

**FINANCIAL SERVICES REGULATORY AUTHORITY(FSRA)
SAINT LUCIA**

GUIDANCE NOTES

ELECTRONIC MONEY GUIDANCE NOTES

Prepared by
Financial Services Regulatory Authority FSRA
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PREAMBLE

The Financial Services Regulatory Authority (FSRA/Authority) is empowered, under Section 14-15 of the FSRA Act, Cap 12.23 of the Revised Laws of St. Lucia, to issue guidelines.

The powers/duties of the FSRA include:

13. (2) The Authority, without limiting the generality of subsection (1), shall—

- (a) consider and grant or refuse applications and requests under any of the enactments specified in Schedule 1;
- (b) maintain a general review of the operations of all regulated entities;
- (c) examine the affairs or business of a regulated entity for the purpose of satisfying itself that the provisions of this Act and the enactments specified in Schedule 1 are being complied with and that a regulated entity is in a sound financial position and is managing the business of the regulated entity in a prudent manner;

14. Core guiding principles

In exercising any of its functions the Authority may take into account any matter which it considers appropriate, but shall in particular have regard to—

- (a) the reduction of the financial risk to the public of financial loss due to dishonesty, incompetence or malpractice by or through the imprudence of persons carrying on the business of financial services in or from within Saint Lucia;
- (b) the protection and enhancement of the reputation and integrity of Saint Lucia in financial matters;
- (e) the protection and fair treatment of consumers;
- (h) proportionate, risk-based regulations;
- (i) prudential supervision and enforcement;

15. Power to issue guidelines

(1) The Authority may issue guidelines in administering the provisions of this Act to regulated entities and their affiliates in respect of but not limited to—

- (a) prudential standards to be observed by regulated entities to ensure the safety and soundness of the funds held including policies, practices and procedures for evaluating—
 - (i) the quality of assets,
 - (ii) the liquidity requirements and ratios,
 - (iii) the related party transactions,
 - (iv) corporate governance;

(2) Any guidelines issued under subsection (1) must be consistent with international best practise.

(3) Where the Authority intends to make any substantive modification to the guidelines, the Authority shall consult with the regulated entities.

(4) The Authority may—

- (a) make the guidelines and all amendments to the guidelines available for inspection by the public;
- (b) at such intervals as the Authority determines, review any guidelines for the time being in force;
- (c) publish in the Gazette the guidelines issued under this section and any amendment to the guidelines.

This publication has been prepared by the Financial Services Regulatory Authority (FSRA), Saint Lucia, to provide Money Services Business Providers (Class A) licenses with guidance into the level of detail with which they are required to comply in the conduct of their business in the area of transmission of Electronic Money (E-Money) within St. Lucia under the Money Services Business Act Chapter 12.22 of the Revised Laws of St. Lucia (the Act). It is intended to cover some of the principal issues contained in the Act and give service providers, their clients and their clients' auditors an understanding of the minimum expectations of the FSRA.

For all legal purposes the reader should refer to the official texts of the Money Services Business Act, and must not depend on this guidance notes as a substitute for either.

Further inquiries may be addressed to the office of the Financial Services Regulatory Authority, 6th Floor Francis Compton Building, Waterfront, Castries, St. Lucia. Tel: 1(758) 468 2990, Fax: (1 758) 451 7655.

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Table of Contents

Definitions	5
1. Authorization	7
2. Application for licence, formalities and considerations	7
3. Capital Requirements / Statutory Deposit.....	8
4. Governance	8
5. Operational requirements	9
6. Imposition of limits	10
7. Outsourcing.....	10
8. Use of Sub-agents	11
9. Treatment of Merchants.....	12
10.Consumer protection, education and privacy	12
11. Bank Account Requirements.....	13
12. Responsibilities of Banks.....	15
13. Customer Due Diligence.....	15
14. Reporting requirements.....	16
15. Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Requirements	17
16. Insurance.....	17
APPENDIX.....	18
PART 1- INFORMATION TO ACCOMPANY AN APPLICATION FOR THE GRANT OF A LICENCE	18
PART 2- PERSONAL QUESTIONNAIRE.....	21
PART 3- RELATED OR OTHER INTEREST	23
PART 4- NOTES TO APPLICANTS FOR PERSONAL QUESTIONNAIRE AUDITED FINANCIAL STATEMENTS	26
SCHEDULE 1- OPERATING LIMITS for PSPs	27
SCHEDULE 2– Quarterly Returns.....	29

Definitions

Definitions in alphabetical order are detailed as follows.

Affiliate in relation to a licensee “L” means—

- (a) a company which is or has at any relevant time been —
 - (i) a holding company or subsidiary of a “L”,
 - (ii) a subsidiary of a holding company of “L”, or
 - (iii) a holding company of a holding company or a subsidiary of a subsidiary of “L”; or
- (b) any company or firm over which “L” has control;
- (c) any company or firm over which Licensee and any person associated with “L” has control;
- (d) any company or firm which has common ownership with “L”;
- (e) any company or firm which has the same beneficial owner and share common management and interlinked businesses with “L”;

Sub-agent means an agent of the licensee who is authorized by FSRA under Guideline 11 of Guidance Notes to provide payment services on behalf of a Money Services Business.

