



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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**Guidance Note on Completing an
Application for Authorisation as a
Bureau de Change Business**
under Part V of the Central Bank Act 1997
(as amended)



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1. Introduction

This document should be read before commencing the completion of an Application for Authorisation as a Bureau de Change Business.

This document provides guidance to applicants in relation to the requirements of the Central Bank of Ireland (the Central Bank) when completing an application form for authorisation as a Bureau de Change Business in Ireland. **It does not constitute legal advice nor does it seek to interpret relevant legislation.**

The Central Bank is the body responsible for the authorisation of Bureaux de Change Businesses pursuant to Part V of the Central Bank Act, 1997 (as amended) (the Act). Section 28 of the Act provides that a Bureau de Change Business means a business that compromises or includes providing members of the public with a service that involves buying or selling foreign currency, other than a service that is provided-

- a) By a person or body that is required to be licenced, registered or otherwise authorised by the Bank under a designated enactment (other than this part) or designated statutory instrument; or
- b) By a person on an ancillary basis in the ordinary course of providing services to the customers of the person or body.

To obtain an authorisation as a Bureau de Change Business, an application for authorisation must be submitted to the Central Bank. The application must satisfy the Central Bank that the applicant complies with the appropriate regulatory requirements as set out in the Authorisation Requirements and Standards for Bureaux de Changes Businesses, the legislation relating to Bureaux de change businesses and all other relevant regulatory and legislative requirements.

The Central Bank welcomes applications where the proposed Bureau de Change Business can meet the legislative requirements relating to an authorisation as Bureaux de Change Businesses and all other applicable legislative and regulatory requirements published by the Central Bank.

Applicants are advised to seek legal advice if they are unsure as to whether their proposed activities require authorisation pursuant to the Act or with regard to how they should comply with the authorisation requirements set out in Authorisation Requirements and Standards for Bureaux de Change Businesses (the Authorisation Requirements and Standards). If having received and considered such legal advice applicants have any doubt about their status, they are advised to submit an application for authorisation.

Applicants are also advised to become familiar with the Authorisation Requirements and Standards, the Act and the Application Form for Authorisation as a Bureau de Change Business.

Information and relevant application documentation with respect to Bureaux de Change Businesses is available [here](#).

2. Criteria for Assessing Applicants

The Authorisation Requirements and Standards for Bureaux de Change Businesses sets out the requirements that must be satisfied in order for an authorisation as a Bureau de Change Business to be granted. The information that must accompany an application is included in the Central Bank's Application Form for Authorisation as a Bureau de Change Business. Applicants seeking authorisation as a Bureau de Change Business must therefore have regard to these provisions. This guidance note should be read in conjunction with:

- the relevant legislation including the Act;
- the Authorisation Requirements and Standards for Bureaux de Change Businesses;
- the Fitness and Probity Standards (issued under Section 50 of the Central Bank Reform Act 2010);
- the application form entitled '*Application Form for Authorisation as a Bureau de Change Business under Part V of the Central Bank Act 1997 (as amended)*' (Application Form).

The principal areas assessed by the Central Bank in considering an application for authorisation as a Bureau de Change Business include:

- Organisation and governance of the applicant;
- Business Plan;
- Programme of Operations;
- Financial Information and Solvency;
- Compliance Arrangements;
- Operational procedures and processes;
- Outsourcing arrangements and oversight (where applicable);
- Fitness and probity of Directors and Managers;
- Shareholders/Members (including Qualifying Shareholders); and
- Regulatory Background (where applicable).

The requirements in relation to each of these headings are detailed in the aforementioned Application Form.

3. Making an Application

In advance of submitting an application for authorisation, an applicant should satisfy itself that:

- its proposed business model requires authorisation pursuant to Part V of the [Act](#);
- it is capable of complying with and adhering to the [Authorisation Requirements and Standards For Bureaux de Change Businesses](#) and supervisory requirements that must be satisfied on an on-going basis; and
- **It has read this document and has taken the information provided therein into consideration when completing the Application for Authorisation as a Bureau de Change Business Form.**

Applicants are advised to seek legal advice if they are unsure as to whether their proposed activities require authorisation pursuant to the Act or with regard to how they should comply with the Authorisation Requirements and Standards. If having received and considered such legal advice firms have any doubt about their status, they are advised to submit an application for authorisation.

The Documentation Required to Make an Application for Authorisation

An applicant must submit the following documentation which should be **fully completed**:

1. An Application for Authorisation as a Bureau de Change Business Form (including the specific information/documentation requirements set out therein);
2. A Business Plan including all relevant financial information;
3. A Programme of Operations;
4. Documentation relevant to the applicant's legal structure as applicable e.g. Certificate of Incorporation, M&A, Simplified Constitution Document (for incorporated applicants), partnership agreement (for partnership applicants) etc.; and
5. Shareholding information (where applicable).

