**NATIONAL REGIME INVESTMENT FIRMS LICENCE APPLICATION FORM**

**Pursuant to Section 2 of the Market Access for Financial Undertakings (Financial Supervision Act) Decree (BMfo), this form must be used for licence applications as referred to in Sections 2:96 and 2:99 of the Financial Supervision Act (Wft) exclusively in connection with Section 11, fourth subsection, of the Exemption Regulation under the Financial Supervision Act.**

**NOTE:**

1. You must only use this form if you will be providing investment services in the Netherlands as referred to in part a or d of the definition of the provision of an investment service included in Section 1:1 Wft with respect to units in a collective investment company or UCITS. Furthermore, you must not hold funds or securities that belong to your clients.
2. You must not use this form if you hold or are applying for a licence for providing advice with respect to/acting as an intermediary with respect to life insurance or mortgage loans. If this is the case, you may indicate in the licence application submitted as financial service provider that you also wish to provide advice and/or pass on orders in units in collective investment companies or UCITS.
3. You must not use this form either if you wish to use the licence to provide services for foreign clients; the licence is limited to activities in the Netherlands. If this is the case, you are required to send in an investment firm licence application form. We should point out to you that this concerns a more complex licence and that it involves higher costs.

**1. User manual**

1. In order to submit a licence application, the applicant must use the licence application form established by the Dutch Authority for the Financial Markets (AFM) and the mandatory appendices to this form.
2. You must complete and save the application form and the annex (with appendices) and then upload it with your application.
3. The applicant may include additional information in a separate appendix if the space for providing information is not big enough.
4. The licence applicant is due to pay a fee to the AFM. The AFM will send the applicant an invoice as soon as the licence application form has been received.
5. The AFM will not process a licence application unless the licence application form, including all appendices, has been completed fully and in a legally valid manner on behalf of the applicant.
6. The applicant must answer all questions based on the information available. If the information is not available, a question does not apply or the answer is unknown, such must be indicated on the form. No question may be skipped.
7. A completed and signed “Prospective appointment registration form” and, if applicable, a completed and signed “Integrity screening form (Co-)policymakers in the financial sector”, with respect to the persons to be assessed must be sent in. These forms can be found at the same web location as this form. For more information about the suitability assessment and the reliability check, see the explanation on the AFM website.

The AFM is entitled to request additional information and/or documentation needed for the assessment of the licence application.
8. If circumstances as stated in the licence application form should change during the licence application process, the AFM must be informed of this in writing without delay.
9. A brief explanation has been added to this form. The explanation must be consulted before answering the questions. It also indicates what documents you must submit as appendices to the application form. All appendices must be numbered in ascending order. You are required to submit a list of appendices.
10. If you have any questions when completing the licence application form, please call the AFM Business Desk. The telephone number is 0800 - 6800 680.

**2. General details of the investment firm pursuant to Sections 41 and 42 BMfo**

|  |  |  |
| --- | --- | --- |
| 2.1. Name in articles of association |   |  |
| 2.2 Trade name(s) |  |  |
| 2.3 Legal form |  |  |
| 2.4 Registered office  |  |  |
| 2.5 Registration number in Commercial Register |  |  |
| 2.6 Address  |  |  |
| 2.7 Postal code and town or city  |  |  |
| 2.8 Country |  |  |
| 2.9 PO box |  |  |
| 2.10 Postal code of the PO box  |  |  |
| 2.11 Telephone |  |  |
| 2.12 Fax |  |  |
| 2.13 Email address |  |  |
| 2.14 Website |  |  |
| 2.15 AFM debtor number or licence number where applicable |  |  |

|  |  |  |
| --- | --- | --- |
| **Appendix to be submitted with the licence application:** |  | **Added? If not, explain.** |
| 2.16 Details concerning the group to which the investment firm belongs (organisation chart) as evidence that Section 4:13 Wft is satisfied.*(if a legal entity is subject to some form of financial supervision you will be obliged to indicate this)*  |  |  |
| **3. Ethical business activities and a description of the business operations (Section 4:11, second and third subsection, and 4:15, first and second subsection, Wft)**You are required to submit a description of the business operations. It must include in any event, if applicable: (a) a description of the business operations that enable the adviser to comply with the retention obligation related to the provision of advice or (b) in the event he deviates from the retention obligation: the protocol of the advisory process; and c) a description of the manner in which the reliability of the employees and other natural persons who are directly involved in the provision of financial services under the firm’s responsibility is guaranteed; and d) a description of the procedures and measures relating to the handling and recording of incidents.

