



Licence application form to provide advisory and brokerage services¹ on the BES islands

Application for a licence to provide advisory and brokerage services in financial products, as referred to in Section 2:3 of the Financial Markets (BES Islands) Act (Wfm BES) (Bulletin of Acts and Decrees 2011-612)

1. Applicant data

Applicant's name in the articles of association: _____

Trade name(s): _____

Number of the registration in the trade register: _____

Contact name: _____

Business address:

Address: _____

Place of business: _____

Country: _____

Telephone number: _____

Fax number: _____

Email address: _____

Website: _____

Correspondence address:

Address: _____

City: _____

Country: _____

¹ Excluding advice and brokerage in securities



2. Activities

Brokerage services in:

- Payment accounts
- Savings accounts
- Electronic money
- Loans
- Life insurance
 - Dependent
 - Independent
- Non-life insurance
 - Dependent
 - Independent
- Funeral expenses and benefits-in-kind insurance
 - Dependent
 - Independent

Advisory services in:

- Payment accounts
- Savings accounts
- Electronic money
- Loans
- Life insurance
 - Dependent
 - Independent
- Non-life insurance
 - Dependent
 - Independent
- Funeral expenses and benefits-in-kind insurance
 - Dependent
 - Independent

- Granting loans



Authorised agent/Subauthorised agent of:

Please delete what does not apply and add a copy of the power of attorney.

1. Insurer's name and country of establishment: _____

2. Insurer's name and country of establishment: _____

3. Legal form of the company

- Public company with limited liability
- Private company with limited liability
- Sole proprietorship
- Other legal form, namely _____

4. Branch offices

a. Does your company have branches? Yes No

b. If there are branches, at which address/addresses is the insurance brokerage business conducted?

Address _____

City _____

Address _____

City _____

5. Details of the persons to be assessed

Please state the name of each (co-)policymaker and supervisory director. A personal questionnaire completed by each natural person should also be attached to this form. If the number of persons in a position exceeds the places on the form, you can add them in a separate appendix.

A. Policymakers

Policymakers are defined as persons who determine the daily policy of the adviser/broker. This usually includes the directors of the company.

1. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

2. First name(s) (in full): _____ Surname: _____



Born on (date) _____ in (city and country) _____

3. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

4. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

B. Co-policymakers

Co-policymakers are defined as persons who determine the long-term policy of the adviser/broker. This may include persons with a direct or indirect ownership interest or control in the company of more than 50%. A personal questionnaire completed by each natural person should also be attached to this form.

1. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

2. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

3. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

4. First name(s) (in full): _____ Surname: _____

Born on (date) _____ in (city and country) _____

C. Supervisory directors



Supervisory directors are defined as members of a Supervisory Board, or another body that supervises the company. A personal questionnaire completed by each natural person should also be attached to this form.

1. First name(s) (in full): _____ Surname:

Born on (date) _____ in (city and country) _____

2. First name(s) (in full): _____ Surname:

Born on (date) _____ in (city and country) _____

3. First name(s) (in full): _____ Surname:

Born on (date) _____ in (city and country) _____

4. First name(s) (in full): _____ Surname:

Born on (date) _____ in (city and country) _____

6. Details of the company's de facto director

a. First name(s) (in full): _____ Surname:

Born on (date) _____ in (city and country) _____

Home address: _____ in (city and country)

b. What is the legal status in the applicant's company?

- owner
- paid director (under the articles of association)
- partner
- tied agent
- otherwise, namely _____



c. What title is associated with the position? _____

d. Which branches are under his/her actual management?

e. Is he/she also de facto manager at another company?

Yes

No

f. If yes: Name and address of the company:

Description of the activities of the company:

g. What certificates in financial services does the de facto manager hold (such as insurance brokerage services and loans)? Please attach a copy.

7. Other questions

a. For the purposes of the application, you must demonstrate, among other things, that you meet the requirements for controlled and ethical business operations, the professional competence of the employees, complaint handling and any outsourcing. To this end, we request that you send us a description of the business operations and an organisation chart.

If outsourcing takes place, please also enclose a copy of the outsourcing contract.

Does the applicant make use of outsourcing?

Yes

No

b. If you act as an adviser, broker or authorised agent in insurance, you must have professional liability insurance. Please enclose a copy of this.