Once an application is submitted, the applicant will also need to ensure that all relevant individuals proposed to hold a Pre-Approval Controlled Function (PCF) role (typically board members, senior management, key function holders) and any qualifying shareholders, complete **Fitness and Probity Individual Questionnaires** – more information [here](#). Individual Questionnaires must be submitted electronically via the Central Bank's Online Reporting System (ONR) by all proposed PCF holders, but qualifying shareholders (that are not proposed PCF role holders) are required to submit a [paper version](#). Please note that access to the online Individual Questionnaire only becomes available after an application has been deemed to contain all the key information and documentation required.

The completed Application Form, along with all relevant accompanying material, should be submitted in both soft and hard copy format to the Central Bank. The paper copy should be sent to *BDC Authorisations Team, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2.*

The electronic version can be included with the paper copy or be sent to BDCAuthorisations@centralbank.ie.

The Application Form and accompanying material referred to above constitutes the minimum information required when applying for authorisation as a Bureau de Change Business. The applicant should expand on the required information, where necessary, according to the specific nature of the proposed business.

The Central Bank will undertake a preliminary review of applications submitted to ensure key information has been provided. Where key information and documentation has not been provided the applicant will be informed that the application will not be progressed. Instances where this may occur include where:

- documents such as the Application Form, Business Plan or Programme of Operations have not been provided;
- information/documents requested in the Application Form have not been provided, such as;
 - qualifying shareholder documentation; or
 - financial projections;
- responses to questions in the Application Form are substantially deficient, such as;
 - details of organisational structure, governance and key staff and directors;
 - descriptions of the applicant's services and products;
 - notes explaining the content of financial projections;
 - details of policies and procedures relating to operational functions;
 - details relating to outsourcing agreements (where relevant); or
 - details relating to how outsourcing and other places of business, where relevant, are overseen.

An applicant should not make an application submission to the Central Bank where it has not determined with reasonable certainty the scope of the activities in which it proposes to engage and its proposed business and operational model. There should be no significant changes made to the applicant's application for authorisation during the course of the application process. Where such significant changes are made, a new application submission may be required.

The Central Bank authorises Bureaux de Change Businesses on the basis of the information provided in the applicant's application for authorisation. **All applicants granted an authorisation as a Bureau de Change Business will be required to operate in accordance**

with the information provided in their application for authorisation except where this information is altered with the approval of the Central Bank.

All reasonable steps must be taken by an applicant to ensure that the information provided to the Central Bank in its application for authorisation is accurate and complete.

Applicants should note that subject to section 31(2) (c) of the Act, the Bank may refuse an application for authorisation as a Bureau de Change where information given to the Bank by, or on behalf of the applicant in connection with the application is materially false or misleading.

Applicants should note that under Section 36A(1) (c) of the Act, the Central Bank may revoke an authorisation as a Bureau de Change Business, on being satisfied on reasonable grounds that the authorisation was obtained by means of a false or misleading representation.

4. Guidance on Completing an Application Form for Authorisation as a Bureau de Change Business

This section provides assistance for applicants when answering some of the questions set out in the Application Form. Please note that the numbering sequence follows that of the Application Form.

Applicants should ensure that **ALL** questions set out in the Application Form are answered succinctly and fully. Where there is a consistent lack of detail or where excessive detail is provided, submissions will be returned without review. Answers to questions set out in the Application Form should be presented in a logical manner.

Section 1: Introduction

Application Form Reference	Guidance for each Relevant Section
1.1	No Additional Notes

Section 2: Structural Organisation

2.1	This name must be the applicant's legal name at the time of the submission of the application. For incorporated applicants the name must correspond to the name on the applicant's constitutional documentation and the name registered with the Companies Registration Office. For partnership applications it must correspond to the names in the partnership agreement and for sole traders it must correspond to the individual's name.
2.2	No additional notes.
2.3	A company, individual or partnership carrying on business under a name other than its corporate name (for a sole trader or partnership it's the name of the principal or partners) must register that name with the Companies Registration Office. Further information is available on the CRO website . All registered business name(s) must be disclosed in the application form.
2.4	This address must mirror the registered address of the applicant lodged with the Companies Registration Office.
2.5	No Additional Notes
2.6	This must be someone who is familiar with the applicant's business model and its application submission and must be someone senior who works for/will work for the applicant if and when authorised and not a professional advisor to the applicant.