Applicant means the person applying for a licence under section 6 of the Money Services Business Act Cap 12.22 of the Revised Laws of St. Lucia

FSRA means the Financial Services Regulatory Authority established under the Financial Services Regulatory Authority Cap 12.23 of the Revised Laws of St. Lucia

Central Bank means the Eastern Caribbean Central Bank established under Article 3 of the Eastern Caribbean Central Bank Agreement 1983;

Class A licence permits a licensee to carry on any or all of the following businesses—

- (i) transmission of money or monetary value in any form,
- (ii) the issuance, sale or redemption of money orders or traveller’s cheques,
- (iii) cheque cashing,
- (iv) currency exchange;

Customer means a person to whom an electronic retail payment instrument has been issued by a Licensee or any person who uses an electronic retail payment instrument or an electronic payment service.

Corporation means a body corporate, incorporated in Saint Lucia or elsewhere.

Electronic Money (E-money) means electronically, including magnetically, stored monetary value on any device or instrument or server as represented by a claim on the licensee, which is issued on receipt of funds for the purpose of making payments and which is accepted as a means of payment by persons other than the Licensee. This includes e-money stored on a device such as a SIM card or a server and accessible

via telephone, internet or other access devices, cards, and other similar instruments but excludes any electronic means to permit transfers to/and from a deposit or current account held by a Deposit Taking Institution (DTI).

Electronic Retail Payment Instrument means a tool or set of procedures for enabling the transfer of funds, with the exception of credit cards, from a payer to a payee where the payer and the payee may be one and the same person.

Electronic Retail Payment Service means the operation and management of activities relating to the use of an electronic retail payment instrument including the rules, standards and procedures governing the relationship, rights, responsibilities and obligations of all stakeholders involved in the operation.

Interoperability means the set of arrangements, procedures and standards that allow customers of a licensee to effect payments or transfer of funds to customers of another licensee.

Merchant means any person who is engaged by or on behalf of a MSB to accept payment instruments in exchange for goods and services.

Money Services Business means—

- (a) the business of providing (as a primary business) any one or more of the following—
 - (i) transmission of money or monetary value in any form,
 - (ii) cheque cashing,
 - (iii) currency exchange,
 - (iv) the issuance, sale or redemption of money orders or traveller's cheques, and
 - (v) any other services the Minister may specify by Notice published in the Gazette; or
- (b) the business of operating as a Sub-agent or franchise holder of any of the businesses mentioned in paragraph (a);

A Payment Service Provider (PSP) means a holder of a Class A licence providing the transmission of electronic retail payment instruments and services to customers and businesses, for the purpose of effecting payments and funds transfers.

Outsourcing means the contracting or sub-contracting of one or more activities, relating to the operation of a licensee, to an independent third party.

1. Authorization

1.1 Entities wishing to operate as PSPs are required to submit an application to FSRA prior to the commencement of operations. An application and prior authorization will also be required for all Sub-agents and outsourcing arrangements.

1.2 An entity that submits an application (MSB applicant) to FSRA will be required to provide information and documents outlined in the Guidance Notes or otherwise requested by FSRA for the review and authorization processes.

1.5 PSPs and their Sub-agents will be required to pay an application fee/ licence fee in accordance with Schedule 1.

1.6 PSPs shall obtain prior approval from FSRA for any sale, transfer, merger, acquisition or amalgamation of its interest, assets, shares or its operations, wholly or partially with any other entity.

1.7 Only PSPs licenced by FSRA, are allowed to provide Electronic Money Services in St. Lucia.

2. Application for licence, formalities and considerations

2.1 In order to obtain a licence as a Payment Service Provider (PSP), a person shall apply in writing to the FSRA and submit the documents and other information as specified in Part 1-4 in the Appendix.

2.2 In considering an application for a licence, the FSRA shall conduct such investigation as it deems necessary to ascertain—

- I. the validity of the documents submitted;
- II. the financial condition and history of the applicant;
- III. the nature of the business of the applicant;
- IV. the experience of the persons who are to constitute the applicant's management;
- V. the source of initial capital; and
- VI. the convenience and needs of the community to be served by the granting of the licence.

2.3 In considering whether an applicant is a fit and proper person to be licensed, the FSRA—

- (a) shall have regard to, in respect of each of the applicant's beneficial owner's, significant shareholders, directors, executive management and officers—
 - (i) the person's educational or other qualifications or experience having regard to the nature of the person's application,
 - (ii) the person's ability to perform the proposed function efficiently, honestly and fairly, and

- (iii) the person's reputation, character, financial integrity and reliability; and
- (b) may take into account any matter relating to—
 - (i) any person who is or is to be employed by, or associated with the applicant for the purposes of the business to which the application relates,
 - (ii) any person who will be acting as a principal or representative in relation to such business, and
 - (iii) any significant shareholder, director or officer of the applicant, any affiliates, or to any director or officer of any such company or firm.
 - (iv) financial status of the beneficial owner's and shareholder's

3. Capital Requirements / Statutory Deposit

3.1 PSPs are required to maintain a minimum paid-up capital of XCD 30,000 subject to changes that FSRA may make from time to time.

3.2 Notwithstanding, PSPs may be required to maintain higher levels of capitalization based on FSRA's assessment of the nature and size of the MSB's operations.

3.3 PSPs are required to maintain a statutory deposit of XCD 20,000 or a minimum 5% of customers' total funds held in account by the PSP whichever is greater.