Applicant has professional liability insurance:

Yes

No

- c. If the applicant has a registered office abroad, you must submit details of the person who determines the policy in respect of the BES islands. This can be the general day-to-day policymaker, but also another person. In that case we would like to receive the name, address, date of birth and contact details of this person.

Applicant has a registered office abroad:

Yes

No

- d. Other information relevant to the application

The undersigned declares that:

- He/she has taken note of the explanatory notes to this form;
- There are no obstacles to registration as mentioned in the explanatory notes;
- The above answers to the questions and other information contained in this form and in any appendices to this form are complete, accurate and without reservation.
- He/she is aware that failure to provide truthful information in relation to this request for registration is a criminal offence.

Place and date: _____

Policymaker's name: _____

Signature: _____



The application can be submitted to:

The Dutch Authority for the Financial Markets
Supervision Service Centre Division
Attn. Licensing Team
PO Box 11723
1001 GS Amsterdam
Email address: BES@afm.nl

Checklist for data to be sent with the application

- Application form;
- Personal questionnaire; one for each (co-)policymaker and supervisory director;
- A curriculum vitae of all (co-)policymakers and supervisory directors;
- A copy of a valid identity document for all (co-)policymakers and de facto directors
- A copy certified by the civil-law notary of the relevant certificates of all de facto directors;
- A copy of the articles of association certified by the civil-law notary;
- Extract from the trade register of the Chamber of Commerce. Extract(s) from the legal entities on the board must also be enclosed;
- Copy of your professional liability insurance policy. If this concerns a foreign insurance company, this insurance company must be authorised to offer insurances on the BES islands;
- A copy of the letter of appointment of the insurance company/companies for whom you provide brokerage services;
- A concise but clear business plan concerning the activities in or from the BES islands, including an estimate of the costs and benefits for the next three years;
- A description of the business operations in respect of ethical and controlled business operations, the professional competence of the employees, complaint handling and any outsourcing, which complies with Sections 3.8, 3.9, 3.11, 3.12, 3.13 Wfm BES;
- A completed and signed Money Laundering and Terrorist Financing (Prevention) Act (Wwft) BES declaration;
- An organisation chart showing the legal structure of the company (shareholders, direct and indirect). If shareholders are legal entities, please also indicate who the directors of the legal entities are.
- If the applicant is a (sub)authorised agent, please include a copy of the insurance company's power of attorney.



Explanatory notes to the licence application form to provide advisory and brokerage services on the BES islands

It is advisable to read this explanation in its entirety before filling in the form, as it explains concepts that form the background to the questions that are asked. In addition, these explanatory notes contain a number of other topics that are relevant to the actions of advisers, brokers and authorised agents. It is therefore recommended that you keep this text, together with a photocopy of the application you have submitted. This explanation is informative; no independent rights can be derived from it.

Table of Contents

1. Entry in the register concerning the Financial Markets (BES Islands) Act (Wfm BES)
2. Point-by-point explanation of the questions and de facto management within the meaning of the Wfm BES;
3. Provision of information and confidentiality;
4. Decision, objection and appeal;
5. The register
6. Frequently asked questions

Applications and information:

The Dutch Authority for the Financial Markets
PO Box 11723
1001 GS Amsterdam

Telephone: +31 20 797 3719
Telefax: +31 20 797 3827

Website: www.afm.nl
email address: bes@afm.nl



1. Applying for a licence to provide advisory and brokerage services.

1.1 General

The Financial Markets (BES Islands) Act (Wfm BES) enters into force on 1 July 2012 and regulates, among other things, the provision of advisory and brokerage services in financial products in or from the BES islands. Pursuant to the Wfm BES, it is prohibited to perform these services in or from the BES islands without a licence.

Financial products mean a current or savings account, electronic money, loan, right of participation in a collective investment company, life insurance, funeral expenses and benefits-in-kind insurance or non-life insurance, securities other than rights to participate in a collective investment company, a combination of two or more of these products or other products to be designated by order in council. This form is intended for providing advisory and brokerage services and acting as authorised agent in the above financial products, with the exception of securities. If you wish to provide the latter service, you cannot apply for the licence using this form. For this you should contact the Netherlands Authority for the Financial Markets.

Under the Insurance Brokerage Business (BES Islands) Act (Wabb BES) it was not necessary for a subagent to apply for his own licence to broker in insurances. However, the subagent no longer exists in the Wfm BES, and as a result, they also have to apply for their own licence.

