



# National Reserve Bank of Tonga

**APPLICATION**  
FOR A LICENCE TO COMMENCE AND ESTABLISH BANKING BUSINESS  
IN TONGA

**Form 1**

(As required under Section 6 of the Financial Institution Act)

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**SUBMITTED FOR:**

*(Name of Applicant):*

**CONTACT PERSON:**

*(Name, position title & company, address, telephone and fax nos. and email address of person(s) to be contacted regarding this application.*

**THIS FORM AND ALL REQUIRED ATTACHMENTS SHOULD BE SUBMITTED TO THE GOVERNOR OF THE RESERVE BANK OF TONGA ON COMPLETION ALONG WITH A CERTIFIED BANK CHECK IN THE AMOUNT OF THE REQUIRED APPLICATION FEE.**

**1. Ownership Structure**

*a. Applicant History*

- i. Date of Incorporation:
- ii. Country of Establishment:
- iii. Company Registration Number:
- iv. Other **Affiliated**<sup>1</sup> Entities:


*b. Structure of capital*

- i. Type and Number of Authorized Shares:
- ii. Type and **Amount** of Paid-in Capital:
- iii. Paid-in Premium if any:
- iv. Par Value By Type of Shares:


*c. Submit as **Annex A**, a written commitment to observe minimum capital<sup>2</sup> OR evidence to maintain minimum capital<sup>3</sup>.*

*d. List of shareholders as at date of application<sup>4</sup>:*

Shareholder Sectoral Classification	# of Shareholders	% of Shares to Total
<b>Residents<sup>5</sup></b>		
<b>Depository Institutions Domestic</b>		
<b>Other Financial Corporations Domestic</b>		
Central Government		
Statutory Non-Financial Corporations Domestic		
Private Sector:		
<b>Non-Financial Corporations</b>		
Individuals		
<b>Non-Profit Institutions Serving Households</b>		
<b>Subtotal: Residents</b>		
<b>Non-Residents</b>		
<b>Depository Institutions</b>		
<b>Other Financial Corporations</b>		
Central Government		

<sup>1</sup> Affiliate means a company wherein another company's shareholding is at least 20% but not more than 50% of the issued shares or where that other company has the power to exercise influence over the policies of management of the company.

<sup>2</sup> If applicant is a local company

<sup>3</sup> If applicant is an overseas company – refer to Prudential Statement 12 Section II, part 16.b for further details

<sup>4</sup> Refer to Prudential Statement 12 Section II, part 16.c

<sup>5</sup> Resident -includes all individuals and households, regardless of nationality living or intending to live and physically residing in Tonga for one year or more, and all other legal entities (corporations, partnerships, joint ventures, etc.) with physical operations in Tonga. All other persons shall be considered "Non-Residents" or "Abroad" for purposes of completing these Returns.

Shareholder Sectoral Classification	# of Shareholders	% of Shares to Total
Statutory Non-Financial Corporations		
Private Sector:		
Non-Financial Corporations		
Individuals		
Non-Profit Institutions Serving Households		
Subtotal: Non-Residents		
Total		100.0%

e. List of Shareholders<sup>6</sup>.

	Name:	Country of Citizenship	Country of Residency	Paid-Up capital in the applicant bank (\$T)	Percentage (%) of Paid up capital in the applicant bank (%)	Number of Shares Held	
						Ordinary Shares	Other Shares
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

f. Submit as Annex B, a written commitment from Large Shareholders<sup>7</sup> that they will provide additional capital as necessary and that the shareholding represents a long term commitment/investment.

g. Submit Bio-data sheets go to (Form 2) for Large Shareholders.

**2. Board and Management**

a. List of Directors<sup>8</sup>

Name:

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	

b. Submit as Annex C, an Organizational Chart<sup>9</sup>

<sup>6</sup> Provide a complete listing of all proposed shareholders. Shareholders within second degree of consanguinity or affinity must be indicated.

<sup>7</sup> Large Shareholders include those persons who will own or control, directly and indirectly, 10% or more of the outstanding voting shares of the financial institution.

<sup>8</sup> Refer to Prudential Statement 12 Section II, part 17.a

- c. Submit **Bio-data sheets (Form 3)**, for Directors, Senior Management<sup>10</sup>.

