



LICENSING CRITERIA

Investment Adviser (Corporate Finance Advisory) Licence – SEC-2.5A

Note to the Applicant:

1. This 'Licensing Criteria' aims to provide guidance to investors and service providers with respect to the requirements when applying for a licence.
2. It should be noted that the proposed 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. 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.
4. The Commission will require that all applications be accompanied by a cover letter and by the information and/or documentation prescribed in the proposed Licensing Criteria.
5. **Incomplete applications received by the Commission will be returned to the applicant.**
6. 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. The applicant will have to submit a fresh application.

**Information/Documents to be submitted with respect to application for an Investment Adviser
(Corporate Finance Advisory) Licence**

A. Relevant Forms /Documents

1 Formal application under section 30 of the Securities Act 2005 for an Investment Adviser (Corporate Finance Advisory) Licence and duly filled-in, dated and signed Application Form.

Submission of prescribed processing/annual fees.

Licence	Code	Fees	
		Processing	Annual
Investment Adviser (Corporate Finance Advisory)	SEC-2.5A	USD 750	USD 2500
		MUR 7500	MUR 75 000

2

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 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

If the applicant is structured as a company:

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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.

B.	Activity
6	<p>Detailed Business Plan including, but not limited, to the following:</p> <ul style="list-style-type: none"> • Introduction and background of director(s)/beneficial owner(s)/shareholder(s); • Business objective, strategy and proposed activity - The Applicant has to demonstrate that the proposed activity is in line with Section 30 of the Securities Act 2005 and Rule 5 of Securities (Licensing) Rules 2007.) • Organisation chart; • Target market and client profile; • Source of funding; • 3 years' financial forecasts (Profit & Loss, Cash Flow and Balance sheet); and • Any other relevant information.
7	<p>Rule 5 of the Securities (Licensing) Rules provides that an Investment Adviser (Corporate Finance Advisory) is authorised to provide corporate finance advisory services with respect to securities transactions through printed materials or any other means.</p> <p>As per Securities Act 20018 “corporate finance advisory” means the provision of advisory services on –</p> <ul style="list-style-type: none"> (a) compliance with the listing requirements of any securities exchange; (b) raising of funds through the issue of securities; (c) arrangement or restructuring including takeovers, mergers and acquisitions, of a corporation, as far as it relates to securities transactions; or (d) any other matter specified in FSC Rules; <p>The applicant has to indicate clearly which of the above activities it will engage in and elaborate as to how same will be undertaken by the applicant</p> <p>The Applicant to confirm that:</p> <ul style="list-style-type: none"> (a) the above mentioned activities are related to securities transactions. (b) the Corporate Finance Advisory Licence will be used only in cases relating to Securities as defined by the Securities Act 2005. <p>The following details, amongst others, should also be submitted:</p> <ul style="list-style-type: none"> (i) Details on the securities on which advice will be provided; (ii) Whether the advice will be binding or non-binding; and (iii) The means through which the advice will be provided.

C. Fitness and Propriety of Shareholder(s)/ Beneficial Owner(s)	
8	<p>Shareholder(s)/ Beneficial owner(s)</p> <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)]. <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 audited financial statements; • Corporate Profile - in case latest audited accounts are not available; and • Confirmation from the applicant/Management Company to the effect that it holds on record CDD documents on the controlling shareholders of the corporate body and that these will be made available to the Commission. <p>Trust:</p> <ul style="list-style-type: none"> • 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 - <ul style="list-style-type: none"> (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; and • 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 Section 4.1 of the Code on the Prevention of Money Laundering and Terrorist Financing.

		<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 audited financial statements of the limited partnership and its general partner; • Corporate profile – in case latest audited accounts are not available; and • 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. <p>Société:</p> <ul style="list-style-type: none"> • Profile of the société (including a copy of the <i>acte de société</i>); and • CDD on the principals, administrators or gérants of the société. <p>The applicant should refer to section 20 of the Financial Services Act 2007 for matters related to fit and proper person requirements.</p>
D	Human Resources and Staffing	
9	Directors	<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>Note The applicant should to demonstrate compliance with Circular Letter CL280313 on Directorships.</p>
10	Officers	The applicant shall ensure that it has at all times two officers based full time and who are conversant with the operations of an investment adviser.

