

In the light of Brexit, the AFM has received questions from financial institutions regarding the process for applying for a licence with the AFM. Relocating (part of) their activities and timely applying for a licence would allow UK-based financial institutions to continue their operations in the European Union post-Brexit. The AFM urges potential applicants to take the following points into careful consideration.

Will there be a transition period?

Because the agreement in principle on a transition period until 2020 is not yet definitive and conditional on the conclusion of some sensitive subjects, there is uncertainty whether UK financial institutions can still be active in the EU27 after 29 March 2019. This uncertainty may not be addressed before Q3 of 2018.

What if a financial institution wants to obtain a licence prior to 29 March 2019?

The Brexit process and a possible transition period is surrounded with a lot of uncertainties. The AFM understands the difficulties for UK-based financial institutions regarding the timeline for applying for a licence. The decision for the (timing of the) filing of the application for a licence is of course one to be made by the financial institution itself and at its own risk. The AFM offers guidance in this matter and recommends financial institutions who aim to be licensed in the Netherlands prior to the Brexit date of 29 March 2019, to apply for a licence as soon as practicable but preferably no later than 1 July 2018. The AFM expects to process these applications before 29 March 2019. Please note however, that timely processing an application depends strongly on the quality of the application and the applicant's timeliness in responding to queries.

What is the lead time for a (Brexit) licence application with the AFM?

The AFM has received questions concerning the timelines of the process for reaching a decision on licence applications. Dutch law provides for maximum time frames of 8, 13 or 26 weeks (depending on the nature of the application). However these legal time frames are suspended once the AFM asks for missing information. The maximum time frame between the application of a licence and the possible licensing therefore is substantially longer than the time frame as set out in Dutch law.

The length of the application process is strongly influenced by the quality of the application and applicant's timeliness in responding to the AFM and DNB's queries. In general, complexity of the proposed business may lead to more queries. Therefore, the length of the individual application process may vary considerably amongst applicants. The AFM has found that the interaction between the applicant firm and regulators is considerably more productive and efficient where an applicant firm has engaged in detailed planning and has sought appropriate advice in advance.

For our part, the AFM is committed to handling the assessment of all applications quickly, transparently and efficiently, without compromising the quality of the assessment. However, due to a possible spike in applications because of uncertainties around the Brexit process, the actual time frame needed for the assessment of the application for a licence may increase. It is for this reason that the AFM asks for a timely and well-structured application.

How can you apply for a licence at the AFM?

The AFM has a Digital [portal](#) where different application forms can be found. The email address that can be used for filing the application is Brexit_Application@afm.nl. This address can also be used for any questions regarding the application procedure.

A declaration of no-objection?

Please note that most companies also need to apply for a declaration of no-objection (vvgb in the Dutch language) at the Dutch central bank. More information can be found on the [website](#) from the Dutch central bank. The Dutch central bank also recommends applying for a declaration of no-objection, where applicable, as soon as possible. Preferably the application for a licence and for a declaration of no-objection should be done at the same time.