



Financial and Consumer Services Commission
Financial Institutions Division

200-225 King Street
Fredericton, NB
E3B 1E1
Telephone: (506) 453-2315

Commission des services financiers et des services aux
consommateurs

Division des institutions financières
200-225, rue King
Fredericton (N.-B.)
E3B 1E1
Téléphone : (506) 453-2315

APPLICATION OF FIRST LICENCE UNDER THE LOAN AND TRUST COMPANIES ACT REQUIREMENTS

The application from an extra-provincial loan/trust company for a first licence under the *Loan and Trust Companies Act* (New Brunswick) must include the following forms:

- 1) **Form #14** – Application for first licence
- 2) **Form #12** – Notice – Extra-provincial Company
- 3) **Form #10** – Appointment of Agent and Power of Attorney
- 4) **Calculation of New Brunswick Capital Base**
- 5) **Undertaking pursuant to an application for a first licence**

* **Please find all these forms on fcnb.ca.**

The following information must also be submitted before a first licence may be issued:

A. GENERAL INFORMATION:

1. Instrument of Incorporation

Certified copies of all incorporating and amending documents.

2. Licence Information

Details of licensing status, including terms, conditions and restrictions in all jurisdictions in Canada.

B. OPERATION OF THE COMPANY:

3. Summary Plan of Operations

A condensed overall summary of the plan of operations for the company should be provided setting out:

- the nature of its business;
- the products and services offered to the public;
- the marketing strategy (target markets);
- important strategic goals and objectives of the company for the next three (3) years; and
- sources of financing and capitalization to meet its plan of operation for the next three (3) years.

4. Activities within New Brunswick

Information in this section should be sufficient to satisfy the Superintendent that there exists a public benefit for the licensing of the company. Such information should include:

- the products and services the applicant intends to offer to the public in New Brunswick initially, or within a reasonable time after receipt of the licence (approximately one calendar year at minimum); and
- details on how such services and products will be offered to the public;
 - i) if through a branch network, indicate the location of existing or intended branches (Note – before opening a new branch in New Brunswick, 30 days notice to the Superintendent must be given); and
 - ii) if through networking arrangements, see item #5.

5. Networking

Where the services of the company in New Brunswick are to be offered to the public by way of a networking relationship, the following detailed plan shall be included:

- name of agents or brokers, address and telephone numbers where arrangements are in place. Where arrangements are not finalized, the proposed type of agents or brokers the company intends to use;
- a copy of the standard agreement between the company and the agent/broker. If there is no agreement, the reasons why;

- if applicable, the relationship of the agent and/or broker to the company, its subsidiaries, or the parent company; and
- procedures to be implemented to monitor and control the activities of the agent or broker, as to:
 - i) his or her interaction with the public, including policy and controls on conflicts of interest;
 - ii) disclosure to the public:
 - ▶ of the relationship between the agent and/or the broker and the company;
 - ▶ remuneration paid to the agent or broker; and
 - ▶ description of products and services
 - iii) control and deposit of funds received (see Part XVIII of the regulations).

C. FINANCIAL AND RELATED INFORMATION:

6. Financial Statements

Provide copies of the most recent audited financial statements and audited or unaudited interim financial statements.

As well, some companies **may** be requested to provide copies of audited financial statements for the last three (3) years, and to provide proforma financial statements or projections for the next three (3) years.

7. Return Filed with Designated Jurisdiction

Copies of the following returns/statements should accompany the application:

- the last three (3) annual returns and 4th quarter returns filed with the designated jurisdiction (coinciding with the company's year end); and
- the most recent quarterly or monthly return and/or statement required to be filed or submitted to the designated jurisdiction (example: interim quarterly report, liquidity statement).

8. Capital Base Calculation

Provide a detailed calculation of the capital base of the company in accordance with sections 4 – 7 of Part II, and section 8 of Part III of the regulations under the Act (a form is available on FCNB.ca to aid in the calculation).

The capital base calculation should be provided from the most recent quarterly or monthly return filed, or sent to the designated jurisdiction.

D. INFORMATION ABOUT MAJOR SHAREHOLDERS, DIRECTORS AND OFFICERS:

9. Directors, Officers and Senior Manager

Provide the name of each director and senior executive officer. As well, information on the person's experience as it relates to financial institutions (normally a personal résumé is sufficient). Information on senior managers will be on a request basis.