2.7	No additional notes.
2.8.1	No additional notes.
2.8.2	<p>A certified document is one that is stamped, signed and dated as being a true copy of the original by a party independent of the firm. An independent party should be a Solicitor, Accountant, Peace Commissioner, Notary or Commissioner for Oaths.</p> <ul style="list-style-type: none"> • The certification stamp must be clearly identifiable on the relevant document; and • The date of certification should be as close to the date of submission of the Application Form as possible. If the documents are amended at any stage during the application process an up to date certification of the documents must be submitted to the Central Bank along with certified copies of any special resolutions amending the documents.
2.8.3	Where an applicant's corporate capacity is limited by its objects clause, it must confirm that the scope of its objects clause permits it to carry on the proposed Bureau de Change services and any other proposed services.
2.8.4	<p>Persons that could exercise significant influence over an applicant, other than PCF's, could include (but not be limited to):</p> <ol style="list-style-type: none"> 1. Qualifying shareholders; 2. Shadow directors; 3. Providers of capital; 4. Senior Management; 5. Other financial service providers. <p>Those in a position to exercise a significant influence over the management of the applicant may be acting in concert with other parties in respect of the management of the applicant. Where this arises, details (i.e. identity of those parties and a description of how acting in concert arises) must be disclosed in the application submission.</p>
2.9.1	No additional notes.
2.9.2	See 2.8.2 above.
2.9.3	The names of all partners should be listed and the status of each partner should be listed also.
2.9.4	No additional notes
2.10.1	See 2.8.2 above
2.10.2	See 2.8.4 above
2.11	<p>A Bureau de Change firm is required to demonstrate that the organisation of its business structure is such that it is capable of being supervised by the Central Bank and that adequate and effective control of the firm rests in the state.</p> <p>Factors to be considered in this regard are;</p> <ol style="list-style-type: none"> (a) where the mind and management of the Bureau de Change is located; (b) where key decisions regarding the direction of the Bureau de Change are made; (c) where key functions are undertaken; (d) what reporting lines exist; and (e) where key books and records are kept.

Section 3: Business Plan

3.0	A standalone business plan should form part of the application submission. The applicant should ensure that it addresses, at a minimum, the information requested in Appendix 2 to the Application Form, whilst also ensuring that all areas in Section 3 of the Application Form are adequately addressed.
3.1.1	For sole trader applicants details must be provided as to how personal financial records and accounts will be separated from regulated and other business activities.
3.2.1	<p>The financial projections in respect of the applicant for the first 12 months post authorisation must be sufficiently detailed to demonstrate that the firm will remain solvent during that period.</p> <p>The financial projections must be submitted in the following format:</p> <ol style="list-style-type: none"> a) A projected balance sheet as at authorisation date is required in order to confirm that the applicant will be in a position to meet its solvency requirement as at authorisation date. This balance sheet should also identify the applicant's set up costs and how they have been funded; b) The projected period must commence at Day 1 of the proposed authorisation period and each period must be titled Year 1, Year 2 and Year 3. c) The Profit and Loss Account must be in the following format: Income Less Expenses = Gross Profit Less Taxation = Net Profit Less Dividends (if any) = Retained Profit. d) Only Year 1 of the Profit and Loss Account must be broken down into monthly periods. Year 2 and Year 3 need not be broken down into monthly periods and therefore yearly totals should be provided for each. e) The Income section of the Profit and Loss Account must be broken down into separate line items that distinguish between the Bureau de change services carried out and other regulated/non-regulated activities carried out (if applicable). Each line item must account for the income projected for each activity as highlighted in Section 3 of the Application Form; f) The applicant must provide workings/detailed calculations for each of the 12 months in order for the Central Bank to reconcile the projected income to be derived from that line of activity against the applicant's assumptions for that activity e.g. it could be based upon x number of clients / transactions / transaction value with the applicant earning a certain amount per transaction or certain percentage of transaction volume; g) The Expenses section of the Profit and Loss Account must break down each individual expense item to the extent that it distinguishes between the different categories of expenses. For example, categories of expense will include salaries, rent, utilities, subscriptions etc. and therefore need not be broken down any further. h) The Retained Profit/Loss must also incorporate the latest financial position of the applicant i.e. where an applicant is currently trading it must carry forward its latest (available) retained profit/loss; i) The Balance Sheet must be in the following format: Fixed Assets + Current Assets Less Current Liabilities = Net Assets = Shareholders Funds. j) The applicant should ensure that the Retained Profit/Loss figure in the Balance Sheet reconciles with the Profit and Loss Account, while ensuring in

	<p>cases where an applicant is currently trading, its retained profit/loss figures to date (based on audited accounts and/or latest management accounts) are accurately being carried forward into the projections; and</p> <p>k) The applicant must provide a note describing all line items accounted for in the Profit and Loss Account and Balance Sheet. The description can be appropriately brief as long as it is sufficiently clear what the entry is providing for. Furthermore, where an amount in a line item is fluctuating by greater than 10% per month (for each of the 12 months) an explanation must be provided in the note to explain the rationale behind the movement.</p>
3.2.2	Applicants are required to demonstrate to the Central Bank how they will be in a position to manage the risk that they might not be in a position to operate within the bandwidth of their financial projections. For example: Is the applicant reliant on particular client(s)? Is there a risk that the applicant's business might not grow as quickly as projected and that profitability will be impacted? Would any event impact upon the applicant's viability or its ability to meet its solvency requirement (either long or short term)?
3.2.3	No additional notes.
3.3.1	No additional notes.
3.3.2	The review referred to under 3.3.2 (e) relates to any review carried out by either the firm or any third party.
3.3.3	No additional notes.
3.4.1	The applicant should ensure that the information provided in relation to income is consistent with that provided in its financial projections.
3.5.1	No additional notes.
3.5.2	No additional notes.
3.5.3	No additional notes.
3.6	The firm should ensure that the Business Plan details the firm's strategy in relation to growing the Bureau de Change Business. This should include details of its target market, pricing strategy and marketing strategy including frequency and media of any proposed advertising. It should also identify how the firm proposes to deliver its projected growth and mitigate anticipated business risks.
3.7	No additional notes
3.8	No additional notes
3.9	For sole trader applicants, details must be provided as to how personal financial records and accounts will be separated from regulated and other business activities.

