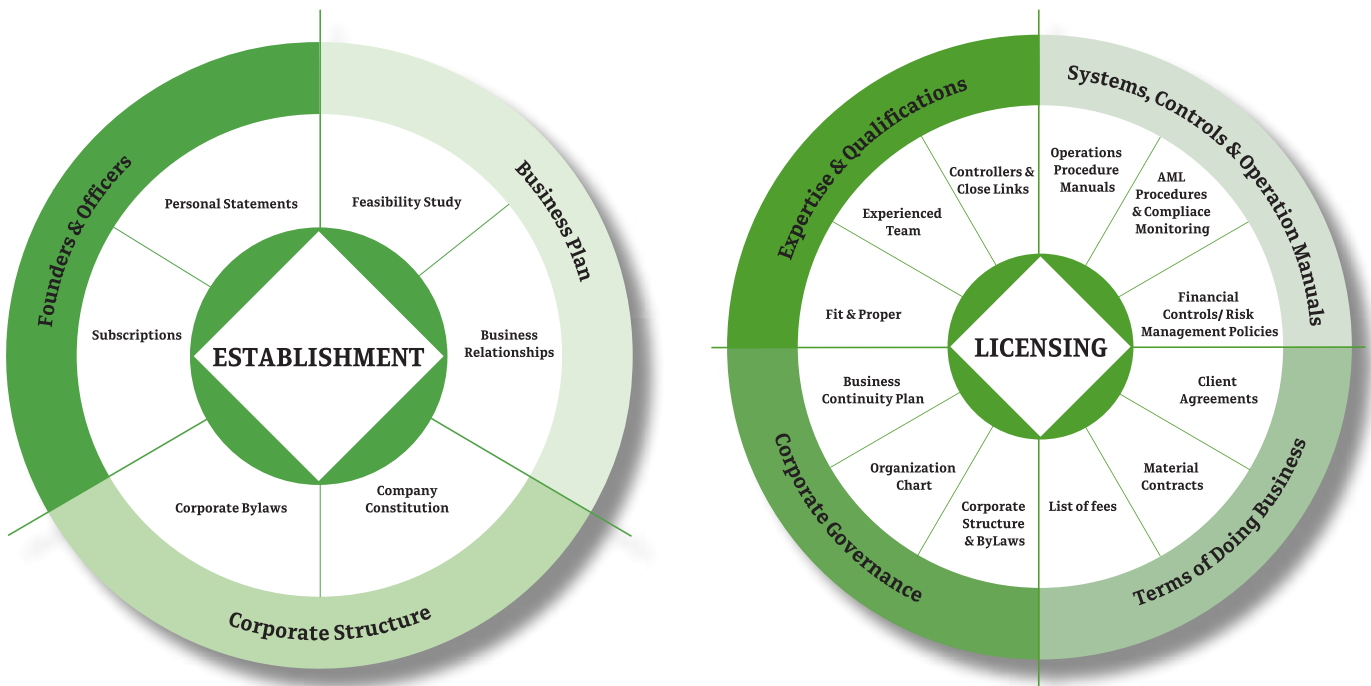




هيئة الأسواق المالية  
CAPITAL MARKETS AUTHORITY  
LEBANON



**CHECKLIST FOR ESTABLISHING AND LICENSING  
A FINANCIAL INTERMEDIATION INSTITUTION**



The Licensing & Registration Regulation Series 2000 is the official reference that set out in detail the requirements for establishment and licensing of a Financial Intermediation Institution with the Capital Markets Authority (CMA).