11	Investment Advisory Team	<p>Details of the members of the investment advisory team, who will be responsible to handle the operations of investment adviser activity together with the submission of their PQ forms and CV (demonstrating a proven track record in the provision of investment Advisory services);</p> <p>The applicant should ensure that at least 2 members be appointed on the investment advisory team to ensure business continuity;</p> <p>The applicant needs to indicate as to whether these persons are already regulated or hold a licence from a regulated authority. If in the affirmative, the applicant need to provide evidence of same.</p> <p>The strength of the investment advisory 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>
12	Representative of Investment Adviser	<p>Investment Adviser (Domestic Companies):</p> <p>The applicant needs to appoint at least 1 representative together with submission of application form and relevant fees.</p> <p>Please refer to the Commission website for the relevant application form, relevant fees and licensing criteria.</p> <p>Note: For Global Business Companies it is optional to appoint a representative of Investment Adviser.</p>
13	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 applicant with respect to its outsourced function, e.g, 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];</p> <p>(ii) provide the name of the person who will act as compliance officer for the applicant.</p>

14	MLRO /Deputy MLRO	<p>Details on the MLRO and Deputy MLRO, together with the submission of their full CDD details.</p> <p>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>
15	Auditor	<p>The applicant to seek the approval of the Commission with respect to the appointment of the auditor.</p> <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 the Financial Reporting Council list</p>
E Prudential and safeguarding Requirements		
16	Legal Certificate as required under Section 72(1) of the FSA 2007 (applicable only to a Global Business Company)	
17	<p>Draft copy of agreement to be entered into by the applicant with its clients. (accompanied by a legal certificate that the agreement complies with the laws of Mauritius)</p> <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>	
18	Details and assessment on the source of funding (with documentary evidence).	
19	<p>Copy of the internal procedures and compliance manual.</p> <p>Note: A confirmation from the applicant's Legal Counsel that the internal procedures and compliance manual is in line with the laws of Mauritius.</p>	

20	Detailed description of systems and procedures to prevent money laundering and financing of terrorism.
21	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.
22	An indication of the amount of professional indemnity insurance cover that the applicant intends to subscribe to, along with a quote from the insurer.
23	Detailed description of measures to be put in place with regard to the infrastructure surrounding confidentiality, security and safety of client information and records.
24	Draft copy of the Disaster Recovery and Business Continuity Plan.
25	Procedures for complaints handling and indication as to who will be responsible to handle complaints and the time frame within which complaints will be resolved.
26	<p>Detailed description of systems and procedures to prevent and deal with any conflicts of interest that may arise during the course of the business.</p> <p>When a person is cumulating different roles in the company (e.g shareholder, Director, member of the investment advisory team, Representative of Investment Adviser...), the applicant needs to indicate what are the measures in place to deal with any potential conflicts of interests that may arise during the course of his duties and to ensure that the person has adequate autonomy and independence.</p>
27	The applicant to demonstrate that it has appropriate and sufficient organisation, technical, financial means and staffing for the efficient operation of its business.
28	Details of IT infrastructure to support the day to day operations of the applicant including frequency of back ups

29	Minimum capital requirement	<p>The applicant shall maintain a minimum stated unimpaired capital of Mauritian rupees 1,000,000 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"> • An undertaking that the applicant shall at all times maintain the prescribed minimum stated unimpaired capital (currently MUR 1,000,000 or its equivalent in another currency) • 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 1,000,000 • An undertaking that within one month of the Licence being issued evidence that the proceeds of the share issue amounting to MUR 1,000,000 or its equivalent have been credited to the applicant’s bank account will be submitted to the Commission. <p>For a domestic company applying for an Investment Adviser (Unrestricted) Licence, the following should be submitted:</p> <ul style="list-style-type: none"> • The applicant should ensure that stated capital of MUR 1,000,000 is injected prior to the licence being issued. • Certified true copies of statutory filings with respect to the share capital. • Confirmation that the stated capital is fully paid
F. Others		
30	Substance requirement	The Applicant needs to provide details as to how it will comply with the substance requirements as per the Circular Letter (CL1-121018) issued by the Commission on 12 October 2018 and to indicate the time frame which it intends to implement same.
31	Details of the registered office address and a draft copy of the lease agreement (where applicable).	
32	In the case the applicant is part of a group of companies, provide details on the systems and procedures put in place to prevent the circulation of non-public information to other members of the group.	
33	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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