Section 4: Programme of Operations

4.0	A standalone Programme of Operations document should form part of the applicant's application submission. The applicant should ensure that it addresses, at a minimum, the information requested in Appendix 2 to the Application Form, whilst also ensuring that all areas in Section 4 of the Application Form are adequately addressed.
4.1.1	The applicant should indicate the Bureau de change service it proposes to provide within 18 months post authorisation. It should also ensure that the Programme of Operations provides a clear understanding of the end to end

	<p>process for the provision of such service.</p> <p>The applicant should provide the Central Bank with sufficiently clear information to enable it to understand the rationale for why authorisation as a Bureau de Change Business has been sought.</p>
4.2.1	<p>If the applicant proposes to provide services other than Bureau de change services it must provide the following information:</p> <p>(a) A description of the services to be provided, the client base in question and how these services will be carried out;</p> <p>(b) An explanation as to whether the provision of these services will impact on the provision of the Bureau de change services and if so, how ; and</p> <p>(c) Whether the firm will be holding client funds as part of its non-Bureau de change activities.</p>
4.2.2	No additional notes
4.3.1	No additional notes
4.4	<p>This section should only be completed in circumstances where an applicant proposes to establish a branch within its first 12-18 months in operation as a Bureau de Change Business. Please see section 10 of the Authorisation Requirements and Standards for Bureaux de Changes Businesses for further guidance on the use of branches.</p>
4.5	<p>This section should only be completed in circumstances where an applicant proposes to establish an agent or agents within its first 12-18 months in operation as a Bureau de Change Business. Please see section 9 of the Authorisation Requirements and Standards for Bureaux de Changes Businesses for further guidance on the use of agents.</p>
4.5.1	No additional notes
4.6	<p>The applicant must provide a chart outlining its full ownership structure (i.e. include all direct and indirect qualifying shareholders) as applicable.</p> <p>Where the applicant is part of a group, the chart must include all entities (including their branches) in the group and the nationality/country of incorporation of the natural person/legal person as the case may be.</p> <p>In the case of a legal entity, the country where the entity's head office/principal place of business is located and the main activities of each entity in the group should also be provided.</p> <p>The chart must disclose the percentage ownership held by the respective party in each group entity with all qualifying shareholders identified.</p> <p>The chart should disclose whether each natural/legal person is regulated / non-regulated.</p> <p>Where a natural/legal person falls to be regulated the applicant should also disclose the identity of the relevant regulatory body.</p>
4.7.1	<p>The applicant's organisation chart should capture all staff (to be) employed at commencement of authorisation.</p>
4.7.2	<p>The information provided in relation to proposed staffing levels should be consistent with the detailed organisation chart provided.</p>

	<p>The applicant should highlight where it is proposed that an individual will be responsible for more than one function within the applicant (e.g. carries out both the Risk and Compliance functions).</p> <p>Job descriptions should clearly outline the day-to-day role and responsibilities of each of the applicant's employees. Where it is proposed that an individual will be responsible for more than one function, the applicant is required to demonstrate how:</p> <ol style="list-style-type: none"> a) The individual will have sufficient time and resources to fulfil the roles; and b) There are no segregation of duties issues between those roles. <p>Where an applicant has multiple employees in a team/function performing similar roles, a description as to the responsibilities of the function will suffice.</p>
4.7.3	No additional notes.
4.7.4	No additional notes.
4.7.5	Any activities completed by staff which are not directly related to the applicant's business would include any responsibilities they are proposed to have at a group level.
4.7.6	<p>The standing board agenda should include at a minimum the following:</p> <ol style="list-style-type: none"> 1. Business Development; 2. Finance; 3. Compliance; 4. Internal Audit (where applicable); and 5. Risk <p>Sole traders must provide details on governance tasks within the applicant e.g. who will make key decisions regarding the applicant and how responsibilities will be allocated etc.</p>
4.8	<p>The Central Bank considers outsourcing to be an arrangement of any form between an applicant and a service provider by which that service provider performs a process, a service or an activity on behalf of the applicant which could otherwise be considered would be undertaken by the applicant itself.</p> <p>Where an applicant engages in outsourcing, that outsourcing should not detract from the applicant being in a position to demonstrate that its 'heart and mind' is located in the applicant and that the applicant is not delegating responsibility for the operation or management of key functions to a third party.</p> <p>The Central Bank considers important operational functions to include Bureau de Change Business Operations, I.T., Finance, Internal Audit, Risk Management and Compliance.</p> <p>Where outsourcing of an important operational function is proposed, the Central Bank requires that this outsourcing does not:</p> <ol style="list-style-type: none"> 1. result in the delegation by senior management of its responsibility in respect of that function; 2. undermine the conditions with which the Bureau de change business is to comply in order to be authorised and remain so in accordance with