4. Governance

4.1 PSPs shall establish governance arrangements that are effective and transparent to ensure the integrity of operations. At a minimum the governance arrangements shall include the following:

- a. established processes for ensuring that beneficial owner's, shareholders, directors, managers and Sub-agents fulfill the fit and proper criteria defined by FSRA;
- b. clearly defined and documented organizational arrangements to include:
 - i. management structure;
 - ii. accountabilities of significant positions in the organizational structure; and
 - iii. appropriate personnel management arrangements.
- c. incorporation documents that provide for the conduct of Electronic Money Services business.

4.2 PSPs shall establish appropriate risk management arrangements to ensure the safety and integrity of operations. The arrangements must include at a minimum:

- a. the identification of the range of risks associated with operations and the provision of services;

- b. a comprehensive risk management policy, document procedures and systems to identify, measure and monitor the range of risks on an on-going basis;
- c. the provision of incentives to customers or Sub-agents to manage and contain risks;
- d. a liquidity management plan;
- e. a capital management plan; and
- f. a comprehensive compliance function.

4.3 PSPs shall ensure that a comprehensive IT audit is conducted before commencement of operations and periodically by a Certified Information System Auditor. The MSB will also be required to submit copies of the IT audit report and approved action plans to FSRA for review.

4.4 PSPs shall be required to submit a IT Audit six months after the the commencement of operations and thereafter annually or at such time as may be required by the FSRA.

5. Operational requirements

5.1 PSPs shall establish appropriate operational arrangements to include:

- a. rules, policies, procedures and agreements setting out the contractual rights, responsibilities and obligations of the MSB, third parties engaged in outsourcing arrangements, Sub-agents, merchants, customers and any other relevant stakeholders;
- b. measures to ensure safety, security and operational reliability of the retail payment service, including contingency arrangements and disaster management procedures, to be applied to all relevant systems and platforms, whether internal or outsourced;
- c. adequate arrangements to ensure interoperability;
- d. separate, accurate and complete record of transactions and accounts for activities related to the electronic retail payment service that it provides; and
- e. detailed terms and conditions for the use of the electronic retail payment service, which should be easily accessible and understood.
- f. A copy of the original software is required to be held in escrow (attorney or service provider) to ensure no deviation when conducting subsequent I.T. Audits.

5.2 PSPs shall ensure that they have the necessary expertise, hardware, software, and other operating capabilities to consistently deliver reliable service, including:

- a. appropriately trained staff at all levels;
- b. appropriately designed system(s) that have been extensively tested;

- c. effective internal control arrangements;
- d. comprehensive and well documented operational and technical procedures;
- e. robust clearing and settlement arrangements;
- f. a robust business continuity plan including reliable fail-over and back-up systems;
- g. comprehensive audit trails and the capability to provide statistical information and reports;
- h. adequate accounting systems and proper reconciliation processes; and
- i. complaints and dispute management arrangements, including redress mechanisms

6. Imposition of limits

6.1 FSRA reserves the right to impose such conditions and limits on PSPs and the Sub-agents of PSPs as deemed necessary. The conditions and limits may include the extent and nature of operations, the payment instruments and services that may be offered, and the limits on the monetary values on operations and transactions.

6.2 PSPs are required to operate in accordance with the limits detailed in Schedule 2 - Operating Limits for Electronic Money Service Providers. Account limits, transaction limits and monthly limits that fall outside the preset levels outlined in Schedule 2 require prior approval from the FSRA.

7. Outsourcing

7.1 Outsourcing of managerial functions is prohibited.

7.2 PSPs who intend to outsource operational functions are required to secure prior authorisation from FSRA. In support of the request for authorisation the MSB must submit information on the identification, location, and nature of the business of the entity to which activities are to be outsourced, in addition to any other information that the FSRA may require from time to time.

7.3 Authorisation for outsourcing of operational functions will be considered where the following conditions are met:

- a. the outsourcing arrangement shall not result in the delegation by senior management of its responsibilities;
- b. the outsourcing arrangement must not impair the internal controls;
- c. the obligations of the MSB to customers shall not be altered;

d. the outsourcing arrangement must not conflict with the terms and conditions of authorisation granted by the FSRA; and

e. the outsourcing arrangements will have no adverse impact on the ability of FSRA to monitor compliance with the Guidance Notes or any further measures the FSRA may adopt in discharging its oversight responsibilities.

7.4 PSPs shall ensure compliance with all relevant agreements and remain fully liable for the decisions and actions of entities to which activities have been outsourced.

8. Use of Sub-agents

8.1 PSPs are required to secure approval from FSRA prior to the engagement of Sub-agents which are regulated financial institutions and unregulated corporation for cash in and out transactions.

Licensed Financial Institutions

8.2 PSPs in applying for approval to engage Sub-agents which are licensed financial institutions, shall provide the following information and documents to FSRA for review and approval processes:

- a. the name, address, and other relevant information on Sub-agents;
- b. copies of the agency agreement, containing at a minimum clear indication of the duties and responsibilities of the Sub-agent(s), as well as, compensation arrangements; and
- c. a description of the internal control mechanisms that will be used by Sub-agents in order to comply with the obligations of the MSB in relation to anti-money laundering (AML) and combating terrorist financing (CFT).