10. Ownership of Shares of the Company

To the best knowledge of the company, indicate any person or corporation who holds beneficially directly or indirectly, 10% or more of the issued and outstanding shares of any class of voting shares of the company and the percentage owned (section 1 of the Act defines "voting shares", "associate" and "beneficially").

A chart setting out the affiliates of the company should be provided (see subsection 1(2) of the Act for definition of affiliated).

Where there exists a parent corporation, please provide the most recent consolidated audited financial statements of the parent corporation.

NOTE: Over and above the requirements set out above, sufficient information in the form of audited financial statements **may** be required to demonstrate that each person or corporation who will be a holder of 10% or more of any class of shares of the company has adequate financial resources. Where the person is an individual, a statement of net worth prepared by an accountant and/or a letter of reference from a financial institution **may** be required. Such additional information will be requested on a case by case basis.

11. Information Regarding Interested Parties

The Superintendent will request information and documentation under this section on a case by case basis after preliminary review.

E. AUTHORIZATIONS WHICH MAY BE REQUIRED:

12. Authority to Execute the Office of Executor, Etc...

If it is intended for the company to execute the office of executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee for every court or judge having authority to appoint the company to exercise any of those offices in New Brunswick, such must be authorized by its licence issued under the *Act* (see subsection 54(2) of the *Act*).

Please set out details of planned activities, past experience in these areas and indicate senior officers in charge of same. Personal résumés of these officers setting out experience in these areas of administration should be provided.

13. Common Trust Funds

Where the company intends to invest monies received in New Brunswick in one or more common trust funds of the company, a written plan of operation for the fund or funds that comply with part XII of the regulations under the *Act* must be submitted to, and approved by the Superintendent (see section 42 of the regulations). The latest audited financial statement of each common trust fund should be submitted.

14. Promotion or Operation of a Mutual Fund in New Brunswick by the Licensed Company or Subsidiary

Subsection 196(5) says:

“No licensed extra-provincial company or subsidiary of a licensed extra-provincial company shall promote or operate a mutual fund in New Brunswick unless the company or subsidiary has received the approval of the Superintendent and complies with any terms or conditions imposed with respect to the approval by the Superintendent.”

Please set out each mutual fund and identify whether the company or its subsidiary promotes, operates, manages or distributes the said mutual fund. Further details on the actual method of promotion or distribution in New Brunswick should be set out in order for the Superintendent to grant approval. If the Superintendent grants approval, the

company will be required to register under the New Brunswick *Securities Act*. Further instruction will be provided upon approval.

15. Registration by the Licensed Company or Subsidiary

Subsection 196(6) of the *Act* says:

“No licensed extra-provincial company or subsidiary of a licensed extra-provincial company shall be registered under the *Securities Act* or the regulations under the *Act* unless the company or subsidiary has received the approval of the Superintendent and complies with any terms or conditions imposed with respect to the approval of the Superintendent.”

Please set out particulars of registration required under the New Brunswick *Securities Act* for such extra-provincial loan or trust company or a subsidiary of such company for the Superintendent’s approval.

If you are unsure of these matters, please contact:

Administrative Support Officer
Financial and Consumer Services Commission
Securities Division
85 Charlotte Street, Suite 300
Saint John, NB
E2L 2J2

Toll free: (866) 933-2222

Tel: (506) 658-3060

Fax: (506) 658-3059

info@fcb.ca

F. OTHER:

16. Deposit Insurance

Unless the licence to be issued will prohibit the company from receiving money as deposits within New Brunswick, a letter from the Canada Deposit Insurance Corporation to the Superintendent is required, confirming the company is a member institution within the meaning of the *Canada Deposit Insurance Act*.

17. Appointment of Agent and Power of Attorney

Form #10 shall accompany the application (subsection 193(1) of the *Act*).

18. Undertaking and Resolution

An undertaking in the form provided by the Superintendent should be completed and accompany the application, along with a certified copy of the resolution of directors as required by subsection 211(10) of the *Act*.

19. Name Search

The company shall either provide a copy of the NUANS report or pay a fee of \$30.00 for the Superintendent to review the name of the company in relation to subsection 192(1) of the *Act*.

20. Fee

The prescribed fee is \$3,000.00, payable to the Financial and Consumer Services Commission.