### 3. Business of the Applicant

- a. Submit a detailed **Business Plan**, which should be in accordance with the formats prescribed in **Form 4**.
- b. Proposed date of commencement of operations:

### 4. Feasibility Study

Submit as **Annex D**, a feasibility study which assesses the ability of the local economy to support the establishment of the proposed financial institution and its impact on the existing financial system.

### 5. Prudential Management

- a. Submit as **Annex E**, a Board Resolution (if a branch of a foreign incorporated financial institution) stating that if granted a license, depositors and creditors of the Tongan operation shall have priority with respect to the assets of the licenced financial institution in the case of bankruptcy or dissolution of the parent company of head office.
- b. Submit as **Annex F**, a Board Resolution (if a branch of a foreign incorporated financial institution) stating that if granted a license, the applicant will comply with all rules, regulations, laws and prudential requirements from the commencement of the operations.
- c. Submit as **Annex G**, a Board Resolution (if a branch or subsidiary of a foreign incorporated financial institution) to keep the Reserve Bank informed of any significant developments adversely affecting its financial soundness and/or reputation globally, and to provide promptly to the Reserve Bank copies of its published financial accounts and any significant media releases.
- d. Submit as **Annex H** with sub-annexes as may be necessary, copies of operating manuals or if not available, full detailed policies and procedures of the risk management accounting and internal control systems, including operating policies<sup>11</sup>.
- e. Submit as **Annex I**, applicant's intentions for internal and external audit coverage of the proposed financial institution, including (i) the structure and reporting lines for the internal audit function, (ii) identification of the proposed external audit firm for the proposed financial institution, and (iii) an original copy of a letter of acceptance from the proposed external audit firm accepting the appointment of external auditor subject to Section 23(1) of the FIA and Prudential Statement No. 7.

### 6. Other

- a. Submit as **Annex J**, a Board Resolution or Written Undertaking (if foreign incorporated) on agreement to organize a Financial Institution.
- b. Submit as **Annex K**, a signed and notarized constitution and by-laws.
- c. Submit as **Annex L**, an external auditor's certificate verifying the level of capital of the applicant.

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<sup>9</sup> Refer to Prudential Statement 12 Section II, part 17.b

<sup>10</sup> As defined under Prudential Statement 12 Section II, part 17.c

<sup>11</sup> Pertains only to applicable practice in Tonga for the local branch of foreign licensee. Refer to Prudential Statement 12 Section II, part 20.f.- 20.h.

- d. *Submit as **Annex M**, a detailed estimate of organizational expenses expected to be incurred (to be confirmed by an external auditor) and indicate whether such expenses will be capitalized or expensed to capital.*
- e. *Submit as **Annex N**, a notarized copy of a Board Resolution (if a branch or subsidiary of a foreign incorporated financial institution) appointing authorized representative for the purposes of the application.*

## DECLARATION

We the undersigned/authorized representatives and/or members of the Board of Directors of the applicant bank, declare under penalty of perjury under the laws of the Kingdom of Tonga and any other sanction available under the Financial Institution Act and any amendments thereof, that the preceding application and the attached supporting documentation are true and correct to the best of our knowledge.

We further declare that to the best of our knowledge and belief there are no other facts or information relevant to this application of which the National Reserve Bank of Tonga should be aware, and we pledge to promptly inform the National Reserve Bank of Tonga of any changes material to this application which may arise while it is being considered by the National Reserve Bank of Tonga.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
*(Type Full Name and Title)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Type Full Name and Title)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Type Full Name and Title)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Type Full Name and Title)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Type Full Name and Title)*

\_\_\_\_\_  
*(Signature)*

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
*(Seal)*

\_\_\_\_\_  
*(Signature over printed name of Commissioner of Oath)*

\_\_\_\_\_

[Form Bank License – Additional Sheet]

**ADDITIONAL SHEET NO.** \_\_\_\_\_<sup>12</sup>

**Reference Form and Item No.** <sup>13</sup> \_\_\_\_\_

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*(Name of Applicant Bank)*

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<sup>12</sup> This Additional Sheet form may be used if response space for a specific item in any Form to be completed is inadequate. For **each** Form, Additional Sheets used must be numbered chronologically. The Additional Sheet number must be cross-referenced in the response space of the Form and item number to which the Additional Sheet refers.

<sup>13</sup> The Form and Item numbers to which an Additional Sheet refers must be specified e.g. "Form 1, Item XX". The format, if any, of the specific item to which an Additional Sheet is used should be followed for information/data to be provided.