Other Corporations

8.3 PSPs in applying for approval to engage Sub-agents which are unregulated corporation, shall provide the following information and documents to FSRA for review and approval processes:

- a. details of the criteria that will be used by the MSB for selecting and appointing Sub-agents;
- b. the name, address, and other relevant information on Sub-agents;
- c. documents and information on directors and persons responsible for the management of the Sub-agent to determine the fitness and propriety of all Sub-agents. The relevant documents and information include:
 - i. a completed personal questionnaire;
 - ii. certified photographs;
 - iii. curriculum vitae;
 - iv. police clearance report;

- v. any other document requested by FSRA.
- d. copies of the agency agreement, containing at a minimum clear indication of the duties and responsibilities of the Sub-agent(s), as well as, compensation arrangements; and
- e. a description of the internal control mechanisms that will be used by Sub-agents in order to comply with the obligations of the MSB in relation to anti-money laundering (AML) and combating terrorist financing (CFT).

Other requirements

8.4 The PSP shall ensure that Sub-agents acting on its behalf inform customers of their approval to act as Sub-agents.

8.5 Exclusive agreements, which prohibits the Sub-agent of one issuer from serving as Sub-agent of another issuer, shall be submitted to FSRA for prior authorisation. Authorisation may not be granted where an exclusive agreement is assessed to be inconsistent with public policy objectives related to development, access and utilization of Electronic Money Services.

8.6 PSPs shall ensure compliance with all relevant agreements and remain fully liable for decisions and actions by their Sub-agents.

8.7 FSRA shall list all approved Sub-agents in a register, which will be published by the FSRA at least once every six months.

9. Treatment of Merchants

9.1. PSPs are responsible for all merchant operations relating to the acceptance of payment instruments issued by the PSPs.

9.2. All merchants engaged by PSPs shall be properly registered in conformity with the relevant KYC and AML/CFT guidelines. In addition, PSPs must have appropriate merchant agreement(s) to address rights, responsibilities and obligations.

10. Consumer protection, education and privacy

10.1 PSPs are required to put in place measures to promote consumer protection, education and privacy of information, to include:

- a. adoption of general policies on safe operations, privacy of customers' information, reliability and quality of service, transparency of terms and conditions related to instruments and services, and prompt response to requests for refunds, inquiries and complaints;

- b. establishment of appropriate dispute resolution mechanisms; and
- c. provision of adequate warning statements to customers and merchants on the risk of loss arising from lost or stolen payment instruments or access devices, or fraudulent transactions.

10.2 PSPs are required to provide customers and merchants with formal agreement(s) to include details of the terms and conditions for use of the payment instrument(s) and services. The detailed terms and conditions shall include at a minimum:

- a. type and description of services offered;
- b. all applicable fees and charges including transaction fees, merchant fees and interchange fees;
- c. all benefits to include discounts and commissions;
- d. availability of customer statements;
- e. procedures for reporting lost or stolen instruments and devices, and for lodging of complaints;
- f. refund policy;
- g. rights and responsibilities of PSPs and customers;
- h. termination rules;
- i. redemption procedures where relevant; and
- j. information on finality and irrevocability relating to the settlement of payments.

10.3 PSPs are to ensure that customers are notified, on a real-time basis, of top-ups, cash-outs and any other transaction which increases or decreases the value of funds stored in their accounts.

11. Bank Account Requirements

11.1 PSPs shall:

- a. open and operate three accounts in a bank authorized by FSRA. These accounts include
 - i. Client Fiduciary Account- this account ought to be used to store cash received from shoppers upon purchasing e-money. As such, the account balance should be equivalent to total amount of e-money issued less cashback rewards issued (the liquidity amount should cover this amount) to shoppers on their digital devices.
 - ii. Operating Account- this account will be used to store the Company's float. The funds from the Clients' Trust Account will be transferred seamlessly to this account upon shoppers effecting purchases. Funds in this account will be used solely for settling outstanding liabilities with merchants (purchases by shoppers).

iii. Statutory Deposit Account-the statutory deposit will be deposited in this account in keeping with the Authority's guidelines and assigned in the interest of same.

- b. submit a letter from the respective bank(s) confirming the undertaking of the bank to fulfill the relevant conditions and responsibilities that are outlined in Guideline 12 below;
- c. clearly identify the set of accounts related to each account maintained with one or more DTI;
- d. maintain the aggregate of unused balances from sums collected from or on behalf of customers, in the accounts at all times. Amounts collected from or on behalf of customers should be deposited within a maximum of one business day and held separately from other funds of the MSB;
- e. report suspicious transactions of account holders to the Financial Intelligence Authority (FIA) based on the guidelines issued by the FIA and to strictly comply with relevant reporting requirements relating to such transactions;
- f. ensure that funds in the accounts shall only be used to effect transactions on behalf of the customer in accordance with the agreement, subject to the understanding that transactions will be limited to:
 - i. settlement of obligations arising from transactions of the customer to include settlement of transactions via other payment systems;
 - ii. withdrawal of funds by a customer; and
 - iii. settlement of credits and debits to the accounts to effect changes in the cumulative sum of customer account balances;
- g. not use funds in the accounts as security or collateral at any time;
- h. have no claim to the funds lying in the accounts in the case of insolvency or cessation of business of the PSPs. FSRA, or its designate, shall assume responsibility for the custodian account in the case of insolvency or cessation of business of the PSP;
 - i. open and maintain separate pre-funded accounts for each customer and a statement of the account shall be made available to the customer electronically or in printed form, periodically or upon request;
- j. refund the remaining balance on the account to customers no later than three (3) business days from the date that a request is made. Such refunds are to be made without any additional cost other than what is necessary to complete the transaction. The account holder shall be notified with written confirmation by the PSPs, after the completion of the process for closing the account;
- k. ensure strict adherence to the KYC and CDD procedures in registering customers and maintaining customer accounts;
- l. monitor and supervise the activities of the account holders and merchants to ensure that they are operated for the intended purposes; and

m. submit periodic reports and provide access to the system, as and when requested by the FSRA in order to monitor balances and activities of account holders.