	<p>the Act;</p> <ol style="list-style-type: none"> 3. remove or modify any other condition of the Bureau de change business authorisation; 4. materially impair the quality of the Bureau de change business’s internal controls; or 5. materially impair the ability of the Central Bank to monitor the Bureau de change business’s compliance with its obligations under the Authorisation Requirements and Standards. <p>An operational function is considered important if a defect or failure in its performance would materially impair—</p> <ol style="list-style-type: none"> a) the continuing compliance of a Bureau de change business concerned with the requirements of its authorisation or its other obligations under the Act; b) its financial performance; or c) the soundness or continuity of its Bureau de change services. <p>While the Central Bank does not require the applicant to submit copies of Service Level Agreements with outsourced service providers as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
4.9	No additional notes
4.10	<p>When describing the functionality of an applicant’s key I.T. systems, the applicant should also provide screen shots/sample reports in its application submission in order to assist the Central Bank’s understanding in this regard.</p> <p>If the applicant has outsourced its I.T. software development/maintenance/hosting, it is required to provide any information requested in 4.8 of the Application Form in respect of the outsourced activity.</p> <p>While the Central Bank does not require the applicant to submit its actual policies and procedures to comply with the Guidelines on the Security of Internet Payments as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
4.11	<p>The applicant should have appropriate resources in place to implement and manage a compliance programme to ensure it is compliant with all relevant legislative and regulatory obligations.</p> <p>The applicant must demonstrate that it is aware of the compliance universe that applies to its business. The applicant should demonstrate that it is aware of and understands all applicable legislative and regulatory requirements that it is subject to and with which it must comply.</p> <p>While the Central Bank does not require the applicant to submit its actual Compliance Manual or related policies and procedures documents as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
4.12	The Central Bank requires authorised Bureaux de Change Businesses to actively

	<p>manage/monitor the risks to which they are exposed. This is typically done by way of a risk management process and periodic consideration of a risk register.</p> <p>While the Central Bank does not require the applicant to submit its actual Risk Management Manual or related policies and procedures documents as part of the application submission, this documentation must be made available to the Central Bank upon request if and when the applicant is authorised.</p>
4.13	<p>Where an applicant proposes to have an Internal Audit function, it is required to:</p> <ul style="list-style-type: none"> • Demonstrate how the audit function is independent from the operational activities of the applicant; and • Provide an overview of the internal audit team and its experience. <p>The overview of the applicant’s internal audit plan should demonstrate to the Central Bank that:</p> <ul style="list-style-type: none"> • It is being set on a risk based approach; • It should provide an overview of the plan’s scope, objective and activities to be undertaken; and • It should outline the resources that are required to implement the internal audit plan and the reporting lines up to and including the Board level of the internal audit function. <p>If the applicant has outsourced its internal audit function, it is required to provide any information requested under 3.10 of the Application Form in respect of the outsourced activity.</p>
4.14	No additional notes.
4.15	A Bureau de Change Business is required to maintain a designated bank account(s) for its Bureau de Change Business which must be kept separate from any monies relating to other activities. Details of all such bank and/or building society accounts and any other accounts of the business should be identified.
4.16	<p>Applicants are required to demonstrate to the Central Bank that they have robust policies and procedures in place to ensure compliance with the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended by Part 2 of the Criminal Justice Act 2013 (CJA). Applicants must also be in a position to demonstrate compliance with these documented procedures during any follow up visit/inspection or questioning by the Central Bank.</p> <p>An applicant should also be aware of the publication on the Department of Finance website of Financial Services Industry Guidelines (“the Guidelines”) which were prepared by a committee representing various sectors of the financial services industry. It should be noted however that whilst the Central Bank will have regard to these Guidelines in assessing compliance by designated persons with the CJA, the Guidelines do not constitute secondary legislation and designated persons must always refer directly to the CJA when ascertaining their statutory obligations. The Guidelines are subordinate to the CJA.</p> <p>Bureaux de Change Businesses must ensure that they are in a position to demonstrate to the Central Bank that they will meet the requirements as specified in the CJA on an on-going basis.</p>

The following are the key requirements that have to be met on an on-going basis, where relevant, in relation to Anti-Money Laundering and Counter Terrorist Financing. It should be noted that this does not constitute a complete list of the requirements to be met in relation to Anti-Money Laundering and Counter Terrorist Financing.

1. Policies and Procedures

The applicant should provide documentation which identifies how it proposes to comply with each of the key requirements with regard to the CJA and Regulation (EC) No 1781/2006. The applicant should adopt policies and procedures to prevent money laundering and terrorist financing that should address sections 2-7 below, and include the following:

- a) How the applicant proposes to prevent and detect the commission of money laundering or terrorist financing;
- b) The applicant's processes for the assessment and management of risks related to money laundering or terrorist financing;
- c) The internal controls related to the reporting of suspicious and relevant transactions, and the prevention of transactions that facilitate anonymity; and
- d) The monitoring and management of compliance with, and the internal communication of, policies and procedures, including the specific individuals responsible for the management of each specific area.

