

PLEASE ADDRESS CORRESPONDENCE  
TO THE GOVERNOR



PO Box Private Bag, Apia, Samoa Ph: 685-34100 | Fax: 685-20293/24058 E-mail: [centralbank@cbs.gov.ws](mailto:centralbank@cbs.gov.ws) Web: [www.cbs.gov.ws](http://www.cbs.gov.ws)

#### LICENSING REQUIREMENTS TO CONDUCT FOREIGN EXCHANGE BUSINESS IN SAMOA

At its Meeting on 23 December 2014, the Board of Directors of the Central Bank endorsed the following Requirements for licensing foreign exchange business in Samoa.

## LICENSING REQUIREMENTS TO CONDUCT FOREIGN EXCHANGE BUSINESS IN SAMOA

### a) INTRODUCTION:

The Central Bank of Samoa is the Authority responsible for issuing license to operate a Money Transfer or a Money Changer business in Samoa. This is pursuant to powers stipulated under the Central Bank of Samoa Act 1984, The Financial Institutions Act 1996, The Money Laundering Prevention Act 2007 and Foreign Exchange Control Regulations 1999.

The last review of the licensing requirements to establish a foreign exchange business was issued in 2002 (since the relaxation of Exchange Control in 1999). Hence, the revision of these requirements is essential in order to bring up to date certain criteria(s) in view of recent developments and changes that affect the industry and the financial system as a whole.

### b) LICENSING REQUIREMENTS FOR FOREIGN EXCHANGE BUSINESS:

The following information must be provided to the Central Bank of Sāmoa in applying for a license to operate a Money Transfer or Money Changer business.

1. **Letter** – An application letter on the company's letterhead signed by an authorized person of the company. The letter must be addressed to the " *Governor, Central Bank of Sāmoa, Private Bag, Apia*".
2. **Application Fees (non-refundable)**

Money Transfer Operator/Restricted Foreign Exchange Dealer:	\$500 STA
Money Changer:	\$300 STA
3. **Business Particulars**
  - i) Full particulars of the business to include the type of business and objective.
  - ii) Confirmation of the exact location and registered address of where it proposes to do business.
  - iii) Provide a business plan including organization and management structure.
  - iv) Cash Flow projection for the next three years.
  - v) Earnings and expenses projection for the next three years.
  - vi) Internal Control Policy
  - vii) Anti Money Laundering and Countering the Financing of Terrorist Activity Policy(AML/CFT)
4. **Document of Incorporation**
  - i) Must provide a certified copy of the Certificate of Incorporation of the company registered with the Ministry of Commerce Industry and Labour (MCIL).
  - ii) Must provide a copy of the Memorandum and Article of Association which should have a listing of shareholders of the company.
  - iii) Must provide a copy of the business licence issued by the Ministry for Revenue (MfR)

**5. Shareholders/Directors/Management/Principal Officers requirements**

- i) Must be of good character, financially sound with good knowledge and understanding of Money Transfer or Money Changer businesses.
- ii) Must provide complete profile/curriculum vitae.

**6. Minimum capital requirement by the Central Bank**

- i) Money Transfer Operator \$100,000 STA
- ii) Money Changer \$30,000 STA

**Transitional arrangement:** A transitional period of 12 months shall be in place for those existing licensees that fall short of the minimum capital requirement from the date these requirements come into effect or from the date the license is renewed whichever is the later.

**7. In the case of a foreign applicant/applicant incorporated overseas**

A letter must be provided from the Regulatory Authority in which the company's Parent Company is based. The letter should confirm registration of Parent Company and inform any issues of concern the Central Bank should be aware of and that the Authority has no objection to the foreign applicant establishment in Samoa.

**8. Correspondent Bank**

Provide details and addresses of correspondent banks or other arrangements locally and overseas.

**9. Appointed Auditor**

A letter from the auditor appointed by the company.

**10. Letter of undertaking**

Written undertaking by the directors/shareholders that they will secure any obligations and liabilities to be incurred in the conduct of the business, and the business will comply with the exchange control regulations set out by the Central Bank of Samoa, if licence is granted including any subsequent notice to be issued by the Bank.

**11. Quotation of Exchange Rates**

- i) The Money Transfer Operator and Money Changer must have available and on display the buying and selling exchange rates for each foreign currency, including any other transaction fees and charges at all times during business hours.
- ii) The MTO and Money Changers must have available and issue these rates and charges to clients on demand.

**12. Reporting requirements of Central Bank**

Money Transfer Operator and Money Changers should comply with the reporting requirements in accordance with the Exchange Control Regulation of the Central Bank or any other report the Bank may require.

**13. Annual Licence Fee**

1. Money Transfer Operator/Restricted Foreign Exchange Dealer	\$1500 STA
(i) Branches	\$200 STA
(ii) Agents	\$100 STA

***NB:** i) Branches: refers to outlets that provide full MTO service. i.e you can receive and send funds both locally and internationally.*

*ii) Agents: refers to outlets for receiving/disbursing funds only.*

2. Money Changer	\$700 STA
(i) Branches	\$100 STA

**14. Renewal of Licence**

The following information must be provided:

- Letter - requesting for licence renewal
- Licence fee (refer above)
- Audited copies of the previous year operation.
- Updated list of shareholders, directors and management/principal officers

Every licence issued expires on the 31 of December each year. It is important to make arrangements to renew your licence, no later than the 31 of January each year. A penalty fee of \$50 tala per day will be imposed for late payment.

The Bank is provided with some discretion which can be desirable when handling special situations during the renewal process, to ensure a smooth transition in adopting these requirements.

**15.** These licensing requirements shall come into effect on 1<sup>st</sup> January, 2015.

**16.** These licensing requirements shall be subject to further review from time to time, if necessary, to meet changing conditions.

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