12. Responsibilities of Banks

12.1 The banks shall ensure that interest earned on balances held on the custodian account is credited to the operating account for the benefit of the PSP.

12.2 The banks shall:

- a. provide the PSP with the ability to electronically extract transaction information on the account, as well as, request reports;
- b. report the deposits in the accounts as part of the deposit liabilities of the FSRA; and
- c. cooperate with the regulatory authorities to facilitate timely payout of funds to customers from the accounts of the PSP in the event of disruption and/or closure of the operation of the PSP.

12.3 Banks shall ensure that the funds held in accounts are blocked and disbursed only on the advice of FSRA in the case of the withdrawal of the licence granted to the PSP by the FSRA.

13. Customer Due Diligence

13.1 PSPs and their Sub-agents are required to adhere to the Guidelines for know your customer (KYC) and customer due diligence (CDD) as follows:

1. Collect at a minimum the following from the customer

- a. Full Name
- b. Mother's maiden name
- c. Mobile Number
- d. Residential Address
- e. Copy of photo identification. Requirements stated in below:
 - i. Photo identification issued by the government includes passport, driver's license, and any national identification cards or identification instruments;
 - ii. Where a photo identification cannot be tendered, other evidence may be accepted such as:

a. an identification card issued by an employer or, in the case of a student who is under the age of 18 years of age, a recognised academic institution. Such ID must contain the following features:

i. a photograph;

ii. A signature of ID holder;

iii. ID Number

iv. expiry date of ID; and

v. name of relevant company or academic institution.

vi. signature of an authorised person representing the company or academic institution.

iii.. Where an ID that is issued by an employer is tendered the following additional documents must also be requested by the MSB to complete the identification process:

a. a birth certificate accompanied by a declaration of identification; and

b. a letter from a person in a position of responsibility who knows the customer. Such persons include teachers, social workers, doctors, ministers of religion, justices of the peace, or attorneys-at-law.

2. Two-Factor Authentication for customer verification

3. Conduct additional due diligence for customers who are considered high risk

2. Notwithstanding the foregoing the MSB is required to establish and administer appropriate risk management arrangements to ensure the integrity of the identity verification process.

5. Utilization of systems for electronic verification of identification may be allowed by PSPs subject to authorization by the FSRA.

14. Reporting requirements

14.1 PSPs shall submit audited financial statements to FSRA within 3 months of the end of the financial year. The MSB shall cover a period of not more than 18 months beginning on the date the licensee was incorporated, or, if the licensee has previously prepared audited financial statements beginning at the end of the period covered by the most recent audited financial statements.

14.2 PSPs shall submit other reports as directed by FSRA, including:

a. A licensee who holds a Class A, shall, in the form provided by the Authority, file quarterly returns with the Authority within 15 days of the end of a quarter, along with a written declaration that

the information set out in the application for the licence remains correct and gives a full and fair picture of money services business of the licensee.

b. transaction reports showing, among other information, transactions with Sub-agents and between Sub-agents, total volume and value of cash in and cash out transactions, fees collected, number of accounts opened, number of accounts closed and any other data that FSRA may from time to time consider necessary for its oversight activities;

c. complaints lodged and resolved, and the treatment of each case;

d. fee schedule and charges applied to customer accounts for use of instruments and services offered; and d. reconciliation statements of the aggregate value of balances held for customers against balances held in the custodian account(s).

14.3 FSRA shall prepare, maintain and periodically publish a register of all PSPs.

15. Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Requirements

15.1 PSPs shall comply with the Money Laundering Prevention (Act) Cap 12.20 and the Anti-Terrorism Act, Cap. 3.16 which are administered by the FIA.

16. Insurance

16.1 The Authority require a licensee to effect a policy of insurance with a reputable insurance company against—

- (a) losses arising out of claims of negligence or breach of duty by the licensee or any of its directors or employees;
- (b) the dishonesty of employees of the licensees;
- (c) loss of documents; and
- (d) such other risks as the Minister may stipulate,

in such amount and of such nature as the Authority may determine to be fit and proper, having due regard for the nature and type of business carried on by the licensee; and, in the event that the insurance is withdrawn, cancelled or not renewed, the licensee shall immediately notify the Director and shall cease to carry on its business until the insurance has been reinstated or replaced.

16.2 The Authority may require a licensee to effect a policy of insurance in relation to Data Protection, Cyber Attack, etc.

