

Form 1

THE SECURITIES ACT, 2010

(Act No. 9 of 2010)

LICENSING RULES, 2013

APPLICATION FOR A DEALER AND INVESTMENT ADVISER'S LICENCE

Notes:

1. Please read the explanatory notes and questions carefully before completing the application form.
2. All questions must be answered. If a question is not applicable, please mark "N.A." in the space provided. Should there be insufficient space for your answers, please attach annexure (s) which should be identified as such and signed by the signatory to this application.
3. Where there is an asterisk (*), please delete whichever is inapplicable.
4. This application form is to be signed by 2 directors or a director and the secretary of the applicant, and must be accompanied by the relevant documents requested in the various parts of this application.
5. This application should be accompanied by the following:
 - (a) (i) a detailed statement of the applicant's assets and liabilities signed by the applicant's ; or
 - (ii) in the case of an applicant which is a company, copies certified by a Director of the company to be true copies of the last balance sheet and of the last profit and loss account (if any), incorporating the results of the last financial year, and which have been audited by the company's auditors (including every document required by law to be annexed to them); and
 - (iii) A copy of the report of the auditors on them;
 - (b) notice of the place at which the register of interests in securities is to be kept as required under Rule 21;
 - (c) application for approval of Compliance Officer using Form CAS 9 in terms of Section 74(4) of the Securities Act, 2010.
 - (d) application(s) for the appointment of chief executive officer and/or director using Form 4;
 - (e) application for the appointment of a representative Form 2; and
 - (f) a cheque, made out to "The Financial Services Regulatory Authority" for the non-refundable application fee of E5 000.00 prescribed under Rule 4.
 - (g) Proof of availability of E2, 000, 000, if dealing in Securities, to meet our capital adequacy requirements.

- (h) Proof of availability of E1, 000, 000, if investment adviser, to meet our capital adequacy requirements.

I. TYPE OF LICENCE REQUIRED

- 1. Indicate the area(s) for which the applicant proposes to conduct business: (a) Dealing in Securities (b) Investment adviser:

(To be completed only by applicants for an investment adviser's licence)

- 1. Name of Applicant
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- 2. Is the business of investment adviser the principal business carried on by the applicant?
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- 3. Indicate area of proposed business for which the applicant requires an investment adviser's licence
 - (a) advising others concerning securities;
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 - (b) issuing or promulgating analyses or reports concerning securities;
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 - (c) management of a portfolio of securities on behalf of clients for investment purposes, subject to the execution of a mandate in the form prescribed by the Registrar
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II. INFORMATION ON APPLICANTS THAT ARE COMPANIES

- 1. Provide-
 - (a) Name of Applicant (As it appears on your memorandum and articles of association)
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 - (b) the address and telephone number of the principal place at which the business of the applicant is/is to be* carried on. Please provide email address and applicant's internet web page, where applicable.

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(c) the address of the registered office of the applicant, if different from above.

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(d) the date and place of incorporation of the applicant.

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2. Details of capital structure:

(a) the authorized capital

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(b) paid-up capital of the applicant, including relevant details of shares issued or to be issued (e.g. type, number and issue price).

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3. Furnish a list of all directors of the applicant, and state whether they are executive or non-executive appointments.

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4. Provide details of the chief executive officer and each director of the applicant using Form 4.

5. Provide details of the shareholders of the applicant as follows:

Name of shareholder	Percentage of shareholding	Classes of shares held	Date of acquisition (mm/yy)

6. Provide an organization chart showing all directors and key officers of the applicant, and their reporting lines.

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7. Provide the following information on the applicant's parent company

- (a) name of the parent company;
- (b) date and place of incorporation;
- (c) address and telephone number of the principal place at which the business of the parent company is carried on;
- (d) Name of the body that regulates the parent company, as well as the license number granted by that regulatory body;
- (e) brief history of the parent company, including any major acquisitions of, mergers or amalgamations with, other companies. Include any former name(s) of the applicant and its parent company;
- (f) group structure of the parent company, giving the percentage equity interests held in the principal operating companies in the group and the country of incorporation of these companies;
- (g) business activities of the parent company and principal operating companies including areas of specialization;
- (h) names of the chairman and other members of the board of directors of the parent company;
- (i) list of names and addresses of shareholders holding 25% or more of the total number of voting shares in the parent company. State the percentage shareholding interest of each of such shareholders, grouping together related shareholders, where possible;
- (j) if shares of the parent company are listed, the name(s) of the exchange(s) on which the shares are listed;
- (k) a complete listing of the exchange membership(s) including the type(s) of membership held by the parent company; and
- (l) a certified copy of the most recent 3 years' audited balance-sheets and profit and loss accounts of the parent company (including consolidated accounts), together with the directors' report.

