

CUSTODIAN OF SECURITIES LICENSING APPLICATION



Compliance with Licensing Requirements

	Requirement	Met Y/N	Comment
1.	Must be a bank or a financial institution within the meaning of the Banking and Financial Institutions Act.		
2.	Cover Letter		
3.	Certified copies of Memorandum and Articles of Association.		
4.	Certified copy of the Business Licence		
5.	Certified copy of the Certificate of Incorporation		
6.	Must fulfill the capital requirement which is the amount as core capital for commercial bank under the Banking and Financial Institutions Act.		
7.	Must have adequate and competent employees who have the experience, capacity and ability of managing the business of the custodian of securities.		
8.	Must have the necessary infrastructure, including adequate office space, vaults for safe custody of securities and computer systems (custodial software) required to effectively discharge activities as custodian of securities.		
9.	Must not have been refused a registration by the Authority or whose certificate has not been revoked by the Authority;		
10.	The applicant's directors, principal officers or employees must not be involved in any litigation connected with the securities market;		

11.	<p>Must have a complete operations and Internal control manual setting out the following:</p> <ul style="list-style-type: none"> • The systems and procedures to be followed for the effective and efficient discharge of custodian of securities and the arm's length relationships to be maintained; • A standard client's contract which describes specific matters concerning the duties and obligations of the custodian which are related to the management of dividends and interest collection services and other rights, corporate actions, transfers of ownership, delivery or receiving of certificates, reporting and other services and a description of fees and taxes levied upon the services; • A fee structure including but not limited to registration fee, effecting share splits or consolidations, property deposits, transaction settlement and other services; • Compensation for losses caused by the custodian's negligence; 		
12.	<p>Fit and Proper documentation for Directors and Key personnel including: -</p> <ul style="list-style-type: none"> • Duly certified National Identification Cards for Tanzanian Citizens and Passport copies for foreigners; • Duly certified police clearance certificates; • Duly certified academic certificates; • Complete profile of Directors and Principle officers; • Comprehensive Curriculum and • Passport photographs 		
13.	Anti-Money Laundering Policy/Manual		
14.	Client Service Agreement		
15.	Disaster Recovery and Business Continuity policy		
16.	Business plan		
	<ul style="list-style-type: none"> ▪ Organizational structure 		
	<ul style="list-style-type: none"> ▪ Directors 		

	<ul style="list-style-type: none"> ▪ Board of Directors which should comprise of: <ul style="list-style-type: none"> • A minimum of at least 2 directors • At least one third should be independent and non-executive directors • Not more than one third of the directors who are close relations of any director • A director should not hold more than 2 directorships in market intermediaries unless they are subsidiaries or holding companies 		
	<ul style="list-style-type: none"> ▪ Directors' declaration 		
	<ul style="list-style-type: none"> ▪ Shareholding Structure 		
	<ul style="list-style-type: none"> ▪ Name and competencies of Chief Executive officer 		
	<ul style="list-style-type: none"> ▪ Operating system including dealing infrastructure suitably located and equipped to effectively carry out its operations 		
17.	A Risk Management framework in place		
	<ul style="list-style-type: none"> ▪ Compliance Officer 		
	<ul style="list-style-type: none"> ▪ Auditor 		
18.	Physical inspection of facilities		
19.	Application Fees		

NOTE:

- (1) The Capital Markets and Securities Authority reserve the right to request any additional or supporting information at any stage of the application process as deemed fit;
- (2) All payments should be accompanied by a cover letter, stipulating the amount being paid against the corresponding fees. Further information on payment details is available upon request;
- (3) All policies/Manuals have to be duly approved by the Board.

FEE STRUCTURE**CSD Member –Custodian fees in TZS**

Application fees not refundable	2,500,000.00
Admission fees	5,000,000.00
Annual fees	5,000,000.00
Replacement of license	250,000.00

Submit an application letter addressed to:

Chief Executive Officer,
Capital Markets and Securities Authority,
6th Floor, PPF Tower,
Ohio Street/Garden Avenue,
P.O. Box 75713,
Dar-es-Salaam,
Tanzania.

