**APPLICATION** **FOR THE GRANTING OF AUTHORISATION AS**

**A BUREAU DE CHANGE BUSINESS**

**BASED ON THE PROVISIONS OF THE BUREAUX DE CHANGE BUSINESSES DIRECTIVE ISSUED BY THE CENTRAL BANK OF CYPRUS WITH NUMBER
Κ.Δ.Π. 560/2014**

**Name of applicant:**

Pursuant to the provisions of paragraph 4 of the Bureaux de Change Businesses Directive of 2014 (hereinafter the "Directive") the application must be completed by legal persons who meet the following conditions:

(A) Have been incorporated in the Republic of Cyprus and

(B) maintain their head offices in the Republic of Cyprus.

When completing the application the following matters should be considered:

**(a)** Unless there is a different meaning in the text, for the purpose of completing the application the meanings set out in paragraph 3 of the Directive shall apply.

**(b)** The application must be completed, signed by two authorised members of the board of directors of the applicant company ("the applicant") and submitted to the Central Bank of Cyprus (the "CBC"). Applications which do not have two original signatures, will not be accepted.

**(c)** The space provided after each question is not indicative as to the extent of the expected answer.

**(d)** All questions must be answered. Where questions are not applicable, state on the application form the phrase "Not applicable" or "N / A" which are the initial letters of the two words.

**(e)** In case an applicant is unable to submit any of the required documents, it must explain the reasons for such an omission in a letter to be sent together with the application. Any undue delay for the submission of the required supporting documents, will cause a delay in the examination of the application.

**(f)** In case the attachment of documents on the application is required, they should have the same number with the paragraph of the application requiring their submission. The numbering of the attachments must remain unchanged, even if no attachments have been submitted regarding the previous paragraphs.

**(g)** Where the applicant is requested to ‘confirm’ a statement, a tick (√) placed in the relevant box will be taken as confirmation.

**(h)** Any questions that have a YES and a NO box, the answers must be indicated by a tick (√) in the appropriate box.

**(j)** In the course of examining an application, the CBC reserves the right to request, if considered appropriate, additional documents and / or information.

**(k)** If you provide false or misleading information or knowingly avoid disclosing significant information, the application may be rejected.

Application documentation should be submitted via the CBC’s e-platform. For further details and relevant instructions, please send an email request to licensingsection@centralbank.cy. Should the CBC request for original documents, these should be sent to:

Licensing Section,

Supervisory Approvals Department,

Central Bank of Cyprus,

P.O. Box 25529,

CY-1395 Nicosia,

Cyprus

The use of regular postal services and/or unsecured email is not recommended for sensitive or confidential material.

We are have been authorised on ........(date) to submit, in accordance with the provisions of paragraph 5 of the Bureaux de Change Businesses Directive of 2014, an application to the Central Bank of Cyprus to grant an authorisation of a bureau de change business to the company         \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   (Company name)

 ................................................ ..............................................

 Name and position in the company Name and position in the company

 ................................................ ..............................................

 Signature Signature

 ................................................ ..............................................

 Date Date

                **CONTENTS**

|  |  |
| --- | --- |
| **1.**  | Details of the applicant.  |
| **2.**  | Persons having a direct and indirect control in the applicant’s share capital.  |
| **3.**  | Program of operations.  |
| **4.**  | Structural organisation.  |
| **5.**  | Initial capital – Own funds.  |
| **6.**  | Operation Rules.  |
| **7.**  | Directors and managers.  |
| **8.**  | D. Risk Management Procedures, internal control mechanisms and transactions processing procedures. |
| **9.**  | Measures to comply with the requirements of the Prevention and Suppression of Money Laundering Activities Laws of 2007-2013.  |
| **10.**  | Information regarding the applicant.  |
| **11.**  | Declaration by the Directors of the applicant.  |