APPENDIX

PART 1- INFORMATION TO ACCOMPANY AN APPLICATION FOR THE GRANT OF A LICENCE

1. The name and address of the applicant.
2. The type of money services business the applicant proposes to conduct.
3. The source and quantum of funds for initial capital or acquisition of the money services business.
4. The address of the principal office of the applicant and of the registered office of the applicant if different.
5. If the applicant is a corporation, limited liability company, partnership or other entity the applicant must provide—
 - (a) the certificate of incorporation or formation and a copy of the memorandum and articles of association, Act, charter, partnership agreement or other instrument constituting and defining the constitution of the applicant verified by a declaration made by one of the applicant's directors or partners or its secretary; and
 - (b) a brief description of the structure or organisation of the applicant including any parent or subsidiary of the applicant.
6. The name and address of each person who—
 - (a) owns or controls the money services business;
 - (b) is a director or officer of the money services business;
 - (c) is a Sub-agent of the applicant;
 - (d) otherwise participates in the conduct of the affairs of the money services business.
7. The following information is also required from the named persons in Item 6 and each significant shareholder—
 - (a) legal name and any alias and residential address;
 - (b) occupation over the previous 5 years and business address;
 - (c) date of birth;
 - (d) citizenship;
 - (e) National Insurance Number;
 - (f) passport number;
 - (g) two character references, a police or other certificate satisfactory to the Authority that the person has not been convicted of a serious crime or any offence involving dishonesty.
8. The name and address of any depository institution at which a transaction account is maintained for the purposes of the money services business.
9. Where appropriate a statement in writing in a form acceptable to the Authority from—

- (a) the body responsible for the administration of the laws relating to money services businesses and the supervision of the businesses in the country in which the applicant; or
 - (b) its parent company is incorporated,
that the body has no objection to the application being made.
10. If the applicant is a corporation, limited liability company, partnership or other entity, the following information is required where applicable—
- (a) the annual accounts for the 2-year period immediately preceding the date of the application, of each significant shareholder which is a body corporate, together with similar accounts for the parent body, if any, of each of the bodies corporate or the annual accounts for the current year, in the case of a body corporate which is in existence for less than 2 years;
 - (b) two or more references verifying the good financial standing of each significant shareholder who is a natural person;
 - (c) the name and address of proposed auditor in accordance with Section 16 of the Act;
 - (d) confirmation letter from auditor;
 - (e) a statement giving the date for the drawing up of the annual accounts of the applicant;
 - (f) confirmation in writing under the hand of the presiding officer of the applicant and the presiding officer of the applicant parent body, if any, that the parent company concurs in the making of the application;
 - (g) three business references of which at least one shall be from a bank;
 - (h) a detailed business plan, containing details of the current money services business activities, if any, of the applicant and the proposed activities of the applicant if the licence applied for is granted, including—
 - (i) the reasons for applying for the licence,
 - (ii) the business aims of the applicant in respect of the money services business and potential client base of the applicant,
 - (iii) a detailed statement setting out the proposed initial assets and proposed assets and expected liabilities of the applicant at the end of each of the 2 years next succeeding the date of such grant together with an estimate of expected income,
 - (iv) particulars of its management structure and personnel of the applicant,
 - (v) the names and addresses of the registered offices of all subsidiary companies of the applicant together with a statement as to how much of the capital of each company constitutes an asset of the applicant,
 - (vi) a chart showing the relationship to the subsidiaries and affiliates and any holding company of the applicant, and
 - (vii) a brief description of each of its subsidiaries and affiliates,
 - (viii) details of the identified economic needs that the applicant intends to meet, growth prospects in that service area over the next 5 years, the exact nature and source of capital financing to be made available to the company for start-up and ongoing operations;

- (i) details of the applicant's proposals for establishing and maintaining, in respect of the money services business, systems of control, inspection and report, if the license applied for is granted;
- (j) in the case of a company incorporated outside the Saint Lucia, the name and address of the supervisory or regulatory authority responsible for the supervision of each of the applicant's Sub-agents operating outside the Saint Lucia.

11. If the applicant is a Sub-agent or a franchise holder the contract and any other documents relating to the operation of the franchise.

12. General requirements—

- (a) the applicant must submit a description of any money services business, other than that which is the subject of the application, previously or currently engaged in by the applicant;
- (b) the applicant must submit completed copies of a Personal Questionnaire in Part 2 for each executive officer, director and significant shareholder.

13. Any other information requested by the Authority.

PART 2- PERSONAL QUESTIONNAIRE

[Fit and Proper Test]

NAME: _____

PREVIOUS NAMES (IF ANY): _____

ALIASES: _____ DATE OF BIRTH: _____

CITIZENSHIP: _____

PLACE OF BIRTH: _____

NATIONAL INSURANCE NUMBER: _____

PASSPORT NUMBER: _____

ADDRESS (Home & Business): _____

OCCUPATION: _____

1. Have you at any time been charged or convicted of any offence by a civil, criminal or military court? (excluding minor Road Traffic offences). If so, please give details of charge, and if convicted, the date of conviction and full particulars of the offence and the penalty imposed.

2. Have you ever been the subject of investigation/disciplinary procedures, censured, disciplined by any professional body to which you belong or have belonged? If so, give particulars.

3. Have you ever been refused entry to any profession or vocation? If so, give particulars.

4. Have you ever been dismissed or requested to resign from any office or employment? If so, give particulars.

5. Have you ever been censured, disciplined by, or made the subject of a court order at the instigation of—

- (a) any regulatory authority?
- (b) any officially appointed enquiry?
- (c) any other established body concerned with the regulation of a relevant activity (as described in the glossary at the end of this form) ?