It is forbidden to act as an adviser, broker or authorised agent without a licence. Insurance companies or other advisers and brokers may not process proposals to take out insurance or other financial products from advisers and brokers who are not licensed and must check the registration annually. Acting contrary to this provision is punishable by law.

Supervision of compliance with the Wfm BES regarding advice and brokerage services is entrusted to the Dutch Authority for the Financial Markets (AFM).

1.2 Conditions for obtaining and maintaining a licence

The Wfm BES provides a number of requirements for a licence. We will discuss the most important requirements below.

1.2.a Suitability of policymakers

Policymakers must demonstrate that they are suitable for their role as a policymaker for an adviser and/or broker in financial products. In order to do so, they must prove that they have:

- Sufficient hierarchical leadership expertise;
- Sufficient administrative expertise;
- Sufficient professional knowledge to guide an adviser and/or broker in financial products.

Suitability is evidenced by knowledge, experience and professional conduct and is deemed to be present if there is at least two years' relevant work experience in the managerial/administrative field as well as in the professional field. If the applicant cannot demonstrate sufficient hierarchical



management experience, it may be decided to make the licence subject to a limit in the maximum number of employees in the company.

1.2.b Meeting professional competence requirements

A de facto manager must demonstrate sufficient professional competence. Professional competence in life and non-life insurance is attested by certificates².

Life insurance

- a. the certificate conferring the right to use the title of Fellow Chartered Insurance Institute (FCII) in the United Kingdom;
- b. a certificate conferring the right to use the title Advanced Chartered Insurance Institute (ACII) in the United Kingdom;
- c. the certificate of Authorised Agent, on behalf of the Minister of Finance, issued by Stichting Examens Assurantiebedrijf;
- d. the certificate of Insurance Agent, issued on behalf of the Minister of Finance by Stichting Examens Assurantiebedrijf;
- e. the certificate of Registered Insurance Agent, issued on behalf of the Minister of Finance by Stichting Examens Assurantiebedrijf;
- f. the certificate of Registered Insurance Agent (B), issued by Stichting Examens Assurantiebedrijf Nederlandse Antillen en Aruba;
- g. the certificate of Insurance Agent (A), issued by Stichting Examens Assurantiebedrijf Nederlandse Antillen en Aruba;
- b. the certificate conferring the right to use the title Chartered Life Insurance Underwriter (CLU) in the United States and Canada;
- i. a certificate issued by an examination institute recognised by the Minister of Finance pursuant to Section 4:9(3) of the Financial Supervision Act, to the extent that this certificate has been admitted by the Netherlands Authority for the Financial Markets for brokerage in life insurance in the public bodies.

Non-life insurance

- a. the certificates referred to in paragraph 1(a.) to (g.), as well as the certificate on the basis of which the holder has obtained the authority in the United States and Canada to use the title Chartered Property Casualty Underwriter (CPCU);
- b. a certificate issued by an examination institute recognised by the Minister of Finance pursuant to Section 4:9(3) of the Financial Supervision Act, to the extent that this diploma has been admitted by the Netherlands Authority for the Financial Markets for brokerage in non-life insurance in the public bodies.

² See also Article 2:23 of the Financial Markets (BES Islands) Regulation 2012



1.2 c Complying with the reliability test

The reliability test is an important part of the licence application, used as one of the means to guarantee the integrity of financial enterprises. The personal questionnaire asks a number of specific questions about the facts and conduct of the (co-)policymaker or supervisory director. In general, the following is important:

- Criminal record;
- Financial background;
- Supervisory background;
- Tax and administrative background;
- Business background; or
- Other history (such as disciplinary decisions or industrial disputes).

This background may cast doubt on the reliability of the person concerned. In that case, the person will not be allowed to (co)determine the policy of the company or to act as a supervisory director. This may lead to the rejection of the licence application.

For more information on the reliability test, please refer to Section 3:4 Wfm BES, Section 3.1 and Annex I of the Financial Markets (BES Islands) Decree (Bfm BES)

2. Point-by-point explanation of the questions and de facto management within the meaning of the Wfm BES

Please fill in the form clearly and legibly and number any attachments. Incomplete or unsigned forms will not be accepted. It is advisable to keep a photocopy of the completed form.

