



Fitness & Propriety

Responses to your FAQs

1. Who is a relevant person for the purposes of the Commission's Fitness & Propriety Guideline?

Depending on the context of its usage in the Guideline, a relevant person may refer to:

- a) The financial institution itself.
- b) Persons related to that financial institution who are required to be fit and proper, for example, significant shareholders, directors, or senior officers, or
- c) Persons registered, licensed, or otherwise regulated by the Commission under the relevant legislation, for example, investment advisers or insurance brokers.

All of the above categories of persons, whether individuals or corporate bodies, are required to maintain compliance with the Guideline.

2. How often should fitness & propriety assessments take place?

Financial institutions are required to conduct their own fitness and propriety assessments annually in accordance with their Fitness & Propriety Policy.

However, the Commission will conduct fitness and propriety assessments:

- a) Upon application for initial registration or licensing;
- b) Upon application for acquisition of a significant interest in a financial institution;
- c) Whenever there is a material change in the circumstances of relevant persons previously deemed fit and proper and
- d) Routinely for all relevant persons once every 3 years.

3. What must be contained in the affidavit in lieu of a police certificate of character?

The affidavit should be completed by the subject of the fit and proper exercise and should contain the following information:

- a) Full name and address of the individual.
- b) Confirmation that a police certificate of character or its equivalent is not provided by the authorities in the jurisdiction in which they reside.
- c) Sworn statement or affirmation that the individual has not been convicted of any criminal offences nor are they the subject of pending unresolved criminal charges.

4. What is the form of a material change notice?

Please refer to the Commission's Material Changes Guideline slated for publication. Where the material change affects information given on a previously submitted Fitness & Propriety Questionnaire, the relevant person must update and re-submit the questionnaire to the Commission.

5. What is the required extent of disclosure?

Please be guided by the Commission's Material Changes Guideline. If there is any doubt regarding the extent of disclosure, disclose as much as possible even if it may not seem to be relevant. The Commission expects that relevant persons will be candid when providing information in matters that concern fitness and propriety.

6. Do individuals who are relevant persons in more than one capacity required to submit multiple Fitness & Propriety Questionnaires?

If you are the director, senior officer or shareholder of more than one financial institution then only **ONE** questionnaire is required. The questionnaire should be accompanied by a cover letter which states the full name of each entity and the corresponding capacity.

7. How does the Fit & Proper Guideline apply to mutual funds and fund administrators?

In respect of mutual funds, reference to shareholders and Ultimate Beneficial Owners generally means the holders of the management shares of the fund i.e., not fund-holders.

Where the management shares are held by a company, fit and proper documentation must be submitted in respect of the company and individuals who are directors or who carry out a similar role, senior officers, shareholders and Ultimate Beneficial Owners of the company.

Directors of mutual funds are required to submit fit and proper documentation.

8. Am I required to re-submit fit & proper documentation when applying to be registered or licensed in a new category or when appointed to another financial institution?

A relevant person who has been previously assessed and, thereafter, applies for registration or a license in a new category or becomes a shareholder, director, or another senior officer of a financial institution will not generally be required to complete a new questionnaire. In such cases, the Commission must only be notified of any material changes in the previously submitted information. An updated questionnaire will be required if the material change affects the information submitted via the fit and proper questionnaire.

9. How does the Fit & Proper Guideline apply to Reporting Issuers?

Fit and proper documentation must be submitted for a reporting issuer with a majority shareholder, i.e., an individual or entity holding 50% or more of its outstanding shares. Where there is no majority shareholder, fit and proper documentation is required for all shareholders who hold 10% or more of the issuer's shares.

10. How are the necessary fit & proper documents certified?

Documents certified by any of the below persons in Barbados or their counterparts in another jurisdiction will be accepted:

- a) Notary Public
- b) Senior Public Servant
- c) Member of the Judiciary
- d) Magistrate
- e) Attorney-at-Law with a valid practicing certificate
- f) Accountant who is a member of a national professional association
- g) Senior banking officer who is at least at management level
- h) Senior officer of a Consulate/Embassy/High Commission of the country issuing the passport

Senior Public Servant in Barbados includes:

- i) Registrar/Deputy Registrar - Corporate Affairs and Intellectual Property Office
- ii) Registrar/Deputy Registrar – Supreme Court
- iii) Registrar/Deputy Registrar – Land Registry
- iv) Chief Personnel Officer – Personnel Administration Division
- v) Permanent Secretary – Ministry of Home Affairs
- vi) Permanent Secretary – Chief of Protocol, Ministry of Foreign Affairs
- vii) Chief/Deputy Chief Immigration Officer
- viii) Private Secretary to the Governor General

- ix) Commission/Deputy Commissioner/Assistant Commissioner/Senior Superintendent of Police
- x) Superintendent/Assistant Superintendent of Prisons

11. Who qualifies as a Senior Officer?

Senior officers are individuals who have control and/or management of a financial institution, as well as those who discharge certain responsibilities on behalf of the institution, and include (though not limited to) the following:

- a) President
 - Vice-President
 - Chief Executive Officer
 - Deputy Chief Executive Officer
 - General Manager
 - Deputy general manager
 - Financial controller
 - Chief Financial Officer

Any other individual who performs functions similar to those normally performed by an individual occupying any such office, by whatever name called.

- b) Principal representative (in respect of Insurance Companies)

- c) Any other person empowered under the regulations or by-laws to give directions respecting the business of a registered society (in respect of Credit Unions)
- d) Persons required to be registered to carry on business or hold themselves out as carrying on business in a category which requires registration, on behalf of a financial institution.