|  |  |  |
| --- | --- | --- |
| **Appendix/appendices to be added**  |  | **Added? If not, explain.** |
| 3.1 Description of the structure of the business operations of the investment firm |  |  |

 |
| **The AFM requests you to indicate where the following information is included**. |  | **This information is included in the following appendix/appendices (please state the name/names of the appendix/appendices and the relevant page numbers below):** |
| 3.2. An investment firm that distributes financial instruments shall have adequate procedures and measures in place to ensure that the financial instruments meet the needs, characteristics and objectives of the target market and its distribution strategy is appropriate for the relevant target market (Section 35a, first subsection, under e, Exemption Regulations under the Financial Supervision Act (Vr Wft) in conjunction with Sections 32b and 32c of the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (BGfo)).  |  |  |
| 3.3. Telephone conversations and electronic communication with customers concerning the performance of transactions in financial instruments must be recorded and stored for a period of five years. New and existing customers must be informed thereof (Section 35a, first subsection under e Vr Wft in conjunction with Sections 35 and 35.o.a BGfo).

|  |  |  |
| --- | --- | --- |
| 3.4. Where an investment firm delegates activities to a third party, that investment firm shall ensure that such third party complies with the rules applicable to the delegating financial enterprise with regard to those activities (Section 35a, first subsection, under f Vr Wft in conjunction with Section 4:16, first subsection, Wft and Section 37 BGfo). |  |  |

 |  |  |
| 3.5. The investment firm must have a complaints procedure (Section 35a, first subsection under f Vr Wft in conjunction with Section 4:17, first subsection, Wft). |  |  |
| 3.6. The investment firm shall ensure that the information provided or made available by it or on its behalf relating to a financial service or an ancillary service, including advertisements, does not affect the information to be provided or made available pursuant to this act (Section 35a, first subsection, under g Vr Wft in conjunction with Section 4:19 Wft). |  |  |
| 3.7. Prior to the provision of advice, the provision of an investment service and/or the provision of an ancillary service, the investment firm will provide the client with information, and notify it of essential changes to the information, in so far as this is reasonably relevant to an adequate assessment of that service or that product (Section 35a, first subsection under h Vr Wft in conjunction with Section 4:20 and Sections 58, 58a and 68c, first and second subsection, BGfo, as well as Section 35a, first subsection under i Vr Wft in conjunction with Section 4:22 Wft and Sections 51a and 68c third subsection BGfo). |  |  |
| 3.8. A firm that provides investment advice must carry out a **suitability test** with respect to its customer. The adviser must obtain information from the customer concerning its financial position, knowledge, experience, investment objectives and risk acceptance (Section 35a, first subsection under j Vr Wft in conjunction with Section 4:23, first, third and fifth subsections, Wft. |  |  |
| 3.9. A firm that receives and passes on orders must carry out an **appropriateness test**. It must establish whether the investor has sufficient knowledge and experience to understand the risks of the service and the fund (Section 35a, first subsection under I Vr Wft in conjunction with Section 4:24 Wft, first, second, third, fourth, fifth and seventh paragraphs, Wft). |  |  |
| 3.10. An investment firm shall conduct an adequate policy as regards preventing the conflicts of interests referred to in Section 4:88 Wft (Section 35a, first subsection, under m Vr Wft in conjunction with Section 167 BGfo). |  |  |
| 3.11. An investment firm shall create a file for every client that includes documents that set out the mutual rights and obligations of the investment firm and the client (Section 35a, first subsection under n Vr Wft in conjunction with Section 4:89, first and fifth paragraphs Wft). |  |  |
| 3.12. When providing investment services or ancillary services, an investment firm shall look after the interests of clients in an honest, fair and professional manner, act in an honest, fair and professional manner when performing investment activities and refrain from performing acts that are prejudicial to the integrity of the market (Section 35a, first subsection under o Vr Wft in conjunction with Section 4:90 Wft). |  |  |
| 3.13. An investment firm shall adopt procedures and measures with respect to the handling and recording of incidents as referred to in Section 29 BGfo.  |  |  |
| 3.14. An investment firm shall ensure that its employees and other persons as referred to in Section 4:9, third subsection, Wft, are professional and comply with Section 5a BGfo and Sections 2 and 3 of the Professional Competence of Employees of Investment Firms under the Wft Regulation. |  |  |

 **4. Persons to be assessed in investment firms pursuant to Sections 4:9 and 4:10 Wft**

|  |  |  |
| --- | --- | --- |
| 4.1. Who are the day-to-day policymaker(s) within the meaning of Section 4:9, first subsection, Wft? *(state the first name, initial(s), prefix(es), last name and position)* |  |  |
| 4.2 Are there policymakers and supervisors as referred to in Sections 4:9 and 4:10? □ Yes, state the first name, initial(s), prefix(es) and last name and position (e.g. co-policymaker, supervisor).□ No |  |  |

|  |  |  |
| --- | --- | --- |
| **Appendices to be submitted with the licence application:** |  | **Added? If not, explain.** |
| 4.3. The “Prospective appointment registration forms” and, if applicable, the “Integrity screening form”.*(Indicate how many appendices and for which persons)* |  |  |

**5. Type of licence pursuant to Section 1:1, provision of investment services.** Please refer to the explanation for details.