8. Where any shareholder of the applicant is an individual holding 25% or more of the total number of voting shares, provide the name, address, date of birth, nationality, identity card number, PIN (for Swaziland permanent resident), passport number (for non-Swaziland citizen), occupation and information on the executive directorship in any company.

9. If a person, not being a director or shareholder of the applicant, has an interest in the applicant, or has the power to exercise, directly or indirectly, an influence over the management and policies of the applicant, provide details of such person including the

name, address, date of birth, nationality, identity card number, PIN (for Swaziland permanent residents), passport number (for non-Swaziland citizens), occupation and information on the executive directorship in any company.

10. Provide details of the management (including names, addresses, relevant experience, qualifications, etc.) and key internal control procedures to satisfy the Registrar that the applicant will be able to comply on an on-going basis with the requirements of the Act and that the applicant has adequate means of supervising its employees and representatives.
11. Highlight potential areas of conflicts of interest and explain in detail how such conflicts will be resolved or mitigated.
12. Attach the most recent audited balance-sheet and profit and loss account certified by a director or the secretary of the applicant to be a true copy of the most recent audited balance sheet and profit and loss account of the applicant together with a report by the directors of the applicant verifying as to whether, during the period from the date of certification of the most recent audited balance-sheet and profit and loss account to a date not earlier than 14 days before the date of the application-
 - (a) the business of the applicant has, in their opinion, been satisfactorily maintained;
 - (b) there has, in their opinion, arisen any circumstances' adversely affecting the applicant's trading or the value of its assets;
 - (c) the current assets appear in the books at values which are believed to be realizable in the ordinary course of business;
 - (d) there are any contingent liabilities by reason of any guarantees given by the applicant or any of its subsidiaries, or by any other reason; and
 - (e) there are, since the previous annual report, any changes in published reserves or any unusual factors affecting the profit of the applicant and its subsidiaries.

III. INDIVIDUAL APPLICANTS

(To be completed only by individual applicants.)

13. Provide the following-

(a) Name

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(b) Date of birth

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(c) Occupation

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(d) Residential address

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- (e) Address, telephone and fax numbers of principal place at which the business of the applicant is to be carried on.

Address	Telephone numbers	Fax numbers

- (f) Set out in the following format information on the applicant's highest academic and professional qualifications attained.

Name and location of school; college; university; institution	Period (mm/yy)		Certificate; diploma; degree awarded; professional qualifications
	From	To	

14. Does the applicant have an interest in one or more shares in any company the shares of which are quoted on a securities exchange, the aggregate of the nominal amount of which constitutes not less than 5% of all the issued shares of the company?

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15. If the answer to any of the following questions is in the affirmative, attach annexes and supporting documents, where appropriate, to provide all relevant particulars. If there is any doubt with respect to any part of this section, please provide all relevant information to demonstrate that the applicant is considered to be fit and proper person. Has the applicant within the past 10 years-

- (i) been a director, partner or concerned in the management of a business that has been censured, disciplined, suspended or refused membership or registration by FSR, any other regulatory authority, an operator of a market or a clearing facility, any professional body or government agency, whether in Swaziland or elsewhere;

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- (ii) been a director, partner or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, the licensee was a director, partner or concerned in the management of the business, whether in Swaziland or elsewhere;
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- (iii) been declared insolvent in Swaziland or elsewhere;
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- (iv) been dismissed or asked to resign from office; employment; a position of trust; or a fiduciary appointment or similar position, whether in Swaziland or elsewhere;
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- (v) been subject to disciplinary proceedings by his current or former employer(s), whether in Swaziland or elsewhere;
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- (vi) been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Swaziland or elsewhere; and
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- (vii) been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Swaziland or elsewhere.
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IV. ALL APPLICANTS

(To be answered by all applicants)

16. (1) State the principal business carried out or proposed to be carried out by the applicant, the type of clients with whom the applicant proposes to conduct business, with respect to each area of activity applied for. Give an outline of the plans of the applicant with regard to the expansion of its business in Swaziland and in the region over the next 3 to 5 years.
- (2) Describe in detail the organisational structure and internal control procedures which the applicant has adopted or proposes to adopt for the proposed business;
- (3) State in detail the experience of the applicant and his management staff in the proposed business.

17. State in detail the activity and the manner in which the applicant proposes to conduct the business for which the applicant requires a licence.
18. Is the applicant or any Director or Secretary of the applicant, a Director of any company in Swaziland or elsewhere? Answer "Yes" or "No" if "Yes", give details of-
 - (a) names of companies;
 - (b) places of incorporation; and (c)
 - dates of appointment.
19. If the answer to any of the following questions is in the affirmative, attach annexes and supporting documents, where appropriate, to provide all relevant particulars. If there is any doubt with respect to any part of this section, please provide all relevant information to demonstrate that the applicant and its shareholders are considered to be fit and proper persons.

