

LICENSE APPLICATION FOR BANKS

A. Classification of banking license:

Level	Authorized Activities	Capital Required
A	Section 24.2, 24.3, 24.4	3 x minimum = US\$ 6M
B	Section 24.2, 24.3	2 x minimum = US\$ 4M
C	Section 24.2, 24.3	Minimum = US\$ 2M

B. General Information

- 1. Application must be in writing and in official language of Timor-Leste or in English language.**
- 2. Original application and two copies together with a non-refundable application processing fee (Download Notification on fees)**
- 3. For new bank, application must be signed by bank's the founders.**
- 4. For a branch of foreign bank, application must be signed by an authorized officer.**
- 5. Applicant should authorize in writing a spokesperson to act on behalf of the applicant bank provides the name, address and telephone number. Any changes in information on this item, BPA should be notified in writing.**

C. Content of the Application

- 1. For New Banks:**
 - Minutes of meeting of the shareholders authorizing the establishment of bank including the proposed name and type of bank.**
 - Type and number of shares, actual or capital for proposed bank, the amount of subscribed capital and paid in. No capital in kind.**
- 2. The charter and by-laws**

3. For persons proposed to hold shares but not as principal shareholders to provide name, address, equity shares, membership in companies and country identification number/passport.
4. For juridical persons, to disclose ownership of 10% or more of the equity.
5. For individual and juridical persons proposed as principal shareholders to provide name, address, equity shares, business and professional activities for the past 10 years, audited financial statements for the past 3 years and the source of funds to be used to purchase the stocks in the bank.
6. For the proposed administrators, members of the governing board, audit committee, president, vice-president, chief accountant, chief lending officer and treasury officer to provide:
 - Name, address, country identification /passport, business and professional activities for the past 10 years.
 - Information on whether or has been a principal shareholder or administrator in any bank including membership in companies.
7. Copies of the proposed employment contracts.
8. List of members and salaries of the governing board, audit committee and risk management.
8. Committee or credit committee and the asset/liability management committee.
9. List of related persons and affiliates of the proposed bank.

F. Business plan and projected financial statements for the next 3 years; should contain the following minimum information:

1. Organizational structure including committees, divisions, positions and lines of authority.
2. Assumptions on economic conditions, level of competition, growth forecasts, interest rates and earning assets and liabilities.
3. Financial activities and projections
4. Risk management, risk identification, measurement and control of risks such as liquidity, credit, interest rate, operational, market and maturity risk of asset and liability. For credit risk, information should cover credit policies, concentration of credit, asset quality and provision for loan losses.

G. For Branches of Foreign Banks:

- 1. Copy of minutes of the governing board authorizing the establishment of a branch in Timor-Leste.**
- 2. Direct confirmation from the applicant's home country supervisor that:**
 - Applicant is authorized to engage in banking business and establish branch in Timor-Leste.**
 - Bank is in good standing, has meet capital requirement and has no pending enforcement action against applicant bank.**
 - Branch will be supervised by home country supervisor in accordance with the Basel concordat.**
 - Home country supervisor agree to keep BPA informed of any adverse, and any development affecting the bank's head office, provide BPA copies of head office examination reports, published financial statement and significant media releases.**
- 4. Other similar information as applied to new banks.**

Note: Detail information is available for downloaded from UNTAET Regulation No. 2000/8, Instruction CPO/B-2000/1 and Instruction CPO/B-2000/4