submission of an application to the Commission, to be fully conversant and comply with, *inter alia*, the relevant Acts, Regulations, Rules, Guidelines, Circulars and Codes 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 documentation set out in this licensing criteria.
6. **Incomplete Applications received by the Commission may be returned to the applicant.**
7. The Commission, upon receipt of inadequate response or no response within two (2) months from the date of its last query, shall not proceed further with the application. The applicant will, thereafter, have to submit a fresh application.

INFORMATION/DOCUMENTS TO BE SUBMITTED WITH RESPECT TO APPLICATION FOR A VIRTUAL ASSET MARKET PLACE (CLASS S) LICENCE

A RELEVANT FOMS / DOCUMENTS													
1	Formal application under Section 7 of the Virtual Asset And Initial Token Offering Services Act 2021 for a virtual asset service provider licence and duly filled-in, dated and signed <u>Application Form</u> .												
2	Submission of prescribed processing/annual fees:												
	<table border="1"> <thead> <tr> <th rowspan="2">Licence</th><th rowspan="2">Code</th><th colspan="2">Fees</th></tr> <tr> <th>Processing</th><th>Fixed Annual Fee</th></tr> </thead> <tbody> <tr> <td>Virtual Asset Market Place (Class S)</td><td>VA - 1.5</td><td>USD 3,000 MUR 135,000</td><td>USD 5,000 MUR 220,000</td></tr> </tbody> </table>			Licence	Code	Fees		Processing	Fixed Annual Fee	Virtual Asset Market Place (Class S)	VA - 1.5	USD 3,000 MUR 135,000	USD 5,000 MUR 220,000
Licence	Code	Fees											
		Processing	Fixed Annual Fee										
Virtual Asset Market Place (Class S)	VA - 1.5	USD 3,000 MUR 135,000	USD 5,000 MUR 220,000										
3	Duly filled in <u>authority form</u> and written and signed consent of each promoter or controller.												
4	Statutory filings lodged with the Registrar of Companies for the Incorporation of the applicant in Mauritius.												
B ACTIVITY													
5	<p>Detailed Business Plan including, but not limited, to the following:</p> <ul style="list-style-type: none"> (i) Introduction and background about the applicant, key persons and any affiliated entities; (ii) Class of virtual asset service provider licence applied for and rationale for applying for such class of licence; (iii) Description of any other activities / services which the applicant intends to provide, ancillary to what the proposed activity for which licence is being sought; (iv) Business objective, strategy including marketing plan and proposed activity; (v) Description of the virtual assets, stable coins or fiat pairings, that the applicant intends to use or allow in relation to its activities; 												

	<ul style="list-style-type: none"> (vi) An end-to-end process flow chart(s) illustrating, as applicable, the flow of fiat money and proposed virtual assets for all transactions that will take place as part of the applicant's activities; (vii) Description of proposed arrangements for clients' assets (both fiat and virtual assets); (viii) Organisation chart and projected staffing requirements; (ix) Client(s) profile (including whether sophisticated or retail); (x) Mode(s) of financing and brief description of how the applicant will comply with the minimum stated unimpaired capital requirement; (xi) Anticipated level of business and yearly development; (xii) Three year financial forecasts (balance sheet, profit and loss account, and cash flow statement); (xiii) Details on the applicant's current financial standing and last 3 preceding audited financial statements, where applicable; and (xiv) Any other relevant information as may be required by the Commission.
C	FITNESS AND PROPRIETY OF PROMOTER(S)/SHAREHOLDER(S)/ BENEFICIAL OWNER(S)
6	<p>Promoter(s) / Shareholder (s)/ Beneficial owner(s)</p> <p>Individual:</p> <ul style="list-style-type: none"> • Curriculum Vitae ("CV") details; • <u>Personal Questionnaire ("PQ") Form</u>; • Valid copy of passport or National Identity card ("NID"); and • Proof of address [E.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (Bank reference must not be more than 3 months old)]. <p>Corporate Body:</p> <ul style="list-style-type: none"> • Certificate of incorporation; • Certificate of current standing (where applicable); • Certified true copy of any licence/registration/authorisation held by the promoter; • List of controlling shareholders and directors; • Latest AFS; • Corporate profile - in case latest audited accounts are not available; and • Structure chart showing details of group structure and immediate and ultimate beneficial owners. <p>Trust:</p> <ul style="list-style-type: none"> • A copy of the trust deed (if available); • Name of the trust, its date and place of registration; • An indication of the value of assets held by the trust; • Customer Due Diligence ("CDD") documents on the -

		<p>(a) settlor/contributor and the trustee;</p> <p>(b) beneficiaries, or confirmation from the management company/trustee(s) that it holds on records comfort on the beneficiaries, that has been obtained from a recognised source; and</p> <ul style="list-style-type: none"> For a discretionary trust, a written confirmation from the management company/trustee to the effect that it has adequate arrangements in place with the trustee of the trust to make available to the management company, 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 the prevailing AML/CFT laws and regulations.
		<p>Limited Partnership:</p> <ul style="list-style-type: none"> Certificate of registration/establishment/good standing of the limited partnership and its general partner; Latest AFS of the limited partnership and its general partner; Corporate profile - in case latest audited accounts are not available; and Confirmation from the management company to the effect that it holds on records CDD documents on the significant limited partners of the limited partnership and that these will be made available to the Commission upon request. <p>Société:</p> <ul style="list-style-type: none"> Profile of the Société (including a copy of the acte de société); and CDD on the principals, administrators or gérants of the société.
D		HUMAN RESOURCES AND STAFFING

