

CPO/CEB/2001/03

Instruction Forex – Licensing of Currency Exchange Traders

I. Authority

The Central Payments Office (CPO) issues this Instruction pursuant to the provisions of Section 4 of the Executive Order on the Prohibition of Unlicensed Importation of Foreign Currencies and Other Currency Matters dated 26 April 2001.

II. Definitions of Currency Exchange Traders

A Currency exchange trader is an individual who undertakes the activity of carrying out currency exchange transactions in the spot market only in the name of a licensed currency exchange dealer (bank or currency exchange bureau) and in an authorized place.

III. Form of Application

The application must be in writing, in the form prescribed by the CPO, and must be signed by the applicant.

IV. Information required for a license application

The application for a license as a currency exchange trader must include the following information:

- The name, complete residential address, nationality and specimen signature of the applicant;
- The name and address of the currency exchange dealer (bank or currency exchange bureau) sponsor for the applicant;
- A declaration of the responsible for the currency exchange dealer (bank or currency exchange bureau) the applicant will operate in their behalf;
- A declaration by the applicant that he/she has never been declared bankrupt, and has never been convicted any court of competent jurisdiction, in East Timor or elsewhere, of a criminal offence involving fraud, money laundering, tax evasion or any other act of dishonesty.

V. Granting a License

The CPO shall, within three weeks of the date of lodgment of an application, either grant a currency exchange trader license or inform the applicant in writing that the application is denied. The license will be valid for a period of one year.

VI. Terms of Currency Exchange Trader License

The more important terms of the license would require a currency exchange trader to:

- a) use a visible identification with the number of license and the name of the currency exchange dealer under which the trader is sponsored;
- b) issue receipts on the transactions and provide the dealer with complete information for the register of the operation;
- c) follow special procedures when handling transactions in excess of US\$ 5,000 and US\$ 10,000 or when dealing with non-residents, according to regulation 2000/5 and instructions issues by the CPO;
- d) provide any information or report on its activities when requested by the CPO ;
- e) provide the CPO a copy of the registration at the Business Registration Unit

17 July 2001

Fernando De Peralto
General Manager

EAST TIMOR
CENTRAL PAYMENTS OFFICE
Application for Currency Exchange Trader

The present application for a currency trader is being submitted by the person whose particulars are shown below:

FOR OFFICIAL USE

Approved:

Not approved:

Number: _____

Expiration: _____

Remark

Signature &
Date

.....

A) Applicant

- 1. Name of the applicant _____
- 2. Nationality _____
- 3. Identification document _____
- 4. Complete residential address _____
- 5. Areas/Place of Activity _____

Declaration:

The undersigned hereby declare that:

- a) the above statements and particulars are true and correct;
- b) has never been declared bankrupt and/or convicted of a criminal offense involving fraud, money laundering, tax evasion or any other act(s) of dishonesty;
- c) if granted a license as a currency exchange trader, to conduct transaction in accordance with the Regulation 2000/5, and any other law governing the currency exchange transactions in East Timor, to comply with instructions issued, form time to time, by the Central Payments Office and to accept obligations and duties imposed by the license.

Signature.....

Date.....

B) Sponsor

The undersigned licensed currency dealer hereby sponsors the above-mentioned applicant as a currency trader for its account:

Name: of the Institution.....

Signature..... Date.....