
SECTION 4

APPLICATION FOR AND RENEWAL OF INVESTMENT BUSINESS LICENCES

4.1 LICENCE APPLICATIONS

Copies of the Commission's application forms and other personal and bankers' questionnaires are available from the Commission's website. (Samples are contained in Appendices F and G, but please note that stockbrokers have a specific application form which applies solely to them, copies of this are available from the Commission's offices.)

The staff of the Commission are available to be consulted in the course of the preparation of an application for a licence and will try to give appropriate guidance where it is sought. However, in order that the role of the staff of the Commission is not misunderstood, the Commission wishes to emphasise that:-

- i. the preparation and submission of an application for a licence is the responsibility of the applicant;
- ii. the decision whether or not to issue a licence is the responsibility of the Board of the Commission; and
- iii. the Commission normally takes legal advice on questions of law that confront it and applicants for licences must similarly be prepared to seek legal advice on questions of law that confront them.

4.1.1 Consultation with Officers of the Commission

Prospective applicants are encouraged to approach officers of the Commission at an early stage to discuss their proposals for operating in the Isle of Man. These discussions enable the Commission's officers to give applicants any appropriate guidance where it is sought and to identify any foreseeable difficulties connected with the proposed operation. It also enables the Commission to assess the category of licence which the applicant will be required to hold and to advise on the Commission's financial resource requirements (see [Appendix C1](#)).

4.1.2 Consideration of the application by the Commission

The applicant will be notified at least 14 days in advance of the proposed Commission meeting at which the application will be considered, together with details of the proposed recommendations. The applicant may attend the Commission meeting with up to two other individuals who may be another executive of the applicant or an adviser.

If the application has a recommendation for refusal, then the applicant will be given the opportunity for an adjournment for legal representation.

Once the application has been considered, the Commission will announce its decision in writing, including if applicable any outstanding matters to be addressed before a licence will be issued. If an application is refused, the reasons for refusal will be stated and the rights of appeal in relation to the Commission's decision (ie to the Council of Ministers Review Committee) will be explained to the applicant.

It should be noted that the hearing of the licence application will be taped for note taking purposes only.

4.1.3 Appeals Process

Where the primary legislation provides a right of appeal from a decision of the Commission, any appeal will be to an independent Committee set up by the Council of Ministers, known as the Council of Ministers' Review Committee ("the Review Committee").

Any application for review must be sent in the first instance to the Chief Secretary who will report the application to the Council of Ministers. Upon notice of the application the Council of Ministers will then appoint a Review Committee made up of three members. The Review Committee will be entirely independent of the Commission and the members of each Review Committee will be appointed by the Council of Ministers from persons "of appropriate experience" who have no links to either the Commission or the applicant.

Upon determination of the issue in question the Review Committee must "confirm, vary or revoke" the decision of the Commission and, without prejudice to any right of recourse to the High Court, a decision of the Committee on a review will be binding on the Commission and the applicant.

4.1.4 Issue of Licence

Once the applicant has complied with all the Commission's conditions and requirements, the Executive reports this to the Board of the Commission for final approval and the issue of the investment business licence. Each investment business licence will specify the activity which the licenceholder has been licensed to undertake. The categories of investment business licence are defined in paragraphs 10 - 17 of the Financial Supervision Commission (Financial Resources and Financial Reporting) Regulatory Code 2002 (see [Appendix C1](#)) and as summarised in Table A of [Appendix 1](#) to the General Licensing Policy.

4.2 RENEWAL OF INVESTMENT BUSINESS LICENCES AND PAYMENT OF LICENCE FEES

Investment business licences are normally issued for an indefinite period, although a specific expiry date may be imposed in certain circumstances.

A non-refundable licence application fee is payable with a licence application and an annual licence fee is payable on issue of licence. In the first year, the annual licence is pro rata'd for the number of months remaining until the commencement of the next annual fee year. Thereafter, the annual fee is payable on 1 July each year (see [Section 6](#)). Fees may be paid by direct debit.