If so, give particulars.

6. In connection with the formation or management of any corporation, have you been adjudged by a court civilly or criminally liable for any fraud, misfeasance or other misconduct towards that corporation or any member of the corporation? If so, give particulars.

7. In connection with the formation or management of any corporation have you been disqualified by a court from being a director or from acting in the management or conduct of the affairs of any corporation? If so, give particulars.

8. Have you ever—

- (a) been adjudged bankrupt by a court in any jurisdiction?
- (b) had a receiving order made against you?
- (c) had your estate sequestrated?
- (d) entered into a deed of arrangement, or other composition or arrangement with your creditors? If so, give particulars.

9. Has a bankruptcy petition ever been served on you? If pending, give details of the circumstances and if not pending, how was the matter resolved?

10. Have you, your company or your employer, previously dealt on a regular basis with any person carrying on a relevant activity* who has, to your knowledge at any time, indicated that he is unwilling to effect further transactions with you, your company or your employer, by reason of any act or omission by you? If so, give particulars.

11. Will you be actively engaged in the business or the entity to which this application relates and devote the major portion of your time to it?

* “relevant activity” means—

- (a) banking, finance, insurance, money-lending, money management, debt-financing, hire purchase financing, leasing or other financial activities;
- (b) dealing in securities;
- (c) providing investment or financial advice and management.

PART 3- RELATED OR OTHER INTEREST

1. Are you a director of any company, partnership, corporate body or any other business organisation engaged in money services business? If so, state—

- (a) name of company/corporated body/etc.;
- (b) nature of business;
- (c) date of commencement of directorship;
- (d) whether or not employed on service contract (e.g. managing directorship) in any case.

2. Have you been a director of a deposit taking institution, credit extending institution, other financial service provider, any other limited company or corporation other than those stated in the previous questions? If so, state—

- (a) name of company/corporation;
- (b) nature of business;

- (c) date of commencement of directorship;
 - (d) date of cessation of directorship.
3. Are you or have you been engaged—
- (a) in partnership; or
 - (b) in business as a principal on your own account? If so, give particulars.

4. Are you a beneficial owner of any controlling interest in any unlisted private or public company? If so, give particulars.

5. Have you ever been a director of, or directly concerned with the management of a bank or other financial institution—

- (a) that has been wound up by a court?
- (b) the licence of which has been revoked?
- (c) which has been placed in receivership?
- (d) which has entered into a composition with its creditors?
- (e) whose business had been adjudged to have been conducted imprudently or fraudulently?
- (f) which has failed to meet the solvency requirements prescribed by law?

If so, give particulars.

6. Have you ever been a director, or been directly concerned with the management or conduct of affairs of any company which has gone into liquidation, whilst you were, or within one year of your being a director, or so concerned? If so, give details of the circumstances including the following—

- (a) name of company;
- (b) name of liquidator;
- (c) address of liquidator.

7. Have you ever been concerned with the management or conduct of affairs of any corporation which, by reason of any matter relating to a time when you were so concerned, has been censured or disciplined by—

- (a) any regulatory authority?
- (b) any official appointed enquiry?
- (c) any other body concerned with regulation of a relevant activity? If so, give particulars.

8. Do you (in your personal capacity or through any entity controlled by you) have outstanding debt of any amount 60 or more days in arrears? If so, state the following—

- (a) form;
- (b) amount;
- (c) source;
- (d) maturity date.

9. Has any person, firm or company guaranteed the indebtedness? If so, give particulars (see previous question).

10. Are you at present guaranteeing the debts and obligations of any third parties? If so, give particulars.

I make this Declaration conscientiously believing the same to be true, accurate, fair, to the best of my knowledge and belief and in accordance with the Statutory Declaration Act, and that I am aware that if there is any statements in this Declaration which is false, or which I know to be false or do not believe to be true, I am liable to imprisonment.

Delared before me

at this day of

Declarant

Notary Royal

.....

.....

.....

.....

Signature

PART 4- NOTES TO APPLICANTS FOR PERSONAL QUESTIONNAIRE AUDITED FINANCIAL STATEMENTS

1. If the applicant is a business that was in existence and operating prior to the date of application, copies of audited financial statements (balance sheet, profit and loss, auditor's report and notes to accounts) for the 5 consecutive years immediately preceding its application, except however that where such applicant has been functioning for less than 5 years, a copy of its audited financial statements for each year it has been in operation shall be sufficient.

2. Where item 1 is not applicable the opening balance sheet, (audited).

3. Operating projections for the proposed licensee's first 5 years of business. This should include balance sheet, income statement and cash flow projections prepared in an acceptable accounting format. Details of any financial or economic assumptions on which these projections are based should be clearly indicated.

4. Where the applicant is a subsidiary or affiliate of another company, submit in addition to item 1 or 2, audited financial statements of the parent company and its consolidated accounts where applicable.