Honesty, Integrity and Reputation

1. Within the past 10 years has the applicant or any director or secretary of the applicant:
 - (a) been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or other authorisation is required by law in any jurisdiction;
 - (b) been issued a prohibition order under any Act administered by FSRA or has been prohibited from operating in any jurisdiction by any financial services regulatory authority or self-regulatory organisation;
 - (c) been censured, disciplined, suspended or refused membership or registration by FSRA, any other regulatory authority, an operator of a market or clearing facility, any professional body, self-regulatory organisation or government agency, whether in Swaziland or elsewhere;
 - (d) been the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by FSRA, or a self-regulatory organisation under any law in any jurisdiction;
 - (e) been the subject of any proceedings of a disciplinary or criminal nature or has been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any self-regulatory organisation in any jurisdiction;
 - (f) been convicted of any offence, or is being subject to any pending proceedings which may lead to such a conviction, under any law in any jurisdiction;
 - (g) had any judgment (including a finding of fraud, misrepresentation or dishonesty) entered against it in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction;
 - (h) had any civil penalty enforcement action taken against it or him by FSRA, any other regulatory authority or a self-regulatory organisation under any law in any jurisdiction;

- (i) contravened or abetted another person in breach of any laws or rules, business rules or codes of conduct, whether in Swaziland or elsewhere;
- (j) been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by FSRA, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Swaziland or elsewhere;
- (k) been refused a fidelity or surety bond, whether in Swaziland or elsewhere;
- (l) demonstrated an unwillingness to comply with any regulatory requirement or to uphold any professional and ethical standards, whether in Swaziland or elsewhere;
- (m) been untruthful or provided false or misleading information to FSRA or been uncooperative in any dealings with FSRA or any other regulatory authority in any jurisdiction;

Competence and Capability

- 2. (1) Does the applicant or any director or secretary of the applicant
 - (a) have satisfactory past performance or expertise, having regard to the nature of the proposed business or duties, as the case may be, whether in Swaziland or elsewhere;
 - (b) have satisfactory educational qualification or experience, whether in Swaziland or elsewhere;
- (2) Does the dealer representative or investment adviser representative of the applicant have satisfactory educational qualification or experience, whether in Swaziland or elsewhere, having regard to the nature of the duties he is to perform; and
- (3) Has the dealing staff of the applicant, for a dealing licence, satisfied the requirements stipulated for authorised dealer representatives (ADR's), as may be applicable to dealing staff.

Financial Soundness

- 3. Within the past 10 years has the applicant or any director or secretary of the applicant company-
 - (a) been or is unable to fulfil any of its or his financial obligations, whether in Swaziland or elsewhere;
 - (b) entered into a compromise or scheme of arrangement with its or his creditors, being a compromise or scheme of arrangement that is still in operation, whether in Swaziland or elsewhere;
 - (c) been subject to a judgment debt which is unsatisfied, either in whole or in part, whether in Swaziland or elsewhere;
 - (d) in addition to sub-paragraphs (a) to (c), in the case where the licenced person is an institution-
 - (i) is in the course of being wound-up or otherwise dissolved, whether in Swaziland or elsewhere; or

- (ii) a receiver, judicial manager, or such other person having the powers and duties of a receiver or judicial manager, has been appointed, in relation to, or in respect of any property of, the institution, whether in Swaziland or elsewhere; and

VI. OTHER INFORMATION

- 1. State, where available, the ranking of the applicant; its shareholder(s); its related company(s); and the related company(s) of the shareholder(s) of the applicant, in the securities exchanges, of which they hold membership of any class or description, in terms of business volume, particularly in those lines of business the applicant, intends to carry on in Swaziland. If the ranking is not available, give an indication of the level of activity of the operations of the above-mentioned persons.
- 2. Set out any additional information that is relevant or material to this application.

VII. DECLARATION

- 1. We are aware that section 66 of the Financial Services Regulatory Authority Act, 2010 relating to false statements made in applications.
- 2. We have read the Guidelines on Fit and Proper Criteria (the “Guidelines”) issued by FSRA and in submitting this form, we are satisfied that the applicant (including its officers, employees and substantial shareholders) are fit and proper persons based on the criteria stated in the Guidelines.
- 3. We declare that all information given in this application and in the attached annexes and forms (if any) is, to the best of our knowledge and belief true and correct.

Signature:_____ Signature:_____

Name of Director:_____ Name of Director/Secretary* :_____

Date (dd/mm/yy):_____ Date (dd/mm/yy)_____