7	Directors and Key Officers	<p>The applicant shall be managed by a board of directors consisting of a minimum of 3 directors, of which at least -</p> <ul style="list-style-type: none"> (i) 30 per cent shall be independent directors; and (ii) one shall be resident in Mauritius. <ul style="list-style-type: none"> CV Details; <u>PQ Form</u>; Valid copy of passport or NID; and Proof of address [E.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (Bank reference must not be more than 3 months old)].
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8	Staffing Plan	The applicant shall submit a staffing plan for the first three (3) years of operation. The plan shall be commensurate with the size, nature and complexity of the business activity.
9	Compliance Officer	<ul style="list-style-type: none"> • CV Details; • PQ Form; • Valid copy of passport or NID; and • Proof of address [E.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (Bank reference must not be more than 3 months old)]. • Confirmation that the Compliance Officer meet the requirements of Regulation 22(1)a of the Financial Intelligence and Anti-Money Laundering Regulations.
10	Money Laundering Reporting Officer ("MLRO") and Deputy Money Laundering Reporting Officer ("DMLRO")	<ul style="list-style-type: none"> • CV Details; • PQ Form; • Valid copy of passport or NID; and • Proof of address [E.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (Bank reference must not be more than 3 months old)]. • Statement of Declaration as per the Competency Standards. • Confirmation that the MLRO and DMLRO meet the requirements of the competency standards issued by the Commission, as applicable. • Confirmation that the MLRO and DMLRO meet the requirements of Regulation 26(4) of the Financial Intelligence and Anti-Money Laundering Regulations.
11	Secretary	<ul style="list-style-type: none"> • Approval from Registrar of Companies; and Companies; and • CV details.
E GENERAL BUSINESS DETAILS AND ACTIVITY		
12	Details on the bank(s) that will provide banking services.	
13	Details on the arrangements to ensure for confidentiality and reliability of clients' data/information.	
F INTERNAL CONTROLS		
14	<p>A draft copy of the internal control manual of the applicant. This manual shall, inter alia, cover procedures/arrangements related to:</p> <ul style="list-style-type: none"> • Corporate governance; 	

	<ul style="list-style-type: none"> • Business operations; and • Conflicts of interest resolution.
G	RISK MANAGEMENT AND AML/CFT
15	A draft copy of the risk management manual of the applicant. This manual shall, inter alia, cover risk management policies, procedures and systems respectively.
16	A draft copy of the AML/CFT Manual of the applicant. This shall, inter alia, cover AML/CFT policies/procedures and be in compliance with Mauritian law and regulations.
H	CONDUCT OF BUSINESS
17	A comprehensive description of the clients' onboarding process.
18	Description of the complaints handling procedures (including who will be the responsible person(s) and time-frame for complaints' resolution).
I	INFORMATION TECHNOLOGY INFRASTRUCTURE
19	<p>A draft copy of the information technology manual of the applicant. This manual shall, inter alia, cover:</p> <ul style="list-style-type: none"> • information security (including cybersecurity) policies and procedures; • details of hardware, software and backup; and • disaster recovery and business continuity plan.
20	Details of the technological platform or virtual application, as the case may be, through which the applicant intends to enable/provide its activities.
21	<p>The following information with respect to the technological platform or virtual application are required:</p> <ul style="list-style-type: none"> • description as to whether the platform/application has been independently tested or audited for reliability; • indication of the types of access rights which the Applicant and users will have on/through the platform/application; • how these rights/interests of the users will be protected on the platform/application. • Submission of a draft copy of the service agreement to be entered with third-parties (If the platform is being provided by a third party); and

	<ul style="list-style-type: none"> due diligence information/documents on the platform/application (If the platform is being provided by a third party).
J	OTHER REQUIREMENTS
	The following details on any outsourcing arrangement(s) (as applicable):
22	<ul style="list-style-type: none"> a draft copy of the relevant agreement(s); details of the person(s)/entity(ies) to whom the function(s) is/are being outsourced; and the type of management and control that the applicant will maintain over the outsourced function(s).
23	A professional indemnity insurance quote.
24	A draft copy of material contract(s)/agreement(s) to be entered between the applicant and any other parties/functionaries.
25	An indication of the balance sheet date of the applicant.
26	Details of the registered office address/office in Mauritius together with a copy of leasing agreement (if any).
K	VIRTUAL ASSET MARKET PLACE
27	Description of the type of virtual asset market place that is being applied for, for example, whether it is a centralised, decentralised exchange, or any other nature.
28	<p>A copy of the virtual asset market place rules. The Rules should, inter alia, address the following, as appropriate:</p> <ul style="list-style-type: none"> (i) The (pre and post) trading, listing, clearing and settlement procedures, as the case may be; (ii) The appropriate arrangements for the safekeeping and custody of the virtual assets and/or fiat currencies; (iii) The disclosure requirements to clients/stakeholders on a regular, fair, accurate and transparent basis. (iv) Systems and procedures to detect market abuse and unfair trading practices; (v) Applicable fees, commissions or any charges; (vi) Compliance with the relevant laws, regulation or prudential requirements to support the operations of the virtual asset market place; (vii) Procedures for dealing with trading disruptions; and

	(viii) Sanctions against clients/stakeholders in the event of suspected financial crime or market abuse or when the virtual asset or client no longer complies with the virtual asset market place rules.
29	Description of the approval processes for transferring clients' virtual assets or fiat currencies, in and out of the applicant's wallets/accounts.
L	UNDERTAKINGS
30	Confirmation that the applicant shall seek the necessary approval/authorisation in the jurisdictions where it intends to operate.

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.