Question 1. Applicant data

Trade Name: Only the trade name/names that you wish to use when acting as an adviser, broker or authorised agent should be listed here. The right to use a certain trade name can only be demonstrated to the AFM by submission of an extract from the Trade Register. This extract may not be older than two months. If more than one trade name is included in that extract, it must be clearly indicated under which of those trade names you are acting as adviser, broker or authorised agent. Only those names will then be included in the registration.

Question 2. Activities

The applicant should indicate whether it wants a licence to provide advisory or brokerage services in certain financial products³ or whether it is acting as an Authorised Agent or Subauthorised Agent.

Advisory services are understood to mean recommending one or more specific financial products to a specific consumer or client in the exercise of a profession or business;

³ This form is not intended to be used to apply for a licence to provide advisory and brokerage services in securities. If you wish to provide advisory and/or brokerage services in securities, you should contact the AFM.



Brokerage services are understood to mean the performance of activities as a broker in the exercise of a profession or business, aimed at:

- a. the conclusion of contracts on financial products other than securities between the provider of the product and a consumer or client;
- b. the conclusion of transactions in securities at the expense of a client;
- c. assisting in the management or execution of such agreements or transactions.

In this context, it is important that brokerage is also understood to mean the management of existing agreements. This means that it is not permitted to manage an existing insurance portfolio without a licence, even if no new insurance is taken out.

An authorised agent is understood to mean a person who, on the basis of a power of attorney, concludes insurance agreements with a client on behalf of an insurance company.

Upon registration, an entry is made in the register as to whether it concerns a dependent or independent insurance broker. One of the cornerstones of insurance brokerage activities is the independence of the broker in advising its clients. It must be clear to these clients whether or not the broker is dependent on one or more insurance companies. Dependency occurs when, among other things:

- The insurance broker is contractually obliged, or obliged under the articles of association, to place all or part of the insurance agreements to be concluded through its brokerage activities with a particular insurance company or companies;
- direct or indirect control in the company, e.g. through preferential rights, partially accrues to one or more insurance companies;
- the broker owns more than 25% of the shares of an insurance company, or it is associated with an insurance company in a group;
- the owners, board of directors or other directors of the insurance company also exercise control in the broker or vice versa;
- the insurance company is involved in financing the business activities of the broker.

Question 4 Branch offices

The specification of branches where the advisory or brokerage services are performed is important in the assessment of the specification of the broker and/or adviser's actual management. Question 4 deals with this in more detail. A subsidiary or sister company is not regarded as a branch. If your company belongs to a group which includes several members included that act as brokers and/or advisers, each of these members must have its own licence.

Question 5 Details of the persons to be assessed

The AFM tests (co-)policymakers and supervisory directors for suitability and/or reliability. To this end, a personal questionnaire for each (co-)policymaker and supervisory director must always be completed and attached to the licence application.



Policymakers in any case include the directors of the company. In case this concerns a non-natural person, the natural person behind it should be mentioned. You can explain this in more detail in an appendix. Anyone else who determines the day-to-day policy of the company should also be specified as a policymaker.

Co-policymakers in any case include shareholders who directly or indirectly hold the majority of the shares in the applicant.

Question 6. Details of the company's de facto director

An important aim of the Wfm BES is to guarantee competent advice in the field of financial products. For insurance, this is guaranteed by making professional certificates compulsory. For other financial products, this falls under the suitability test.

A financial undertaking must provide not only for the substantive competence of employees but also, for example, for that of temporary workers, secondees working for the financial undertaking and tied agents. Such a requirement has existed in the European part of the Netherlands since the introduction of the Financial Services Act, but is new for the public bodies. The requirement of professional competence was imposed in the former Netherlands Antilles, and is now imposed in the public bodies on insurance agents, but not on brokers in other products or on other financial service providers. Nevertheless, it is an almost self-evident standard in all situations covered by this article.

Authorised

The authorities of the de facto manager must be such that it can be considered plausible that he has an authoritative voice with regard to the provision of advisory and brokerage services in insurance by the licensee. In principle, the de facto manager should hold a management position. If the de facto manager is not a (co-)owner or director under the articles of association, the person concerned must have obtained at least a power of attorney demonstrating his managerial position in the field of insurance brokerage in order to perform his duties. This power of attorney must also be known to third parties and must therefore be registered with the Chamber of Commerce. The extract from the trade register to be submitted will also serve as proof of this.