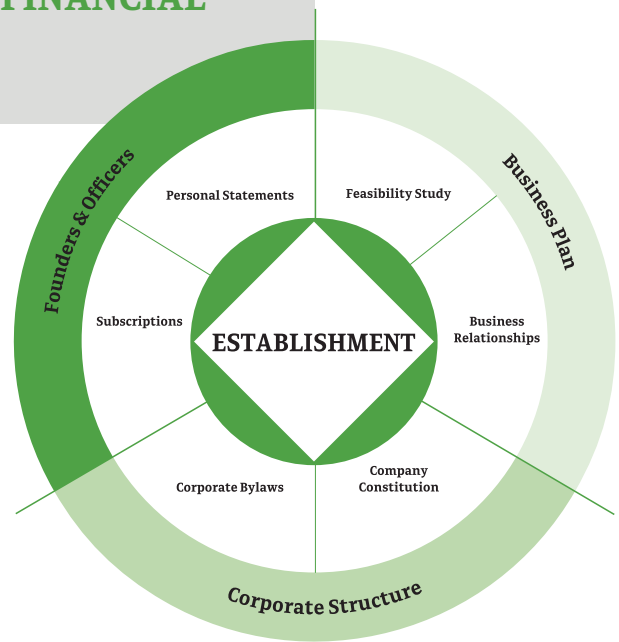
This checklist aims to make the process of establishing and licensing of Financial Intermediation Institutions in Lebanon an easy and straightforward task for applicants.

Follow these simple guidelines for a quick overview of requirements set by the CMA.

Disclaimer: This pamphlet is by no means a replacement for the requirements as set by the Capital Markets Authority regulations to establish and license a financial intermediation institution in Lebanon. This pamphlet should be regarded as merely a non-exhaustive summary that aims to deliver highlights of the required paperwork to be submitted to the CMA by parties wishing to carry out securities business in Lebanon. Any licensing application filed with the CMA should be strictly adherent to the requirements set forth in the Licensing & Registration Regulation Series 2000.

# I

## CHECKLIST FOR ESTABLISHING A FINANCIAL INTERMEDIATION INSTITUTION



To establish a Financial Intermediation Institution in Lebanon, an applicant is required to submit to the CMA the following documents below in addition to the requirements specified to carry out Securities Business as mentioned in section II of this document.

### Founders and Officers

Document certifying the identity of the founders, shareholders and senior management.

### Subscriptions

A statement listing the percentage of participation of all subscribers in the capital of the company.

### Personal Statements

Signed by each person listed as a founder or officer. Statement should include Curriculum vitae, and a precise evaluation of their net worth.

### Business Relationships

Statement listing existing relationships with other financial institutions, broker-dealer or financial entity in Lebanon or abroad.

### Company Constitution

Final or draft copies of the company's articles of incorporation constitution and by-laws.

### Feasibility Study

A three-year economic feasibility study showing in detail the Company's financing sources, initial capital investments and start-up costs, projected annual revenues and profits and losses, projected annual expenses and cash flow.

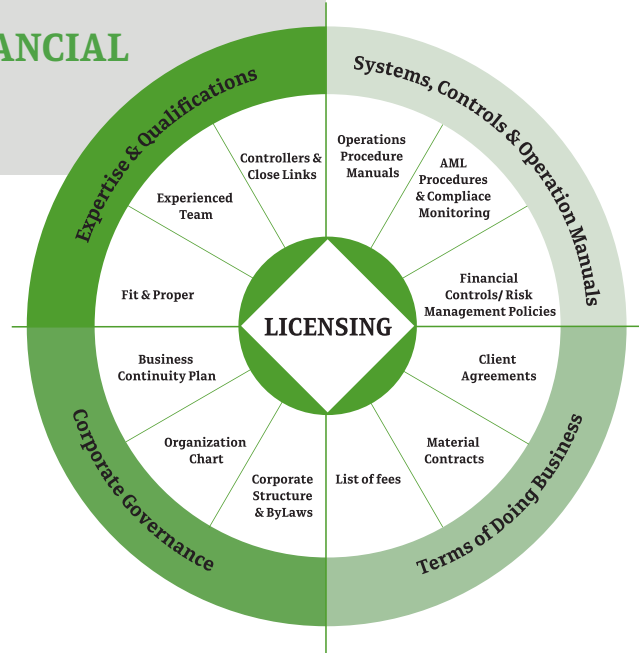
Refer to Annex 2 of Series 2000



Being 'fit and proper' to carry on Securities business activities is an important requirement for licensing and approval with the Capital Markets Authority.

# II

## CHECKLIST FOR LICENSING A FINANCIAL INTERMEDIATION INSTITUTION



### An application for license to carry out securities business

**01**

Must be made in the form prescribed by the Authority.

**02**

Must include information and documents required in Annex 1 of the Licensing & Registration Regulation Series 2000.

**03**

Must be completed with the payment of the fees prescribed by the Authority.

### An Applicant must demonstrate to the Authority that



it is a fit and proper person to carry on each type of securities business that it seeks approval for.



it has sufficient expertise, experience and resources, including human, financial and technological resources, to carry on that securities business in accordance with the Regulations.



it has established sufficient systems, policies and procedures covering corporate governance, finance, risk management, compliance, operations and controls to enable it to meet and comply with its business and regulatory obligations for the kind of securities business that it proposes to carry on.



its directors, senior management, employees and agents who will be involved in the applicant's securities business have the necessary qualifications, skills, experience and integrity to enable it to carry on the kind of securities business that it proposes to carry on.

# APPLICATION OVERVIEW

## General Information

Refer to Annex 1 of Series 2000

### Business Plan

A detailed Business plan for the securities business covered by the application.

### Board of Directors Resolution

A resolution of the company's board of directors or equivalent governing body approving the application and its contents.

### Securities Business Profile

License categories and type of financial instruments and services under each category of License

### Application Form

Refer to Annex 1 of the Licensing & Registration Regulation Series 2000.

### Financial Statement

Prepared and certified by the company's auditors, showing applicants current and projected financial position.

### Applicant Declaration

Refer to Annex 1 of the Licensing & Registration Regulation Series 2000.



### Controllers

List of all controllers of the applicant<sup>1</sup>



### Close Links

List of all persons that have close links with the applicant



### Registered Persons

A list persons who are to be a registered person and application forms for their registration

## Systems and Controls Documentation



Financial controls policies and procedures



Compliance monitoring program and manual



Risk management policies and systems



Code of conduct for all employees



Anti-money laundering and anti-terrorism financing program and procedures

<sup>1</sup> A controller is a person who holds, directly or indirectly, 25% or more of the voting rights in a company, or who has the right to appoint 25% or more of the members of the governing body.



## Operations Manual

Operations procedures manual settings out the procedures and systems to be employed for all material business and administrative operations at the level of the company:

- ✓ Opening and administration of Client accounts
- ✓ Reporting and providing suitable advice and services to clients
- ✓ Processing and recording of orders, executions, settlement and confirmation of trades
- ✓ Handling and custody of client money and assets
- ✓ Recordkeeping



## Doing Business

### Terms of Business

The proposed terms of business in client agreements

### Fees

List of proposed fees payable by clients

### Material Contracts

A copy of agreements, arrangements and understandings with third parties to provide any material services



## Corporate Governance

Incorporation Documents

Corporate Structure

Organization Chart

Business Continuity plan

## REQUIRED CAPITAL FOR LICENSING

TYPE	REQUIRED CAPITAL
ADVISING	150 Million LBP
ARRANGING	300 Million LBP
DEALING	600 Million LBP / 1.5 Billion LBP
MANAGING	3 Billion LBP
CUSTODY	6 Billion LBP


**The Capital Markets Authority considers the complete application to license a financial intermediation institution and decides to:**

- Approve it in whole or in part; or
- Approve it subject to conditions and limitations; or
- Reject it

**For application follow-ups, please email the CMA at:**  
[eosg@cma.gov.lb](mailto:eosg@cma.gov.lb) or [info@cma.gov.lb](mailto:info@cma.gov.lb)

**All files must be submitted in three hard copies and delivered to**

 General Secretariat  
Capital Markets Authority  
Rome Street, Hamra

 +961 1 735 500  
P.O. Box 5358

**An applicant for license will be subject to the Regulations from the date of submission of its application.**