**5.1. The national regime comprises two activities. We ask you to indicate which activities you will be performing.**

* a. providing advice concerning units in collective investment schemes and UCITS;
* b. receiving and passing on orders from clients with respect to units in collective investment schemes and UCITS that are allowed to offer units in the Netherlands and which are allowed to provide services to banks and investment firms that are allowed to render investment services in the Netherlands.

**5.2. You are applying for a licence regarding the national regime. Please indicate what other activities requiring a licence you perform or will be performing?**

* a. none
* b. providing advice or intermediary services concerning an investment object, current account, electronic money, consumer credit, a savings account, funeral insurance with in-kind benefits or non-life insurance;
* c. providing advice or intermediary services relating to life insurance or mortgage loans (*Please note:* *you do not have to apply for a licence regarding the national regime; you have to use the form entitled “Financial services licence expansion” (if you already hold a licence as financial service provider) or the form entitled “Financial services licence application” (if you do not yet hold a licence*);
* d. providing advice or intermediary services with respect to other financial instruments (*Please note: you cannot use the NR; you have to apply for a licence as investment firm using the “Investment firms application form”*);
* e. providing other investment services and/or activities (*Please note: you cannot use the NR; you have to hold a licence as investment firm or apply for one using the “Investment firms application form”*);
* f. other:

|  |
| --- |
| Explanation: |

|  |  |  |
| --- | --- | --- |
| **Appendices to be submitted with the licence application:** |  | **Added? If not, explain.** |
| 5.3. A copy of the policy for the professional liabilityinsurance or a similar facility as referred to in Section 4:75, second and third paragraphs Wft in conjunction with Section 11, third paragraph Exemption Regulations under the Financial Supervision Act. *(A copy of the signed offer is also possible, if you do not yet have the policy).* |  |  |

**6. Checklist**

Tick the documents that are enclosed with your licence application as appendices.

□ Organisation chart of the group to which the investment firm belongs including the names of the day-to-day policymakers, co-policymakers and supervisory directors

* “Prospective appointment registration forms” for the persons to be assessed at the investment firm
* “Integrity screening forms” for the persons to be assessed at the investment firm

□ Description of the business operations of the investment firm

□ A copy of the professional liability insurance policy with respect to providing advice regarding orders in financial instruments and passing them on

The following documents are enclosed in addition to the documents indicated above (please list below):

**7. Signatures**

|  |
| --- |
| The undersigned declare that this application form and the enclosed attachments are truthful and complete.Town/city Date Policymaker's name Policymaker's signaturePolicymaker's name Policymaker's signature At least one of the persons referred to under 4.1. must sign this application form. |

**Explanation**

It is in the interests of both the applicant and the supervisor that applications are correct and complete. The AFM has accordingly supplemented the application form with several annexes giving further details of the requirements that must in any case be addressed in the case of a licence application. You may also engage an adviser who has experience with licence applications. This does not release you from your own obligation to be aware of the requirements that applicants must meet. You will always have to consult the most recent regulations. You are responsible for compliance with the legislation and regulations applicable to you or your firm.

We would ask you to pay attention to the following notes on a number of points.

**Paragraph 3**

Pursuant to Section 4:15 Wft, a firm must structure the business operations in such a manner that these guarantee that their business operates in a controlled and ethical way. A description of the organisation of the business operations of the investment firm must be enclosed with this licence application as an appendix.

**Paragraph 4**

This question checks which persons have to be assessed in connection with their position at the applicant. There are three positions on the basis of which persons must be assessed. This concerns the day-to-day policymakers, supervisors and co-policymakers.

The AFM qualifies only natural persons as persons in charge of day-to-day policy, supervisors and co-policymakers. All these roles may be fulfilled via legal entities, in which case the policymakers (natural persons) of the legal entity are considered to be the persons referred to in Sections 4:9 and/or 4:10 Wft. It may be that a legal entity is director of the above-stated legal entity. Ultimately the underlying natural persons must be stated here.

**Paragraph 5.3**

Pursuant to Section 4:75 Wft, the firm must have professional liability insurance or a similar facility, which covers liability arising from errors, failures or negligence in connection with the investment services referred to in this section. The cover must amount to at least €500,000 per claim and at least €750,000 per year for all claims combined. This may be demonstrated by submitting a copy of the insurance policy. If this policy is not yet available, an offer signed by the firm combined with a provisional confirmation of cover will suffice.