SCHEDULE 1- OPERATING LIMITS for PSPs

In accordance with Guideline 6, PSPs and their Sub-agents are required to adhere to the limits detailed in the following table. All amounts are in XCD:

Pilot stage limit:

Maximum Limits	P2P	B2P
Monthly Limits	\$15,500	\$15,500
Account Limits	\$2,700	\$2,700
Per Transfer/Purchase	\$2,700	\$2,700

Full Launch

Company Limits and Licensed sub- agents (regulated financial institutions)

Level 1 (Natural Persons)

Limits	P2P	B2C
	Amount	Amount
Monthly	<=\$15,500	<=\$15,500
Accounts Limits	<=\$5,00	<=\$5,00
Per Transfer/purchase	<=\$2,700	<=\$2,700

Level 2 (Legal Persons)

Limits	P2P	B2C
	Amount	Amount
Monthly	<=\$25,000	<=\$25,000
Accounts Limits	<=\$15,500	<=\$15,500

Per Transfer/purchase	<=\$2,700	<=\$2,700
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Other sub-Agents

Level 1 (Natural and Legal Persons)

Limits	P2P	B2C
	Amount	Amount
Monthly	<=\$2,700	<=\$2,700
Accounts Limits	<=\$2,700	<=\$2,700
Per Transfer/purchase	<=\$2,700	<=\$2,700

The FSRA reserves the right to change the limits outlined in this schedule subject to a notification period of at least 90 days.

SCHEDULE 2– Quarterly Returns

ELECTRONIC MONEY SERVICES				
FINANCIAL INFORMATION				
(in thousands of Eastern Caribbean Dollars)				
		Saint Lucia		
Reporting Institution	Territory	Month	Year	
STATEMENT OF REVENUE AND EXPENSES				
1. Total Revenue				0
a. Total commissions earned from money services				
b. Net Gains/ (Losses) on foreign exchange				
c. Other Income				
2. Total Expenses				0
a. Salaries				
b. Expenses related to money services				
c. Other				
3. Net Income				0

MONEY REMITTANCE (Sending and Receiving) P2P ACTIVITIES

(In Thousands of Eastern Caribbean Dollars)

Reporting Month

17. A. Receiving Activity Information

Amounts Transferred FROM	Receiving Activities						Total	10 Largest Receiving Transactions During the Reporting Period (Only Report Transactions Greater that US\$3,500 or its equivalent)	
	Business		Households		Other			Country Received From	Amount
	No	Amount	No	Amount	No	Amount			
ECCU Region									
Anguilla									
Antigua and Barbuda									
Dominica									
Grenada									
Montserrat									
St Kitts and Nevis									
Saint Lucia									
St Vincent and the Grenadines									
Total	-	-	-	-	-	-	-	-	
Non-ECCU/Non-CARICOM									
United States									
United Kingdom									
Euro Area									
Canada									
Other									
Total	-	-	-	-	-	-	-	-	
Non-ECCU/CARICOM									
Total	-	-	-	-	-	-	-	-	

B. Sending Activity Information

Amounts Transferred TO	Sending Activities						Total	10 Largest Sending Transactions During the Reporting Period (Only Report Transactions Greater that US\$3,500 or its equivalent)	
	Business		Households		Other			Country Sent To	Amount
	No	Amount	No	Amount	No	Amount			
ECCU Region									
Anguilla									
Antigua and Barbuda									
Dominica									
Grenada									
Montserrat									
St Kitts and Nevis									
Saint Lucia									
St Vincent and the Grenadines									
Total	-	-	-	-	-	-	-	-	
Non-ECCU/Non-CARICOM									
United States									
United Kingdom									
Euro Area									
Canada									
Other									
Total	-	-	-	-	-	-	-	-	
Non-ECCU/CARICOM									
Total	-	-	-	-	-	-	-	-	

Other Financial Information	
Initial Minimum Capital Requirement	<input type="text"/>
Statutory Deposit	<input type="text"/>
Total Customers' Funds held in Bank Account at the end of the Reporting Period	<input type="text"/>
Number of P2P transactions executed in the reporting period	<input type="text"/>
Number of B2C transactions executed in the reporting period	<input type="text"/>
Total value of the B2C transaction for the Reporting period	<input type="text"/>
Number of New P2P Accounts in the reporting period	<input type="text"/>
Total PSP Accounts closed for the period	<input type="text"/>
Total Number of PSP Accounts at the end of Reporting Period	<input type="text"/>
Total Number of New Merchants for the Period	<input type="text"/>
Total Number of Merchants Account	<input type="text"/>

TWENTY LARGEST E-WALLET ACCOUNTS		
(in Eastern Caribbean dollars rounded to the nearest dollar - Ranked in decending order)		
Quarter Ended		
Customer ID #	Balance at Reporting Date	% of Total
1		#DIV/0!
2		#DIV/0!
3		#DIV/0!
4		#DIV/0!
5		#DIV/0!
6		#DIV/0!
7		#DIV/0!
8		#DIV/0!
9		#DIV/0!
10		#DIV/0!
11		#DIV/0!
12		#DIV/0!
13		#DIV/0!
14		#DIV/0!
15		#DIV/0!
16		#DIV/0!
17		#DIV/0!
18		#DIV/0!
19		#DIV/0!
20		#DIV/0!
TOTAL	-	
*Customer ID - Customer's Identification Number (the number that is unique to the customer)		

ACCOUNTS CLASSIFIED BY SIZE			
(in thousands of Eastern Caribbean dollars rounded to the nearest dollar)			
DEPOSITS SIZE			
	No. of Accounts	Amount \$	
Up to 15000			
Over 10001 - 14999			
Over 5001- 10000			
Over 2001 - 5000			
Over 1000-2000			
Under 500			
Totals	-	-	