2. Customer Due Diligence

The applicant should clearly identify how it will complete due diligence of customers and beneficial owners, including;

- a) What documentation is acceptable to the applicant and how the applicant will determine the veracity of documents and information submitted to verify the identity of customers or beneficial owners;
- b) When the applicant considers a business relationship to have begun and what information the applicant obtains in order to ascertain the purpose and nature of the business relationship;
- c) How the applicant identifies occasional transactions;
- d) The grounds, on the basis of the applicable risk characteristics (e.g. customer, product, amount and source of funds), the applicant considers as reasonable to believe that there is a real risk of money laundering or terrorist financing, and the due diligence completed in identified scenarios;
- e) The circumstances in which the applicant will conduct enhanced due diligence and the specific additional due diligence measures that are undertaken when the applicant conducts enhanced due diligence. The applicant should also address whether it proposes to accept non face to face customers and how the applicant identifies politically exposed persons;
- f) The practice for receiving the appropriate approval with regard to politically exposed persons and the scrutiny of source of funds and wealth; and
- g) The method and documentation used to evidence the application of simplified due diligence.

3. On-going Monitoring

	<p>The applicant should clearly identify:</p> <ul style="list-style-type: none">a) How it will monitor dealings with a customer with whom it has a business relationship;b) What criteria the applicant will use to determine when to scrutinise transactions and the source of funds and wealth of a customer;c) How it will, in practice (e.g. systems, schedules and assessment criteria), assess these transactions with the applicant's knowledge of the customer and the customers' business and pattern of transactions;d) How it will identify and scrutinise what it considers complex or large transactions, unusual patterns of transactions that have no apparent economic or visible lawful purpose and any other activity that the applicant has reasonable grounds to consider may be money laundering or terrorist financing; ande) The measures proposed to be taken to prevent the use, for money laundering or terrorist financing, of transactions or products that could favour or facilitate anonymity. <p><u>4. Reliance on a Relevant Third Party</u></p> <p>Where the applicant intends to rely on a relevant third party to complete customer due diligence it should:</p> <ul style="list-style-type: none">a) Describe how the relevant third party meets the definition of a third party upon which reliance can be taken;b) Provide evidence of the arrangement in place regarding the proposed reliance;c) Describe the applicant's arrangement, including the mechanisms for the relevant third party to forward, as soon as practicable after a request from the applicant, any documents obtained by the relevant third party relating to the reliance placed on it; andd) Include detail of the oversight of this reliance and the individual responsible within the applicant. <p>It should be noted that the applicant can only rely on a relevant third party for customer due diligence. The applicant cannot rely on a relevant third party to fulfil any of the applicant's on-going monitoring requirements.</p> <p><u>5. Suspicious Transactions Reporting/Tipping Off</u></p> <p>The applicant should have documented procedures for the internal and external reporting of suspicious transactions which clearly describe the following:</p> <ul style="list-style-type: none">a) What transaction characteristics the applicant considers to be suspicious or connected with a place designated under section 32 of the CJA ;b) The applicant's designated Money Laundering Reporting Officer;c) The process for acquiring knowledge or forming a suspicion, or acquiring reasonable grounds to suspect, that a customer or beneficial owner has been or is engaged in money laundering or terrorist financing and the practices to scrutinise the information in the course of reasonable business practice in advance of acquiring reasonable grounds to know or suspect that another person is engaged in money laundering or terrorist financing, including the internal decision-making process for making reports; andd) The controls the applicant proposes to implement to prevent tipping off.
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	<p>6. <u>Record Keeping</u> The applicant should outline:</p> <p>a) How and where it will maintain relevant documentation relating to customer due diligence and the history of services and transactions carried out in relation to each customer in the State for a period of not less than 5 years.</p> <p>7. <u>Training</u> The applicant should outline:</p> <p>a) The proposed training plans, including the proposed content and relevance to particular staff, for all staff types and directors, demonstrating the appropriate instruction on the law relating to money laundering and terrorist financing; and</p> <p>How training is provided on an on-going basis to identify transactions or other activity that may be related to money laundering or terrorist financing and how to proceed once such a transaction or activity is identified.</p>
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Section 5: Directors and Managers

