

Brokerage and Investment Management Licence Handbook

1. Introduction & Purpose of the Handbook

This Brokerage & Investment Management Licensing Handbook provides comprehensive guidance for entities seeking authorization to conduct securities brokerage, dealing, portfolio management, and investment advisory activities under the supervision of the Bougainville Offshore Financial Authority (BOFA) (“the Regulator”).

This handbook is intended for:

- Securities and derivatives brokers
- Asset and wealth management firms
- Investment advisers and fund managers
- Fintech and digital investment platforms

The framework aims to ensure market integrity, investor protection, transparency, and alignment with international best practices.

2. License Categories & Scope

The Authority issues the following licenses:

2.1 Brokerage License

Permits the licensee to:

- Execute securities transactions
- Act as broker or dealer
- Provide order routing and trade execution
- Offer custody-related services (if approved)

2.2 Investment Management License

Permits the licensee to:

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- Manage discretionary portfolios
 - Provide investment advisory services
 - Manage collective investment schemes (subject to approval)
 - Conduct asset allocation and risk management services

3. Eligibility Criteria

Applicants must meet the following standards:

3.1 Legal Status

- Must be a legally incorporated entity
- Must maintain a registered office and governance framework

3.2 Ownership & Control

- Full disclosure of shareholders and beneficial owners
- Transparent group and control structure

3.3 Fit & Proper Requirements

- Directors, compliance officers, and key personnel must meet integrity, competence, and financial soundness standards
- Subject to background and suitability assessments

3.4 Financial Capacity

- Adequate capital and operational funding
- Sustainable and compliant business model
- Minimum Capital Required: \$25,000

4. Application & Licensing Process

Step 1: Application Preparation

- Completion of the official Brokerage & Investment Management Application Form
- Compilation of all required documentation

Step 2: Submission

- Submission of completed application and supporting documents

Step 3: Application Fee Payment

- Payment of the non-refundable application fee

Step 4: Regulatory Review

- Review of legal, financial, operational, and compliance materials
- Requests for additional information where necessary

Step 5: Approval & License Issuance

- Issuance of approval
- Payment of annual license fee
- Grant of operating license

5. Fee Structure

5.1 Application Fee

Fee Type	Amount
Application Fee (Non-Refundable)	USD 1,200

5.2 Annual License Fees

License Type	Fee
Brokerage License	USD 20,000 / year
Investment Management License	USD 20,000 / year

6. Late Payment Penalties

Failure to pay annual license fees by the prescribed due date will result in a:

Penalty Type	Amount
Late Payment Penalty	USD 1,500 per month

Persistent non-payment may lead to:

- Suspension of license
- Regulatory enforcement action
- Revocation of authorization

7. Required Documentation

Applicants must submit:

7.1 Corporate & Legal Documents

- Certificate of incorporation
- Constitutional documents
- Certificate of good standing (if available)

7.2 Ownership & Governance

- Shareholding and beneficial ownership structure
- Board and management profiles
- Fit & Proper declarations

7.3 Financial Information

- Audited financial statements (if available)
- Capital adequacy evidence
- 12–36 month financial projections

7.4 Compliance & Operational Framework

- Business plan

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- Compliance manual
 - AML / CFT policy
 - Risk management framework
 - IT and cybersecurity policies

8. Ongoing Compliance Obligations

Licensed entities must:

- Maintain minimum capital requirements
- Submit periodic financial and compliance reports
- Disclose material changes to ownership or management
- Cooperate with audits and inspections

9. Enforcement & Regulatory Powers

The Authority may:

- Conduct inspections and investigations
- Impose administrative sanctions
- Require corrective or remedial measures
- Suspend or revoke licenses for breaches

10. Confidentiality & Data Protection

All information provided by applicants and licensees is treated as confidential and protected under applicable financial services and data protection regulations.

11. Applicant Rights & Responsibilities

Rights

- Fair and impartial review
- Confidential handling of submissions
- Right to appeal regulatory decisions

Responsibilities

- Accuracy and completeness of information

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- Timely fee payment
 - Continuous regulatory cooperation

End of Handbook