

What are the steps to follow in applying for a forex bureau licence?

THE A-Z OF LICENSING A FOREX BUREAU

- a. Book an appropriate name with the Registrar of Companies and write to the Central Bank to seek approval for the name. The name should incorporate the words "Forex Bureau", "Foreign Exchange Bureau" or "Bureau de Change".
- b. After the name has been approved by the Central Bank, register the company and then make a formal application to the Director, Bank Supervision Department, Central Bank of Kenya in a duly completed FORM/CBK/FXD1 (can be downloaded from www.centralbank.go.ke) attaching the following documents:
 - i. non-refundable application fee of Ksh.20,000 (bankers cheque payable to the Central Bank of Kenya);
 - ii. a certified copy of a statement of affairs of the applicant;
 - iii. a certified copy of the applicant's memorandum and articles of association;
 - iv. a certified copy of the applicant's certificate of incorporation;
 - v. a feasibility study including financial projections for three years (balance sheet, profit and loss account and cash flow statements), organizational structure, physical location and postal address;
 - vi. bank statements of the bureau's shareholders and directors for a period of six months prior to the date of application;
 - vii. duly completed fit and proper forms for the shareholders, directors and principal officers of the bureau;
 - viii. credit reports from a credit reference bureau for the shareholders, directors and the principal officers of the bureau;
 - ix. a declaration by the applicant that none of its directors and/or shareholders has ever been declared bankrupt, participated in the management of a collapsed institution, convicted by any court of competent jurisdiction in Kenya or elsewhere of a criminal offence involving fraud, money laundering, tax evasion, or any other act of dishonesty;
 - x. a declaration by the applicant that none of its directors and/or

shareholders holds a similar position or role in any other forex bureau;

- xi. an undertaking by the applicant to comply with the provisions of the Central Bank of Kenya Act, the Regulations, the Forex Bureau Guidelines and any instructions/ directions issued by the Central Bank of Kenya regarding the establishment and operations of forex bureaus at all times; and
- xii. any other information as may be required by the Central Bank of Kenya.

The Central Bank shall within 90 days of the date of lodging the application:

- a. request for additional information for purposes of processing the application;
- b. where it is satisfied that all the necessary requirements have been met, issue a letter of intent to the applicant advising the applicant to:
 - i. pay the licence fee of Ksh.65,000 to the Central Bank of Kenya by banker's cheque;
 - ii. transfer the non-interest bearing deposit of US\$30,000 to the Central Bank of Kenya offshore account;
 - iii. invite the Central Bank of Kenya to inspect the bureau's premises prior to commencement of business.

Upon fulfillment of the above requirements or otherwise the Central Bank shall:

- c. issue a licence to the applicant; or
- d. inform the applicant in writing that the application has been declined and advise the unsuccessful applicant that an appeal to the Central Bank for review of the decision to decline may be lodged within 30 days from the date thereof.