5.1	<p>Fitness & Probity Requirements/Individual Questionnaires</p> <p>Applicants are responsible for ensuring that staff performing pre-approval controlled functions/controlled functions meet the Fitness and Probity Standards (the Standards) both on appointment to such functions and on an on-going basis. These Standards can be found at the following link.</p> <p>Specifically, a Bureau de Change Business must not permit a person to perform a pre-approval controlled function or controlled function unless it is satisfied on reasonable grounds that the person complies with the Standards and has obtained confirmation that the person has agreed to abide by the Standards. Applicants must also ensure that the Central Bank has approved each respective individual to their proposed pre-approval controlled role prior to them undertaking that position. The Central Bank will not grant an authorisation to an applicant to operate as a Bureau de Change Business unless the applicant satisfies the Central Bank as to the fitness and probity of each person proposed to hold a pre-approval controlled function (i.e. directors, relevant senior management etc.) in the applicant.</p> <p>Applicants are required to complete an online Individual Questionnaire (IQ) for each relevant individual who proposes to perform a pre-approval controlled function. The list of pre-approval controlled functions is attached here. IQs must be endorsed by the applicant and submitted for approval to the Central Bank. The applicant will be required to identify a System Administrator within the applicant who shall then be provided with, logon details to the Central Bank’s Online Reporting System (ONR) and the required access to set up relevant staff on the system, to complete the necessary IQs.</p> <p>Whilst it is the applicant that is provided with access to the online portal in which</p>
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	<p>IQs are to be completed, it is required that each proposed pre-approval controlled function holder will complete their own IQ under the access permissions granted by the applicant. Persons completing an IQ should be open and honest and provide all the information requested in the IQ. Such persons should also provide any information subsequently requested by the Central Bank in respect of their IQ in a timely manner.</p> <p>The Central Bank will provide the applicant with logon details to the ONR to facilitate the submission of IQs when it has completed a key information check of the application submission and determined that all the required information has been submitted by the applicant.</p> <p>It should also be noted that the Central Bank’s Regulatory Transactions Division (RTD) is responsible for reviewing/processing IQs that are submitted. This review takes place in tandem with the review of the application for authorisation which is undertaken by the Consumer Protection Directorate.</p> <p>Applicants should be aware that the Central Bank might request an interview with a proposed PCF holder to discuss the applicant’s proposed services further and to ascertain whether he/she fully understands the applicant’s regulatory obligations</p>
5.2	<p>Where the applicant has a committee/sub-committee in place, the objective of and the modus operandi of the committee must be disclosed in the Business Plan, e.g. the purpose of having the committee in place and whether decisions are to be unanimously or majority reached etc. Disclose also the composition/membership of the committee and frequency of meetings thereof. The reporting line that the committees are subject to should also be outlined.</p>

Section 6: Shareholders/Members & Qualifying Shareholders

6.	<p>Applicants must ‘look through’ the proposed direct shareholder in the applicant and each subsequent indirect shareholder to identify both the intermediate and ultimate legal and beneficial shareholders including those who are in a position to control or influence the applicant.</p> <p>All of the information as set out in Appendix 1 of the Application Form is required to be submitted to the Central Bank in respect of each of the applicant’s direct and indirect qualifying shareholders.</p> <p>Proposed complex structures will only be approved where the Central Bank is satisfied that the ultimate registered/beneficial shareholders have been identified and that the structure does not prevent the effective supervision of the applicant.</p>
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Section 7: Other

7.1	No additional notes.
7.2	No additional notes.
7.3	Applicants should review section 5 of the Authorisation Requirements and Standards for Bureaux de Change Businesses for further guidance.
7.4	Applicants should review section 7 of the Authorisation Requirements and Standards for Bureaux de Change Businesses for further guidance.
7.5	Under section 149A of the Consumer Credit Act, 1995 (as amended), a Bureau de Change is required to notify the Central Bank and obtain approval to impose charges or change its charging structure. Such approval is required in advance of the commencement of Bureau de Change services. Further details can be found at the following link .

Section 8: Regulatory Background

8.	The applicant must state, to the best of its knowledge, whether it has ever been subject to those actions/circumstances listed under this section. In any case where the answer is 'yes', full details must be given on a separate sheet with reference to the appropriate question and this sheet must be submitted with the application.
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Section 9: Declaration

9.	All applicants are required to complete the declaration. For incorporated applicants at least two directors must sign the declaration to the Application Form. In the case of a partnership application a minimum of two partners must sign this declaration, whilst in the case of a sole trader application, a single signature is required. Please note that only original signatures will suffice.
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5. Application Processing

The completed Application Form, along with all relevant accompanying material, should be submitted in both soft and hard copy format to the Central Bank. The paper copy should be sent to *BDC Authorisations Team, Consumer Protection: Policy & Authorisations, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2.*

The electronic version can be included with the paper copy or be sent to BDCAuthorisations@centralbank.ie The various key stages of the application process are as follows:

Stage 1 - Acknowledgement

The Central Bank will acknowledge receipt of an Application for Authorisation as a Bureau de Change Business submitted by the applicant within **3 working days** of receipt.

Stage 2 - Key Information Check

The Central Bank will then carry out a review to ensure that the application material submitted contains all the key information and documentation required to proceed to the submission of IQs and the Garda Vetting Form. Within **10 working days** of receipt of the application, the Central Bank will either:

- I. Advise the applicant that the application contains sufficient material to proceed to the submission of IQs and the Garda Vetting Form; or
- II. Advise the applicant that the application does not contain sufficient material to proceed to the submission of IQs and the Garda Vetting Form and so is not being progressed to that phase. A statement of the omitted information is also provided to assist the applicant should it wish to submit another application in the future. Any subsequent application will be considered a new application and the application process commences again.

