Global Financial Services Regulatory Guide - United States of America

5. What are the requirements to obtain authorization in your jurisdiction?

| Contents |
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| To generate table of contents, right-click here and select **Update Field.** |

# What are the requirements to obtain authorization in your jurisdiction?

**Banking**

As indicated in previous questions,different licenses are available depending on the type of banking institution and the type of activities to be conducted. All banking licenses are obtained by filing an application with the appropriate regulatory agency. The applications are usually extensive and are required to demonstrate, among other things, that the banking institution will be adequately capitalized, well-managed and able to comply with applicable US laws and regulations and requests from the supervising regulatory agencies. Further, the regulators expect licensees to implement robust written compliance and supervisory procedures that address all relevant rules and regulations.

**Securities and investments**

Depending on the type of securities or investment activity to be conducted in the United States, a person will be required to file an application with the applicable securities regulators to become registered. In addition, individual persons associated with or acting in a supervisory capacity with respect to the business will likely be required to file individual applications and pass any required qualification examinations.

Broker-dealers are subject to extensive regulation by the SEC, FINRA and state securities regulators, depending on their business model, and must also ensure that they have adequate net capital and provide adequate protection to customers' funds and securities. Registered investment advisers are subject to oversight from the SEC or the state(s) where they are registered based on assets that they maintain under management.

Investment companies must register with the SEC by filing the appropriate application pursuant to the Investment Company Act. In addition, investment companies issuing securities that do not qualify for an exemption will have to publicly register their securities with the SEC and pay applicable registration fees. Generally, persons managing the portfolios of registered investment companies must be registered as investment advisers.

Finally, all registrants should implement written compliance and supervisory procedures that address all relevant SEC and/or FINRA rules and regulations.

**Derivatives**

Registration requirements vary depending on the type of registrant. Futures commission merchants, introducing brokers, swap dealers and security-based swap dealers are subject to minimum capital requirements, while commodity pool operators and commodity trading advisers currently are not. All registrants should implement written compliance and supervisory procedures covering the appropriate CFTC and SEC rules and regulations. Individual persons associated with the registrant will need to satisfy examination proficiency requirements.

**Insurance**

Registration requirements vary depending on the state where business will be conducted but will typically require an application. Individual licensure as agents by persons involved in the activities of the insurance company will typically also be required. The state insurance regulators will expect licensees to implement written compliance and supervisory procedures addressing all relevant rules and regulations.

**Money transmission**

A money transmission business generally must register with FinCEN by electronically filing the appropriate form.  State registration and licensure requirements vary depending on the type of activity to be conducted and the state where the business will operate. An application is typically required. While specific state requirements differ, most states require the following items: surety bond; audited financial statements; minimum net worth qualifications; detailed business plan; management and organizational charts; flow of funds charts; AML policies and procedures; state business registrations and certifications of good standing; and a registered agent for service of process.

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