**PART I**

**DETAILS OF THE APPLICANT**

|  |  |
| --- | --- |
| **1.**  | Registered name of the applicant at the date of submission of the application.  |
|  |  |
|  |   |
| **2.**  | Legal status of the applicant (limited liability company, cooperative company, unlimited liability company, etc.).  |
|  |  |
|  |  |
| **3.**  | Registered number and date of registration of the applicant.  |
|  |  |
|  |  |
| **4.**  | Trading name under which the applicant will provide bureau de change services, if different from the registered name.  |
|  |  |
|  |   |
| **5.**  | Applicant’s registered office address.  |

|  |  |
| --- | --- |
| Postal address  |   |
|   |
|   |   |
| Telephone number  |   |
|   |   |
| Facsimile number  |   |
|   |   |
| E-mail address  |   |

|  |  |
| --- | --- |
| **6.**  | Address of the head office of the applicant, if different from the registered office.  |
|  |   |
|  |   |
| **7.**  | Name of the legal advisor of the applicant.  |
|  |   |

|  |  |
| --- | --- |
| Postal address  |   |
|   |
|   |   |
| Telephone number  |   |
|   |   |
| Facsimile number  |   |
|   |   |
| E-mail address  |   |

|  |  |
| --- | --- |
| **8.**  | Name of external auditor  |
|  |   |

|  |  |
| --- | --- |
| Postal address  |   |
|   |
|   |   |
| Telephone number  |   |
|   |   |
| Facsimile number  |   |
|   |   |
| E-mail address  |   |

|  |  |  |
| --- | --- | --- |
|  |  | YES / NO  |
| **9.**   | **Group structure** (if applicable)                Based on the ownership structure of the applicant's share capital, can it be considered that it is a member of any group of companies?   |   |
|   | If the answer is yes, please attach a structure with the names of the other group companies and their shareholders. If the shareholders are also legal persons the names of the shareholders of those legal persons shall be recorded until reaching the names of the natural persons who are the ultimate shareholders. In addition, the following information shall be recorded in the structure: the registration number of each company, country of establishment, the core business activities and the competent supervisory authorities.   |   |
| **10.**  | **Close links**   | YES / NO  |
|   | Do close links exist between the applicant and any other legal or natural person?   |   |
|   | If the answer is yes, please attach a statement in which full details are given.  |   |

**PART II**

**PERSONS HAVING A DIRECT OR INDIRECT CONTROL**

**IN THE SHARE CAPITAL OF THE APPLICANT**

|  |  |
| --- | --- |
| **1.**  | Pursuant to the provisions of section (I) of subparagraph 1 of paragraph  5 of the Directive, the application should be submitted together with information concerning the identity of persons who have, direct or indirect, control of the applicant within the meaning attributed thereto to the term "qualifying holding’ by section 36 of paragraph 1 of article 4 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 relating to the supervisory prudential requirements for credit institutions and investment firms and the amendment of Regulation (EU) No. 648/2012.   |
| **1. (a)**  | **Natural persons holding directly or indirectly a qualifying holding in the share capital of the applicant**  |
|  | In cases where a natural person holds directly or indirectly a qualifying holding in the share capital of the applicant, the following shall be submitted:   |
|  | (A) A completed personal questionnaire with code BDC/Q2 and   |
|  | (B) documents evidencing that the reporting natural person is the registered holder of the share titles, such as the certificate from the office of the Registrar of Companies and Official Receiver.   |
| **1. (b)**  | **Legal persons holding directly or indirectly a qualifying holding in the share capital of the applicant**  |
|  | In cases where a legal person holds directly or indirectly a qualifying holding in the share capital of the applicant, the following documents and / or information shall be submitted:   |
|  | (A) A completed personal questionnaire with code BDC/Q3   |
|  | (B) documents evidencing that the reporting legal person is the registered holder of the share titles, such as the certificate from the office of the Registrar of Companies and Official Receiver.   |

**PART III**

**PROGRAMME OF OPERATIONS**

|  |  |
| --- | --- |
| **1.**   | Pursuant to section (B) of subparagraph (1) of paragraph 5 of the Directive, applications for authorisation of a bureau de change business shall be submitted to the CBC together with a programme of operations setting out the operations that the bureau de change business intends to carry out.  |

|  |  |  |
| --- | --- | --- |
| **1. (a)**  | The programme of operations shall be attached to the application in which full details shall be provided in relation to the procedures for processing transactions which should be established in writing. The programme of operations shall also include full details of any other business activities of the bureau de change business for which assurances shall be granted that they do not hinder the monitoring of compliance of the bureau de change business by the CBC with the provisions of the Directive.  | YES / NO  |
|   |
|  |   |   |
| **1 (b)**  | It is noted that according to the provisions of subparagraph   (7) of paragraph   5 of the Directive, the CBC may require the establishment of a separate legal entity for the activities of the bureau de change business, when the other business activities hinder the monitoring of compliance of the bureau de change business with the provisions of the Directive.   |   |

**PART IV**

**STRUCTURAL ORGANISATION**

|  |  |
| --- | --- |
| **1.**   | Pursuant to section (F) of subparagraph (1) of paragraph 5 of the Directive, applications for authorisation of a bureau de change business should be submitted to the CBC together with a description of the organisational structure of the applicant, the lines of authority, including any planned outsourcing of operational activities and / or use of agents and branches.   |

|  |  |  |
| --- | --- | --- |
| **1. (a)**  | **Organizational structure**  |   |
|  | Make sure that the following information is attached on the application: | YES / NO  |
|  | (A) a description of the organisational structure of the applicant,  |   |
|  | (B) a description of the applicant's lines of authority and the number of staff members who will be employed and   |   |
|  | (C) a list with details on the branches of the applicant.   |   |
| **1.(b)**  | **Appointment of agents**  |   |
|  | If an applicant intends to operate via agents in the Republic of Cyprus it shall submit for each of the agents the information and / or documents which are mentioned in subparagraph (1) of paragraph 17 of the Directive.   | YES / NO  |
|   |
| **1.(c)**  | **Outsourcing of operational functions (if applicable)**  |   |
|  | If the applicant intends to outsource important operational functions (refer to paragraph 12 of the Directive), the following information and / or documents should be submitted:   | YES / NO  |
|  | (A) Detailed description of significant operational functions to be outsourced,   |   |
|  | (B) the number of the applicant's officers whose responsibilities include the monitoring and control of the implementation of the terms of the agreements for outsourcing operational functions which will be entered into by the applicant,   |   |
|  | (C) the names of persons to whom important operational functional of the applicant will be outsourced and the number of persons who will be employed to carry out the operations which will be outsourced,   |   |
|  | (D) a description of the internal control mechanisms that will be implemented by the persons to whom outsourcing services will be assigned aiming to avoid using the system of the applicant for money laundering and / or terrorist financing,   |   |
|  | (E) a brief description of the procedures which will be followed so as the bureau de change business will monitor, on an ongoing basis, its compliance with the conditions set out in subparagraph   (4) paragraph   12 of the Directive, and   |   |
|  | (F) a copy of the contract entered into by the applicant with the person to whom it intends to outsource important operational functions of the bureau de change business.   |   |
|  | (H) confirmation by the applicant that in accordance with the provisions of subparagraph (4) of paragraph 12 of the Directive, the outsourcing of important operational functions satisfies the following conditions:   |   |
|  | • The outsourcing of an important operational function does not result in the delegation, by the senior management, of its responsibilities,   |   |
|  | • the relationship and the obligations of the bureau de change business towards its transacting clients in accordance with the provisions of the Directive are not undermined,  |   |
|  | • none of the conditions subject to which the bureau de change business authorisation was granted in accordance with the Directive are undermined, and   |   |
|  | • the outsourcing of operational functions was not carried out in a way which impairs the ability of the bureau de change business to comply with the provisions of the Directive, and/or impair the quality of its internal control and/or to impair the ability of the CBC to monitor compliance of the bureau de change business with all its obligations pursuant to the Directive.  |   |
| **1.(d)**  | **GENERAL**  |   |
|  | Confirm that the applicant-   |   |
|  | (A) Has made the necessary arrangements with its agents so as the transacting persons are informed that the agent acts on behalf of the applicant, before being provided with services.   | YES / NO  |
|   |
|  | (B) Is fully and unconditionally responsible;   |   |
|  | • for the acts and omissions of its employees,   |   |
|  | • for the acts and omissions of its agents, when they act on behalf of the bureau de change business, and   |   |
|  | • for the acts and omissions of third parties to which operational functions of the bureau de change business have been outsourced.  |   |
|  |   |   |

|  |  |  |
| --- | --- | --- |
|  | (C) Has made the necessary arrangements to quote for each working day, in each branch and prominently in analytical table:   |   |
|  | • The exchange rates which will be used for the conversion of each currency and   |   |
|  | • the amounts or rates of any chargeable commissions.   |   |

**PART V**

**INITIAL CAPITAL – OWN FUNDS**

|  |  |
| --- | --- |
| **1.**  | Pursuant to the provisions of paragraph 10 of the Directive any legal person applying for authorisation of a bureau de change business shall maintain at the time of authorisation, an initial capital of at least twenty thousand euro (€20.000). Also, the bureau de change business shall maintain throughout its operation, own funds within the meaning attributed to this requirement by Articles 26, 28, 30, 36-91 of Regulation (EU) No. 575/2013 the European Parliament and of the Council of 26 June 2013.   |

|  |  |  |
| --- | --- | --- |
| **1 (a)**  | Confirm that documents have been attached such as a confirmation by an independent audit firm which evidences that the applicant maintains the initial capital pursuant to the provisions of the Directive and that, based on the financial projections which are included the business plan, shall be in position during the first year of operation to maintain own funds, pursuant to the provisions of the Directive.  | YES / NO  |
|   |

|  |  |
| --- | --- |
| **1.(b)**  | **Financial projections**  |
|  | Pursuant to the provisions of section (C) of subparagraph (1) of paragraph 5 of the Directive, any legal person applying for authorisation of a bureau de change business shall submit to the CBC a business plan which includes financial projections for the first three financial years which demonstrates that the applicant will be able to employ the appropriate and proportionate systems, resources and procedures to operate soundly.   |

|  |  |  |
| --- | --- | --- |
|  | Confirm that the financial projections of the applicant covering a period of three years include:   | YES / NO  |
|  | (A) A monthly breakdown of the income of the applicant,   |   |
|  | (B) projected profit and loss statements,   |   |
|  | (C) projected balance sheets, and   |   |
|  | (D) notes explaining each line item and how the projections were determined.   |   |

|  |  |
| --- | --- |
| **1.(c)**  | **Existing business activities of the applicant**  |
|  | Compared with the existing business activities of the applicant, confirm that the following information and documentation have been attached to the application:   | YES / NO  |
|  | (A) The most recent audited financial statements of the applicant together with the unaudited financial statements for the current year.   |   |
|  | (B) full details of any form of guarantees given by the applicant to third parties, including companies belonging to the same group of the applicant.  |   |

|  |  |  |
| --- | --- | --- |
| **1.(d)**  | Have the financial statements of the applicant carried a qualified audit report on the financial soundness in any of the last five years by the external auditors of the applicant?   | YES / NO  |
|   |
|  | If the answer is yes, give details below.  |   |
|  |   |   |
|  |     |   |

**PART VI**

**OPERATION RULES**

|  |  |
| --- | --- |
| **1.**  | Pursuant to subparagraph (1) of paragraph 11 of the Directive, the bureaux de change business shall maintain for the operations of the bureau de change business separate bank accounts with credit institutions operating in the Republic or in other Member States of the European Union. Furthermore, in subparagraph (2) of this Article, it is prescribed which information shall be disclosed in the transaction documents for purchases and sales of exchange carried out by the bureau de change business.  |

|  |  |  |
| --- | --- | --- |
| **1.(a)**  | In connection with the above operation rules, please confirm that the applicant has already made the appropriate arrangements so as to -   | YES / NO  |
|  | (A) Maintain separate bank accounts for the operations of the bureau de change business,   |   |
|  | (B) for each transaction of purchase or sale of exchange, the bureau de change business issues transaction documents on which the following information is disclosed:   |   |
|  | • The time the transaction occurs,   |   |
|  | • the amount and currency of the transaction,   |   |
|  | • The rate used for the transaction,   |   |
|  | • the amount of commissions received, and   |   |
|  | • for amounts equal or higher than the amount of one thousand euro (€1.000) per transaction, the name and address of the customer, as evidenced by his identity card, passport or other official document of the customer.   |   |
| **1 (b)**  | To confirm that the bureau de change business has the proper software with which any transaction of purchase or sale of exchange that will exceed the amount of seven thousand five hundred euro (€ 7.500) per person, per day, will be promptly detected before the execution of the transaction.   |   |

**PART VII**

**DIRECTORS AND MANAGERS**

|  |  |
| --- | --- |
| **1.**  | Pursuant to paragraph (k) of subparagraph (1) of paragraph 5 of the Directive, applications submitted to the CBC for the granting of authorisation to operate as a bureau de change business should provide information on the identity of the members of the board of directors and the persons who will manage the carrying out of the activities of a bureau de change business and their replies on the questionnaire with code BDC/Q2 which is available on the website of the CBC.   |
| **1.(a)**  | **Individual questionnaires**  |
|  | Make sure that the questionnaire with code BDC/Q2 has been completed for all the persons mentioned above and attached to the present application.   |
| **1(b)**  | Complete the table below for the existing and proposed members of the board of directors and the persons who will manage the bureau de change business.  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Name**  | **Proposed position / area of responsibility**  | **Country of residence**  | **Date of** **appointment**  |
|  |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |

**PART VIII**

**RISK MANAGEMENT PROCEDURES,**

**INTERNAL CONTROL MECHANISMS AND**

**TRANSACTIONS PROCESSING PROCEDURES**

|  |  |
| --- | --- |
| **1.**  | Pursuant to section (h) of subparagraph (1) of paragraph 5 of the Directive, the applications which are submitted to the CBC for granting an authorisation for the operation of a bureau de change business, shall include a description of the risk management procedures, the internal control mechanisms, the accounting system and the management information of the bureau de change business and a description of the procedures for processing transactions.  |

|  |  |  |
| --- | --- | --- |
| **1.(a)**  | Confirm that in the business plan full details are included on the mechanisms for identifying, reporting and managing the risks, on the internal control mechanisms of the accounting system and of the management information system of the bureau de change business and that are appropriate and adequate.   | YES / NO  |
|   |
| **1. (b)**  | Regarding the procedures for processing transactions which should be established in writing, confirm that a copy of the relevant manual is attached on the application.  |   |

**PART IX**

**MEASURES TO COMPLY WITH THE REQUIREMENTS OF**

**THE PREVENTION AND SUPPRESSION**

**OF MONEY LAUNDERING ACTIVITIES**

**LAWS OF 2007 TO 2013**

|  |  |
| --- | --- |
| **1.**  | According to paragraph (I) of subparagraph (1) of paragraph 5 of the Directive, applications submitted to the CBC for obtaining an authorisation for the operation of a bureau de change business, shall include a description of the internal control mechanisms that the bureau de change business intends to implement to comply with the requirements of the aforementioned Laws.  |

|  |  |  |
| --- | --- | --- |
| **1.(a)**  | Confirm that the applicant has or intends to acquire the appropriate software to ensure that, with the internal control mechanisms which will be implemented, it will fully comply with the requirements of the aforementioned Laws. A description of the referred mechanisms shall be included in the business plan of the applicant.   | YES / NO  |
|   |

**SECTION X**

**INFORMATION REGARDING THE APPLICANT**

The following questions should be answered by entering a tick (√) In any case where the response to a question is YES, full details should be given on a separate sheet of paper and referenced to the appropriate question.

|  |  |  |
| --- | --- | --- |
|  |  | YES / NO  |
| **1.**  | Is the applicant currently, or has the applicant ever been regulated any regulatory authority?   |   |
| **2.**  | Has the applicant and its direct and indirect controllers in the last decade dealt with a refusal for the granting, the withdrawal, suspension/revocation of an authorisation for the provision of financial services by any regulatory authority in the Republic and outside the Republic?   |   |
| **3.**  | Is the applicant a member of any professional association or trade body in the Republic or abroad?   |   |
| **4.**  | Has the applicant or its direct and indirect controllers during the last decade applied for authorisation, membership or recognition of a professional association or trade body in the Republic or abroad and had such an application been refused?   |   |
| **5.**  | Has an application to dissolve, to compulsorily liquidate, to be classified as insolvent, or to confiscate its assets or to place a mandatory receivership been filed against the applicant in the last decade?   |   |
| **6.**  | Is the applicant aware of any tax compliance issues that any of its controllers and directors may have?   |   |
| **7.**  | Is the applicant aware of any allegations of fraud, dishonesty, breach of trust, insider dealing or market manipulation in respect of its controllers and directors?   |   |
| **8.**  | Has there ever been a verdict against the applicant and its connected companies, or are there charges pending against the applicant and its connected companies in the Republic or outside the Republic for -  |   |

|  |  |  |
| --- | --- | --- |
|  | (A) offences or violations that involve deceit or fraud or bribery or venality or forgery or tax evasion?   |   |
|  | (B) offences or violations concerning money laundering activities?  |   |
|  | (C) offences or violations that involve the use of confidential or privileged information?  |   |
|  | (D) offences or violations that involve the manipulation of stock market price of a financial instrument which was subject to trading on a regulated market or in an equivalent market of a third country?   |   |
|  | (E) the payment of damages in relation to the provision of investment and ancillary services?   |   |
|  | (F) any other action that is punishable by a prison sentence?   |   |
| **9.**  | Has an administrative sanction been Imposed upon the applicant in the last decade by a competent supervisory authority in the Republic or outside the Republic?   |   |
| **10.**  | Have the legal advisors of the applicant been replaced in the last five years?   |   |
| **11.**  | Have the bankers of the applicant been replaced in the last five years?   |   |
| **12.**  | Have the external auditors of the applicant been replaced in the last five years?   |   |
| **13.**  | Have the books or other documents of the applicant ever been considered as non genuine by any competent supervisory authority in the Republic or abroad?   |   |
| **14.**  | Has the applicant or its direct and indirect controllers been, in the last decade the object of an investigation by a competent supervisory authority in the Republic or outside the Republic?   |   |
| **15.**  | Are there any matters or information which, if disclosed to the CBC will positively or adversely affect the decision on the application?  |   |

**PART XII**

**DECLARATION**

We responsibly declare, having full knowledge of the consequences of the Law that:

(A) We have exercised all the necessary due diligence in order to ensure that all the information stated in this application, as well as the details and documents that accompany it, are correct, complete and accurate.

(B) We have taken all the necessary measures so that the applicant will fulfill all the requirements for the granting of an authorisation for the operation of a bureau de change business as these are included in the provisions of the Bureaux de Change Business Directive of 2014.

(C) We confirm that we will notify the Central Bank of Cyprus (‘CBC’) in writing where, during the period between the submission of the application and the CBC’s decision, a change takes place in the information and/or in the details and documents submitted with the application. In addition, we confirm that we understand that it is an offense knowingly or recklessly give the CBC information that is incorrect, false, misleading and deceptive.

We authorise the CBC to make such enquiries and to seek such further information as it thinks appropriate to verify the information given in this application. We also acknowledge and accept that the CBC may reveal information to third parties in the discharge of its duties, as these are defined in the Law.

We confirm that we are authorised by the applicant to sign the application on its behalf.

Full name and title

Signature

Full name and title

Signature

Date: