

BANKING LICENCE APPLICATION – CHECKLIST

REPUBLIC OF KIRIBATI



Issued by the:
Kiribati International Financial Authority (KIFA)
Department: **International Licensing & Supervision**



Registrar of Companies – Republic of Kiribati

Pursuant to the Kiribati Financial Institutions Act 2021, as in force from 3 April 2023

Application Type: Checklist

Banking Licence (International / Only Non-Resident)

Purpose of the Checklist

When considering an application for a banking licence, the Kiribati International Financial Authority (KIFA) shall assess, *inter alia*:

- (i) the integrity, reputation and fitness of each shareholder, director, senior officer and manager;
- (ii) the financial capacity of the shareholders to adequately capitalise and support the bank on an ongoing basis; and
- (iii) the banking, financial and managerial experience of the directors, senior officers and managers.

The Applicant is required to satisfactorily address the above criteria as essential preliminary matters. These criteria provide the Authority with reasonable assurance regarding the prospective viability of the bank and its ability to meet the interests of depositors and creditors.

This Checklist is intended to assist Applicants in preparing a complete application. It is not exhaustive, and the Authority reserves the right to request additional information or documentation where necessary.

Required Documentation

The following documents shall be submitted to the Authority as part of a banking licence application:

1. A completed Banking Licence Application Form, in accordance with the Kiribati Financial Institutions Act 2021.
2. A letter from the Applicant's **legal counsel** confirming that they act for the Applicant in connection with the application.
3. A letter from the proposed **external auditor** confirming their consent to act as auditor of the Applicant.
4. Written evidence demonstrating that the Applicant, or a person directly or indirectly connected with the Applicant, possesses substantial and practical experience in **banking or financial services**.
5. A written undertaking confirming that the Applicant shall provide and maintain the minimum paid-up capital required under the Kiribati Financial Institutions Act 2021 prior to the grant of the banking licence and at all times thereafter.
6. Where applicable, **audited annual accounts** of the Applicant's holding company for the preceding **three (3) financial years**, and thereafter on an annual basis, including:
 - consolidated financial statements; and
 - separate financial statements of the proposed bank.

7. Where applicable, a **list of all subsidiary companies** of the Applicant, including the registered addresses of their offices.
8. A **certified copy** of the Applicant's **Articles of Incorporation and By-laws**, verified by affidavit sworn by a director or authorised officer of the Applicant.
9. **References** for Directors, Shareholders and Senior Officers, including:
 - one (1) personal or professional reference; and
 - two (2) banking references for each relevant person.
10. A **statement of assets and liabilities** and a **certified statement of net worth** for each significant shareholder.
11. Where the Applicant is an existing company, **basic financial statements**; and where the Applicant forms part of a group, **audited financial statements for all group entities**.
12. **Where applicable, a list and description of the proposed customers and counterparties, including any restrictions on customer categories or geographic scope..**
13. A **comprehensive business plan**, containing at a minimum:
 - a) the objectives of the proposed bank;
 - b) the proposed customer base and target markets;
 - c) an opening balance sheet and **three (3) year financial projections**, certified by an auditor;
 - d) the proposed management and organisational structure;
 - e) **anti-money laundering (AML)** and **counter-terrorism financing (CTF)** policies and procedures;
 - f) a feasibility study;
 - g) the economic need or market demand the bank intends to address;
 - h) a description of internal systems, risk management and controls; and
 - i) a detailed ownership and group structure, including affiliated companies.
14. Completed **Fit and Proper / Due Diligence Questionnaires** for all Directors, Senior Officers and Shareholders.

Additional Requirements

- All documents shall be submitted **in English**.
- All relevant contracts and agreements shall be **dated and signed** by the Directors of the Applicant.
- Original documents or **certified true copies** may be required by the Authority.

Important Notice

Failure to disclose relevant information, or the submission of false, misleading or inaccurate information at any stage of the application process, may result in:

- significant delay in the authorisation process;
- refusal of the application; and
- questions being raised regarding the Applicant's suitability to hold a banking licence.

Indicative Timeframe

Subject to the timely receipt of all required information and documentation, the processing of a complete banking licence application may take up to one hundred and twenty (120) days, in accordance with the Kiribati Financial Institutions Act 2021. The Authority reserves the right to request additional information, which may extend the assessment period.