Availability

When assessing a specification, the AFM examines whether the de facto manager specified can actually perform the work associated with that position. The starting principle is that the specified person is sufficiently available to perform his duties. Nevertheless, the nature and size of the company in which he is involved as a de facto manager may allow some infringement. The term 'available' is therefore used here firstly in the sense of actually being present and working. Being only or largely available 'on call' is therefore insufficient.

Furthermore, the number of branches of the licensee and the geographical location on the BES islands and the other former Netherlands Antilles may determine whether the stated de facto management is sufficient.

Questions 6.b to 6.g are asked in order to obtain further insight into the authority and the actual availability of the de facto manager. In the specification of a de facto manager who is not the registered party's owner, partner or director and major shareholder, it is necessary to submit a declaration of employment between both parties (the registered party and the de facto manager).



That declaration must at least state the status of de facto manager. In addition, it must be checked whether acting as de facto manager for several registered parties is allowed.

Question 7. Other questions

This question asks whether a number of appendices that do not have to be sent by default are required in this case. To this end, a number of questions are asked. It is also asked whether any other facts are relevant to the application.

Professional liability insurance: The Wfm BES requires that the applicant has concluded an insurance agreement, in order to cover the liability resulting from the performance of its activities as an adviser or broker in financial products, not being securities. In general, this is about covering certain risks such as attributable errors and omissions. It is imperative that the insurance broker covers these risks for the sake of proper business operations. Since virtually no cover is offered for these risks on the local market, the possibility of placing these risks abroad is also kept open. The AFM has set a minimum level of coverage. This is included in the DNB Policy Rule for the application and implementation of Wfm BES 2012. This can be accessed at www.afm.nl.

Foreign office: Under the Wfm BES, foreign companies are allowed under certain conditions to operate on the BES islands as adviser, broker or authorised agent, without being established on the BES islands. This space is mainly offered for the former Netherlands Antilles. In order to determine whether a company is active on the BES islands, the initiative test is important. This entails, in summary, that for the question of whether a company is active on the BES islands, it is important to know who takes the initiative for the contact between client and company. A company's initiative cannot be established solely on the basis of direct contact between client and company. For example, the fact that the initiative lies with the company can also be established on the basis of general advertising activities on the BES islands (such as advertisements and radio advertisements).

Checklist/Other information

You must send a copy of your certificates, not originals. However, it is not sufficient to provide a copy of the insurance certificate obtained; only certified copies are accepted. To obtain a certified copy, please apply to a civil-law notary's office with the original diploma.



Signature

The application must be signed by an authorised person. That is therefore one of the policymakers referred to in question 3. It is not sufficient for someone else to sign by proxy.

3. Provision of information and confidentiality

3.1 Processing of your application

If the application form has not been filled in, is incomplete or does not include the necessary appendices, you will be given the opportunity to submit or complete the specification later. If you do not use this opportunity or do not make sufficient use of this opportunity, the processing of your application will be discontinued. The options for objection and appeal are dealt with under point 4.

3.2 Notification of changes

Section 2:9 Bfm BES obliges the adviser or broker to immediately notify the AFM in writing of intended changes to the (co-)policymakers or supervisory directors. Other changes to the information submitted with the application must also be reported to the AFM, such as a change in the legal form. Failure to report changes to the information provided in the application form is a punishable offence.

4. Decision, objection and appeal

It is possible that the AFM will not be able to accept your application because certain details, necessary for the assessment of the application, are missing. The AFM will give you the opportunity to provide these details later. The AFM will also consider your application unacceptable if you do not (fully) meet the requirements set.

You can lodge an objection against the AFM's decision not to process the application or to reject it under the Administrative Justice (BES Islands) Act (WARBES) and then possibly lodge an appeal with the independent administrative court.

5. Supervision costs

Fees are due for this application. These will be determined annually and can be viewed on the website of the AFM www.afm.nl.

6. The register

Insurance companies working with advisers, brokers or authorised agents must periodically check that the advisers, brokers and authorised agents with whom they work are still listed in the register. The names of the advisers, brokers and authorised agents are included in the register available on the website of the AFM. In addition to the names of the companies registered with the AFM, the aforementioned register also contains the financial services that the licensee is permitted to provide and the relevant financial products. The information contained in the register can be consulted on the website of the AFM (www.afm.nl).