Stage 3 – Submission of IQs and Garda Vetting Form

Where sufficient information has been received, as outlined in Stage 2(I) above, the application will proceed to the submission of IQs and the Garda Vetting Form (it should be noted that a Garda Vetting Form is required where the applicant is a Sole Trader or a company with a single director). Log-on details to the ONR will be issued to the applicant and the applicant will be required to complete and submit all required IQs and the Garda Vetting Form.

Applicants are advised that the application will progress to the assessment phase once all required IQs and the Garda Vetting Form have been submitted and are deemed to contain all the key information and documentation required.

The applicant will then have **20 days** to submit all IQs and the Garda Vetting Form. If all required IQs and the Garda Vetting Form are not submitted within **20 days** the application will be deemed dormant and withdrawn and will be returned to the applicant. Any subsequent application will be considered a new application and the application process commences again at Stage 1.

Stage 4 - Assessment Phase

Where an application submission, all relevant IQs and the Garda Vetting Form have been received and have been deemed to contain all the key information and documentation required, as outlined in Stages 2(l) and 3 above, the Central Bank will then proceed to the assessment phase of the application process. In the assessment phase, the application material submitted will be reviewed against the relevant AR&S to determine whether sufficient information has been provided to enable the Central Bank to issue a 'Notification of Assessment' letter as referred to in Stage 5 below.. The Central Bank will issue initial comments to the applicant based on its review of the application material submitted and any subsequent comments based on its review of responses submitted by the applicant. The Central Bank has published service standards (see below) in respect of the processing of applications for authorisation and in the context of meeting those standards the service standard timeframe to which the Central Bank has committed for the assessment phase of the application process is **90 working days**. However, it should be noted that in the event of further and/or subsequent information being sought, this 90 day 'clock' is paused until such information is received by the Central Bank from the applicant.

In the event of the applicant falling to respond to a request from the Central Bank for further and/or subsequent information, after **20 working days** the application may not be considered further by the Central Bank (see Guidance Note).

Stage 5 – Notification of Assessment

The Central Bank will notify the applicant of the outcome of the Assessment Phase of the application process as follows:

- a) Where the assessment is favourable, the Central Bank will notify the applicant by letter that it proposes to authorise the applicant on the basis of the information provided in its application submission, provided any specified final steps are taken and/or any specified final items of information and evidence are received. This letter will also specify any specific conditions the Central Bank proposes to impose on the authorisation itself once granted. This letter will explain the reasons for these proposed conditions and the applicant will be afforded the opportunity to make representations in respect of the proposed conditions before the Central Bank makes any decision on the application.

- b) In the event that the Central Bank is not satisfied on foot of the Assessment Phase such that it can issue a Notification of Assessment letter under (a) above, the Central Bank will advise the applicant of this by letter. The letter will set out the areas to be addressed and afford the applicant the opportunity to do so and to make any submissions it wishes to the Central Bank in respect of these matters.

Stage 6 – Notification of Decision in respect of the Application

Once the Central Bank has assessed any further information/evidence/representations submitted by the applicant following on from Stage 5 above, the Central Bank will notify the applicant, via letter, of its decision on the application as follows:

- a) **Authorisation with Specific Conditions** – The Central Bank has decided to grant an authorisation with specific conditions attached to the authorisation. The specific conditions to be attached to the authorisation will be outlined in the letter.
- b) **Proposed Refusal of Authorisation** – The Central Bank is minded to refuse the application for authorisation. In accordance with the applicable legislation, the Central Bank will notify the applicant of the grounds for the proposed refusal of the authorisation. The applicant will then have an opportunity to make submissions in response to the proposed refusal. These submissions will then be considered by the Central Bank following which a decision will be taken by the Central Bank to grant or refuse the authorisation applied for, as appropriate. Details of the Central Bank's process for the refusal of an application for authorisation are available [here](#).

If the applicant has any queries in respect of the application process it can contact the Central Bank at bdcauthorisations@centralbank.ie or use the contact form available [here](#).

6. Post Authorisation

The Central Bank requires that a proven track record in accordance with the original application (including the Business Plan and Programme of Operations) is displayed before a newly authorised Bureau de Change Business can amend/expand its business lines. Therefore applicants should ensure that the Business Plan and Programme of Operations are as complete as possible to cover activities that are proposed to be undertaken in the first twelve months post authorisation.

Bureaux de Change Businesses should monitor and on a regular basis, evaluate the adequacy and effectiveness of the policies and procedures, systems, internal control mechanisms and arrangements in place (ensuring that they are kept up to date) and take appropriate measures to address any deficiencies.

Procedures and policies should be kept up to date and be made available to the Central Bank, for review, upon request.

Consumer Protection: Policy & Authorisations
Central Bank of Ireland
June 2016

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Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem