

CENTRAL BANK OF LESOTHO



**Central Bank of Lesotho: Capital Markets and Insurance  
Licensing (Approval) Requirements**

**December 2017**

**Version 15052018**

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## 1. GENERAL CONDITIONS

**Please read the following carefully:**

- i. The following checklist must accompany all applications for the categories stated under each section.
- ii. No application shall be accepted without complete documents as per the checklist.
- iii. It is urged that the documents be arranged in the order of the checklist to facilitate quick check during submission.
- iv. Applicants are encouraged to engage with the office of Insurance, Investments & Securities Supervision Division for any clarity before submitting the application.
- v. Should there be missing documents, applications shall be considered null and void and shall be returned to the applicant
- vi. The Regulator may request additional information to support
- vii. For further information please call +266-2223 2115/2256
- viii. This checklist is available at <http://www.msm.org.ls/other-rules-and-regulations>

## 2. SECURITIES & CAPITAL MARKETS LICENSES

### 2.1 APPLICATION FOR INVESTMENT ADVISOR, BROKER, DEALER AND BROKER-DEALER

	Applicant	CBL
1. Application letter		
3. Copies of Memorandum and Articles of Association		
4. Copy of Certificate of Incorporation		
5. Shareholding structure		
6. Copy of Tax Clearance Certificate		
7. Copy of Professional Indemnity Insurance Policy		
8. Bank confirmation reference		
9. Proof of paid-up capital:		
a) Advisor                                   M0.00		
b) Broker                                    M50,000.00		
c) Dealer                                    M50,000.00		
d) Broker-Dealer                         M50,000.00		
10. Fees (M1,500 application and M5,000 annual fee) <b>CBL Account number: 65220-3124-3540</b>		
11. Completed Fit and Proper Questionnaire for Directors and key personnel		
a) CVs and certified qualifications of all key personnel		
b) Tax Clearance for all key personnel		
c) Certified statement of all assets and liabilities		
d) Letters from financial institutions you had dealings in the last two years		
e) Police Clearance for Principal Officer and key personnel		
f) Certified passport/ID copy of key employee		
12. Business/client References*		
13. Business Plan*		
a) Office location		
b) Names of principal officers, shareholders and directors		
c) Information about advisor's experience		
d) unaudited statements and financial projections upon first registration		
e) Target Market		
f) Platform – IT systems or software		
14. Audited financial statements upon renewal		

\* **Not applicable on renewal**

## 2.1. APPLICATION FOR ASSET MANAGEMENT LICENSE

	Applicant	CBL
1. Application letter		
2. Copies of Memorandum and Articles of Association 2.1 Names and addresses and occupations of directors 2.2 Names and addresses of persons holding five percent or higher of share capital and shares allotted to each		
3. Copy of Certificate of Incorporation		
4. Shareholding structure		
5. A statement duly certified by an auditor of the required capital of 1 million maloti*		
6. Copy of Tax Clearance Certificate for Business		
7. Business / Client References*		
8. Bank confirmation reference*		
9. Completed Fit and Proper Questionnaire for Directors and key personnel		
a) CVs and certified qualifications of all key personnel		
b) Tax Clearance for all key personnel		
c) Certified statement of all assets and liabilities		
d) Letters from financial institutions you had dealings in the last two years		
e) e) Police Clearance for Principal Officer and key personnel		
f) Certified passport/ID copy of key employee		
10. Proof of Payment: Application fee M5,000.00 : Annual Fee M5,000.00 <b>CBL Account number: 65220-3124-3540</b>		

\* Not applicable on renewal

**2.2. APPLICATION FOR REGISTRATION-COLLECTIVE INVESTMENT  
SCHEME (Domiciled in Lesotho)**

	Applicant	CBL
1. Application letter		
2. Business Plan a) Name of collective investment scheme b) Investment objective(s) of the scheme c) Risk and underlying investment securities d) Detailed description of all sales, service fees and other charges charged to the investors of the scheme e) Administrator of the scheme if this activity is outsourced f) Custodian/Trustee of the scheme g) Unaudited statements and financial projections h) Target Market		
3. Copy of service level agreement and details of the fund manager where functions is outsourced		
4. Proof of Payment : Application fee M5,000.00 Annual fee M5,000.00 (on licensing) <b>CBL Account number: 65220-3124-3540</b>		
5. Master Trust deed and Supplemental deed *		
6. Bank confirmation reference*		

\* **Not applicable on renewal**

### 2.3. APPLICATION FOR REGISTRATION-COLLECTIVE INVESTMENT SCHEME (Foreign Collective Investment Scheme)

	Applicant	CBL
1. Application letter by Foreign Fund Manager		
2. Copy of current approval or registration by relevant jurisdiction authorising the foreign collective investment scheme		
3. Master Trust deed and Supplemental deed*		
4. Proof of Payment : Application fee M5,000.00 : Annual fee M5,000.00 <b>CBL Account number: 65220-3124-3540</b>		
5. Business Plan		
a) Name of collective investment scheme b) The proposed Lesotho Agent to sell participatory interest on behalf of the fund manager c) Investment objective(s) of the scheme d) Risk and underlying investment securities e) Detailed description of all management fees, service fees and commission fees charged to the investors of the scheme f) Administrator of the scheme if this activity is outsourced g) Custodian/Trustee of the scheme h) Auditor of the scheme i) Custodian / Trustee of the scheme j) Target Market		
6. Bank confirmation reference		
7. Latest Fund factsheet and portfolio holdings of the scheme		

\* Not applicable on renewal

### 2.4. APPLICATION FOR A LICENSE - CIS AGENT

	Applicant	CBL
1. Application letter		
2. Evidence of prior training under supervision (3 Months)		
3. Completed Fit and Proper Questionnaire Agent		
a) CVs and certified qualifications of Agent <b>or Principal Officer for a corporate agent</b>		
b) Letters from financial institutions you had dealings in the last two years		
c) Police Clearance for Agent <b>or Principal Officer for a corporate agent</b>		
d) Certified passport/ID copy of Agent <b>or Documents of incorporation for a corporate agent</b>		
e) <b>Tax clearance for a corporate</b>		

## 2.1. APPLICATION TO ISSUE FINANCIAL INSTRUMENT

(Refer to Capital Markets Issuance Guidelines and contact the Central Bank of Lesotho)

## 3. INSURANCE LICENSES (APPROVALS)

### 3.1. APPLICATION FOR RENEWAL-INSURANCE LICENSE

	<b>Applicant</b>	<b>Registry</b>
1. A written application		
2. Proof of payment: renewal fee M300.00 <b>CBL account number: 65220-3124-3540</b>		
3. Copy of Tax Clearance Certificate for business		
4. List of Directors		
5. List of key employees		
6. Fit and Proper Questionnaire for Directors and key personnel		
a) CVs and certified qualifications of all key employees		
b) Tax Clearance for all key personnel		
c) Certified statement of all assets and liabilities		
d) Directors' police clearance		
e) Letters from financial institutions you had dealings in the last two years		
f) Certified copy of Identity card (passports) for key employees		



### 3.2. APPLICATION FOR A LICENSE- INSURANCE BROKER

	Applicant	CBL
1. Application letter		
2. Proof of payment: Application fee of M1,250.00 Renewal fee of M500.00 <b>CBL account number: 65220-3124-3540</b>		
3. Completed signed Form		
4. Copies of Memorandum and Articles of Association		
5. Copy of Certificate of Incorporation		
6. Copy of Tax Clearance Certificate for business		
7. Copy of Professional Indemnity Insurance Policy of at least M1,000,000.00		
8. Letter from an Insurance Company confirming desire to contract the broker*		
9. Bank confirmation of Security Deposit M50,000.00		
10. Fit and Proper Questionnaire for Directors and key personnel		
a) CVs and certified qualifications of all key personnel		
b) Tax Clearance for all key personnel		
c) Certified statement of all assets and liabilities		
d) Letters from financial institutions you had dealings in the last two years		
e) Certified copy of Identity card (passports)		
f) Police Clearance for Principal Officer and key personnel		

**\* Not applicable on renewal**

### 3.3. APPLICATION FOR A LICENSE- INSURANCE AGENT

	Applicant	CBL
Application letter		
Completed signed Form (Schedule 2)		
Proof of Payment-application fee M300.00 <b>CBL account number: 65220-3124-3540</b>		
Proof of Payment-renewal fee M150.00 <b>CBL account number: 65220-3124-3540</b>		
<b>Copy of Professional Indemnity Insurance Policy of at least M1,000,000.00 for corporate agent</b>		
Agency agreement between the insurance company and the agent*		
A motivation on the benefit of bancassurance in terms of cost-saving and an explanation of the pass through of such benefit to the client in terms of changes in premium*		
A specimen of a contract that shall be signed by a client with a specific clause stating the bank's commitment to inform the client about other insurance alternatives*		
Evidence of prior training under supervision (3 Months)		
Fit and Proper Questionnaire for Agent or <b>Principal Officer for corporate agent</b>		
a) CVs and certified qualifications		
b) Tax Clearance*		
c) Certified statement of all assets and liabilities *		
d) Police clearance		
e) Letters from financial institutions you had dealings in the last two years*		
f) Certified copy of Identity card (passports)		

**\*Not applicable for individual agents**

### 3.4. APPLICATION FOR APPROVAL –INSURANCE PRODUCTS

	Applicant	CBL
1. Written application letter		
2. A policy document with the following details;		
a. The name of the insurer and, where relevant, the group to which it belongs.		
b. Type of insurance contract on offer including policy benefits		
c. Copy of the premium rates, rating plans, rules and the standard policy forms of each class or subclass of insurance business to be carried out by the applicant duly verified and signed by the principal officer.		
d. The level of the premium, the due-date and the period for which the premium is payable, as well as the consequences of late or non-payment.		
e. The type and level of charges to be deducted from or added to the quoted premium, and any charges to be paid directly by the customer		
f. Duration of the insurance cover		
g. A description of risk insured and of the excluded risks		

### 3.5. APPLICATION FOR APPROVAL-BRANCH LICENSE/RENEWAL

	Applicant	CBL
1. Written application letter		
2. *Sublease agreement for the branch, physical location of the branch		
3. Proof of fee payment: M300.00 <b>CBL account number- 65220-3124-3540</b>		
4. Fit and Proper Questionnaire for branch Manager		
a) CVs (showing addresses) and certified qualifications of branch Manager		
b) Tax Clearance for branch Manager		
c) Certified statement of all assets and liabilities of branch Manager		
d) Letters from financial institutions you had dealings in the last two years		

e) Certified ID copy of the branch manager		
a) Police clearance		

### **3.6. APPLICATION FOR APPROVAL - KEY EMPLOYEE**

	Applicant	CBL
1. Written application letter		
2. Fit and Proper Questionnaire for Key Employee		
a) CVs (showing addresses) and certified qualifications of all key personnel		
b) Tax Clearance for all key personnel		
c) Certified statement of all assets and liabilities		
d) Certified passport/ID copy of key employee		
e) Letters from financial institutions you had dealings in the last two years		
b) Police clearance for key employee		

### **3.7. APPLICATION FOR A LICENSE- INSURANCE COMPANY**

(Refer to section 8 of the Insurance Act of 2014 and contact the Central Bank of Lesotho)