

GRANDE COMORE FINANCIAL SERVICES ACT 2015

An Act to provide for the regulation and supervision of financial services in Grande Comore, to establish the International Regulatory Authority of Grande Comore (IRAGC), to promote financial stability and integrity, to ensure compliance with international standards on anti-money laundering and counter-terrorist financing, to facilitate the development of an international financial services sector targeting non-residents, and for connected purposes, including the protection of the jurisdiction's reputation as a reliable financial center.

Enacted by the Assembly of Grande Comore.

Date of Commencement: 1 January 2016

PART I: PRELIMINARY

1. Short Title

This Act may be cited as the Grande Comore Financial Services Act 2015. For the purposes of reference and application, this short title shall be used in all official documents, regulations, and legal proceedings related to the matters governed herein, ensuring consistency and ease of identification across various administrative and judicial contexts.

2. Interpretation

In this Act, unless the context otherwise requires—

- "affiliate" means a branch, subsidiary, or joint venture of a financial institution or gaming operator, including any entity under common control or significant influence, as distinguished in regulatory guidelines for offshore jurisdictions;
 - "anti-money laundering" or "AML" means the policies, procedures, and controls implemented to detect, prevent, and report money laundering activities, in alignment with international standards such as those set by the Financial Action Task Force (FATF);
 - "ask" means the lowest price at which a seller is willing to sell a security or financial instrument in brokerage trading;
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- "asset allocation" means the strategy of distributing investments across various asset classes, such as stocks, bonds, and cash equivalents, to optimize risk and return in investment services or brokerage accounts;
 - "Authority" means the International Regulatory Authority of Grande Comore established under section 3, which serves as the primary regulatory body responsible for overseeing all aspects of financial services as defined in this Act;
 - "backdoor cover" means, in the context of sports betting within gaming services, a situation where a bet wins due to late-game events that alter the point spread outcome;
 - "banking license" means a specific category of license under section 9A authorizing banking activities, subject to stringent compliance and risk management requirements;
 - "bearer shares" means shares in a corporation that are owned by the physical holder of the share certificate, without registration of ownership, commonly permitted in offshore financial secrecy jurisdictions to enhance anonymity;
 - "bear market" means a market condition in which securities prices fall 20% or more from recent highs, often amid widespread pessimism and negative investor sentiment in brokerage and securities trading;
 - "beneficial owner" means the natural person who ultimately owns or controls a legal entity or arrangement, or on whose behalf a transaction is conducted, including those who exercise ultimate effective control over a legal person or arrangement;
 - "beneficial ownership" means the true owner of an entity, asset, or transaction as opposed to any stated ownership provided in documents or oral representations, where the beneficial owner is the one that receives or has the right to receive proceeds or other advantages as a result of the ownership;
 - "betting" means the act of wagering money or something of value on an event with an uncertain outcome, including sports betting, pari-mutuel betting, and fixed-odds betting, as part of gaming services;
 - "bid" means the highest price a buyer is willing to pay for a security or financial instrument in brokerage trading;
 - "blue-chip stock" means shares in a large, well-established company with a history of reliable performance, often considered a safe investment in brokerage portfolios;
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- "bond" means a debt security issued by a government or corporation to raise capital, promising to repay the principal along with interest at maturity, commonly traded through brokerage services;
 - "broker" means an individual or firm that acts as an intermediary between buyers and sellers in securities or other financial transactions, executing trades on behalf of clients for a commission or fee;
 - "brokerage" means the service provided by a broker or brokerage firm, facilitating the buying and selling of securities, commodities, or other financial instruments, often involving commissions, advisory services, and access to trading platforms;
 - "brokerage account" means an investment account held with a brokerage firm that allows individuals or entities to buy, sell, and hold securities, often with features like margin trading or cash management;
 - "bull market" means a market condition in which securities prices rise or are expected to rise, characterized by optimism and investor confidence in brokerage and investment activities;
 - "casino" means a facility or online platform offering games of chance such as slots, roulette, blackjack, or poker, where players gamble against the house or other players;
 - "compliance" means adherence to all applicable laws, regulations, standards, and internal policies governing financial and gaming activities, including periodic audits and reporting obligations;
 - "correspondent banking" means a relationship where one bank provides services on behalf of another bank, often in offshore contexts to facilitate international transactions without a physical presence;
 - "counter-terrorist financing" or "CTF" means measures to prevent and detect the financing of terrorism, often integrated with AML frameworks to safeguard financial integrity;
 - "credit facility" means an arrangement allowing a borrower to access funds up to a specified limit, such as lines of credit or revolving loans, provided by banks in offshore banking services;
 - "deposit" means funds placed into a bank account for safekeeping, earning interest, or use in transactions, a core activity in offshore banking;
 - "derivative" means a financial contract whose value is based on an underlying asset, index, or rate, such as options, futures, or swaps, traded through brokerage platforms;
 - "diversification" means spreading investments across different assets or sectors to reduce risk, a key principle in brokerage and investment advisory services;
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- "dividend" means a portion of a company's earnings distributed to shareholders, often handled through brokerage accounts;
 - "fiduciary" means a person or entity that acts on behalf of another, managing assets or providing services with a duty of loyalty and care, commonly in trust services or investment management;
 - "financial secrecy" means the confidentiality afforded to financial transactions either by enactment of law or by other means, including agreements, institutional practices, or use of numbered accounts;
 - "financial services" includes banking activities such as deposit-taking, lending, credit issuance, payment processing, foreign exchange transactions, custodial services, and correspondent banking; insurance and reinsurance operations involving underwriting policies, claims management, and risk assessment; investment services encompassing asset management, securities trading, portfolio advisory, fund administration, brokerage in stocks, bonds, derivatives, and commodities; trust services involving the administration of estates, fiduciary duties, and asset protection; gaming services such as online betting, casino operations, lotteries, sports wagering, interactive gaming platforms, and virtual reality gambling experiences; and any other activity involving the provision of financial products or services primarily to non-residents, excluding purely domestic transactions, while incorporating elements like cryptocurrency exchanges, fintech innovations, peer-to-peer lending, crowdfunding platforms, derivative trading, offshore brokerage accounts, international business corporations, and tax-efficient structures;
 - "futures bets" means wagers placed on events occurring in the future, such as championship winners or season outcomes, within the scope of sports betting in gaming licenses;
 - "gaming" means any activity involving games of chance, skill, or a combination thereof, where participants wager for prizes, including but not limited to casino games, lotteries, bingo, poker, and esports betting;
 - "gaming equipment" means any device, software, or system used in gaming operations, such as slot machines, random number generators, betting terminals, or online platforms, which must be certified for fairness and compliance;
 - "gaming license" means a specific category of license under section 9A authorizing gaming activities, with requirements for player protection, fair play, and anti-addiction measures;
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- "half-point" means a fractional adjustment in betting lines to avoid ties, commonly used in point spread betting within gaming services;
 - "initial public offering" or "IPO" means the first sale of stock by a private company to the public, often facilitated through brokerage underwriters;
 - "insurance license" means a specific category of license under section 9A authorizing insurance activities, including reinsurance and captive insurance arrangements for non-residents;
 - "interactive gaming" means gambling conducted via electronic means, such as internet-based casinos or betting sites, allowing real-time interaction between players and the platform;
 - "international banking license" means a license issued to banks operating offshore, allowing them to handle international transactions under reduced regulatory burdens;
 - "international business corporation" or "IBC" means a corporation formed in an offshore jurisdiction with tax advantages and confidentiality protections, often used for holding investments or conducting global business;
 - "investment services license" means a specific category of license under section 9A authorizing investment-related activities, subject to securities regulations and investor protection standards;
 - "know your customer" or "KYC" means the process of verifying the identity of clients and assessing potential risks of illegal intentions for the business relationship, mandatory for all licensed activities;
 - "leverage" means using borrowed funds to amplify investment returns, commonly in margin trading within brokerage accounts, but increasing risk exposure;
 - "license" means a license issued under this Act to carry on financial services, which may be categorized based on the type of regulated activity as specified in section 9A and shall include any endorsements or variations as approved by the Authority;
 - "limit order" means an order to buy or sell a security at a specified price or better, used in brokerage trading to control execution prices;
 - "liquidity" means the ease with which an asset can be bought or sold in the market without affecting its price, a key factor in brokerage and securities trading;
 - "loan" means funds provided by a bank to a borrower with the expectation of repayment plus interest, a fundamental banking activity in offshore contexts;
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- "locator" means an entity or individual authorized to operate within a designated offshore gaming zone or financial hub, subject to specific regulatory manuals and probity checks;
 - "lottery" means a game where participants purchase tickets for a chance to win prizes based on random draws, often regulated separately within gaming licenses;
 - "margin" means borrowed money from a broker to purchase securities, allowing investors to leverage positions but requiring maintenance of collateral;
 - "market order" means an order to buy or sell a security immediately at the current market price, executed through brokerage platforms;
 - "Minister" means the Minister responsible for finance or such other Minister as may be designated by the President of the Union of the Comoros for the oversight of economic and financial affairs;
 - "minors protection" means measures to prevent individuals under the legal age from participating in gaming or financial services, including age verification protocols and advertising restrictions;
 - "mortgage" means a loan secured by real property, often provided by offshore banks for international real estate investments;
 - "nominee" means an individual or entity which acts on behalf of a beneficial owner, often pretending to be the owner to provide a veil of secrecy;
 - "non-resident" means a person or entity not domiciled or ordinarily resident in the Union of the Comoros, including foreign corporations, individuals, or trusts established outside the jurisdiction, with the intent to focus the Act's application on international financial activities;
 - "offshore" means located or conducted outside one's home country, often in jurisdictions offering favorable tax, regulatory, or secrecy benefits, such as offshore financial centers or tax havens;
 - "offshore banking unit" or "OBU" means a bank branch located outside its home country, handling transactions in foreign currencies with reduced regulations;
 - "offshore financial center" or "OFC" means a jurisdiction specializing in providing corporate and commercial services to non-residents, including international business companies (IBCs), with minimal domestic economic impact;
 - "offshore trustee" means a trustee located in an offshore jurisdiction with a fiduciary duty to manage and conserve the assets of a trust;
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- "pari-mutuel betting" means a system where all bets are pooled and winners share the total amount minus a percentage for the operator, commonly used in horse racing or other events;
 - "personal investment corporation" or "PIC" means an IBC used to hold a client's investment assets, typically created by private banks for high-net-worth individuals;
 - "player account" means a digital or virtual account held by a gaming participant for depositing funds, placing wagers, and withdrawing winnings, subject to KYC and AML verification;
 - "player protection" means safeguards in gaming services to promote responsible gambling, including deposit limits, reality checks, and access to support resources for problem gambling;
 - "portfolio" means a collection of investments held by an individual or entity, managed through brokerage or investment services to achieve specific financial goals;
 - "private banking" means personalized financial services provided to high-net-worth clients, often in offshore settings, including wealth management and confidential advisory;
 - "probity check" means a background investigation into the integrity, financial stability, and suitability of applicants or key personnel for licenses, particularly in gaming and financial sectors;
 - "random number generator" or "RNG" means a software algorithm used in gaming to ensure fair and unpredictable outcomes in games of chance, which must be independently certified;
 - "regulated activity" means any financial service requiring a license under this Act, including but not limited to those activities that pose risks to financial stability or could be exploited for illicit purposes, such as high-risk transactions or unregulated wagering;
 - "reinsurance" means the practice where insurers transfer portions of their risk portfolios to other parties to reduce the likelihood of paying a large obligation resulting from an insurance claim;
 - "responsible gaming" means policies and practices designed to prevent and reduce potential harms associated with gambling, including education, self-exclusion programs, and intervention tools;
 - "securities" means financial instruments representing ownership or creditor relationships, such as stocks, bonds, derivatives, or options, traded within investment services;
 - "self-exclusion" means a voluntary program allowing individuals to ban themselves from gaming activities for a specified period to address gambling addiction;
 - "shell bank" means a bank with no physical presence in any country, often used in offshore setups but subject to strict anti-money laundering scrutiny;
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- "skill with prizes machines" or "SWP machines" means gaming devices where outcomes depend partially on player skill, distinguished from pure chance-based machines;
- "sports gaming" means wagering on sporting events, including in-play betting, prop bets, and over/under wagers, regulated under gaming licenses with emphasis on integrity monitoring;
- "stop order" means an order to buy or sell a security once it reaches a specified price, used in brokerage to limit losses or secure profits;
- "supervisory functions" includes monitoring compliance through regular reporting, inspection of operations to ensure adherence to standards, and enforcement of corrective measures where deficiencies are identified, all aimed at maintaining the integrity of the financial sector;
- "tax haven" means a jurisdiction with low or no taxes on foreign income, often combined with financial secrecy and minimal regulatory requirements, attracting offshore entities;
- "trust" means a legal arrangement where a trustee holds and manages assets for the benefit of beneficiaries, commonly used in offshore asset protection and estate planning;
- "trust services license" means a specific category of license under section 9A authorizing trust-related activities, with fiduciary duties and confidentiality obligations;
- "ultimate beneficial owner" or "UBO" means the natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted;
- "volatility" means the degree of variation in the price of a financial instrument over time, a measure of risk in securities trading and brokerage investments;

Where a term is not defined in this Act, it shall have the meaning ascribed to it in relevant international financial standards, gaming regulatory manuals, or, failing that, its ordinary meaning in the context of financial and gaming regulation.

3. Application

This Act applies to all financial services provided within or from Grande Comore, primarily targeting non-residents, and does not apply to domestic financial activities regulated under other laws of the Union of the Comoros, such as local banking or consumer credit laws. The territorial scope includes any activities conducted through physical presence, electronic means, or agents within Grande Comore, with extraterritorial effect where necessary to prevent circumvention. This provision ensures that the Act promotes an international financial hub

while respecting the separation from domestic economic policies, thereby avoiding overlap with national banking regulations and fostering a dual regulatory system.

PART II: ESTABLISHMENT OF THE AUTHORITY

4. Establishment of the International Regulatory Authority of Grande Comore (IRAGC)

- (1) There is hereby established a body corporate to be known as the International Regulatory Authority of Grande Comore (IRAGC), which shall operate as an autonomous entity dedicated to the regulation of international financial services.
- (2) The Authority shall have perpetual succession, a common seal, and may sue and be sued in its corporate name, acquire, hold, and dispose of property, enter into contracts, and perform all acts necessary for the fulfillment of its mandate.
- (3) The Authority shall be independent in the performance of its functions but shall report annually to the Minister on its activities, including summaries of licenses issued by type, supervisory actions taken, and recommendations for policy improvements, to ensure transparency and accountability without compromising operational autonomy. This independence is designed to align with international best practices for financial regulators, reducing political interference and enhancing investor confidence.

5. Functions of the Authority

The functions of the Authority shall be—

- (a) to regulate and supervise financial services in accordance with this Act, including the development of guidelines and standards tailored to different types of regulated activities and license categories;
 - (b) to issue, renew, suspend, or revoke licenses for regulated activities, based on thorough assessments of applicants and ongoing compliance monitoring;
 - (c) to promote the integrity and stability of the financial sector in Grande Comore by implementing risk-based supervisory approaches and fostering ethical practices among licensees;
 - (d) to prevent money laundering, terrorist financing, and other financial crimes through the enforcement of robust compliance frameworks and collaboration with global anti-financial crime organizations;
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- (e) to cooperate with international regulatory bodies, including sharing information under mutual assistance agreements and participating in cross-border supervisory initiatives;
- (f) to advise the Minister on matters relating to financial services, such as emerging risks, legislative amendments, or strategies to enhance the jurisdiction's competitiveness as an offshore financial center;
- (g) to perform such other functions as may be prescribed by regulations, including educational outreach to licensees on compliance matters and research into financial innovations like digital assets or gaming technologies. These functions collectively aim to create a balanced regulatory environment that supports growth while mitigating systemic risks.

6. Powers of the Authority

The Authority shall have all powers necessary to carry out its functions, including—

- (a) to conduct inspections and audits of licensees, which may involve on-site visits, review of internal controls, and testing of systems for vulnerabilities specific to their licensed activities;
 - (b) to require the production of documents and information from licensees or related parties, with timelines for submission and provisions for extensions in justified cases;
 - (c) to impose administrative sanctions for non-compliance, such as warnings, directives for remedial action, or restrictions on operations pending resolution;
 - (d) to make regulations under this Act, subject to consultation with stakeholders and approval by the Minister where required;
 - (e) to enter into agreements with foreign regulators for information exchange, joint investigations, or harmonization of standards, thereby facilitating international cooperation.
- These powers are exercisable in a proportionate manner, with due regard to the principles of natural justice and the need to minimize unnecessary burdens on compliant entities.

7. Board of the Authority

(1) The Authority shall be governed by a Board consisting of—

- (a) a Chairperson appointed by the Minister, who shall possess extensive experience in financial regulation or related fields;
 - (b) not less than three and not more than seven other members appointed by the Minister, with expertise in finance, law, accounting, risk management, or international relations, ensuring a diverse and balanced composition.
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(2) Members shall hold office for a term of [Draft Placeholder - e.g., five years] and may be reappointed for one additional term, subject to performance evaluations, with provisions for removal in cases of misconduct or incapacity.

(3) The Board shall meet as often as necessary, at least quarterly, and regulate its own procedures, including quorum requirements (majority of members), voting mechanisms, and the handling of conflicts of interest, to ensure efficient decision-making and governance integrity.

8. Chief Executive Officer

(1) The Board shall appoint a Chief Executive Officer to manage the day-to-day operations of the Authority, who shall have qualifications in financial regulation, management, or a related discipline, and be responsible for implementing Board policies.

(2) The Chief Executive Officer shall be accountable to the Board, reporting regularly on operational matters, and may delegate functions to staff while retaining ultimate responsibility, fostering a structured administrative hierarchy.

PART III: LICENSING OF FINANCIAL SERVICES

9. Requirement for License

No person shall carry on or purport to carry on any regulated activity in or from Grande Comore without a license issued by the Authority. This prohibition extends to advertising, soliciting, or facilitating such activities without authorization, with the aim of preventing unauthorized operations that could undermine the jurisdiction's financial integrity and expose non-residents to unregulated risks. The specific types of licenses and their associated activities are outlined in section 9A to provide clear guidance on permissible scopes.

9A. Types of Licenses and Permitted Activities

(1) The Authority may issue the following types of licenses, each authorizing specific regulated activities primarily for non-residents, with the objective of fostering a secure, transparent, and internationally compliant financial services sector in Grande Comore. Each license type is designed to cater to distinct segments of offshore financial and gaming operations, incorporating built-in safeguards for anti-money laundering (AML), counter-terrorist financing (CTF), data protection, and ethical standards. Licenses shall be granted only after a

comprehensive probity check, including verification of beneficial ownership, financial stability, and operational readiness. The permitted activities under each license are non-exhaustive but illustrative, and licensees must adhere to any additional conditions imposed by the Authority, such as mandatory reporting, independent audits, and integration with global regulatory frameworks like those from the Financial Action Task Force (FATF) or the International Organization of Securities Commissions (IOSCO). Activities must be conducted exclusively through secure, auditable channels, with a prohibition on serving residents of Grande Comore unless explicitly authorized in exceptional circumstances.

(a) **Banking License:** Permits a broad range of offshore banking activities tailored for international clients, including but not limited to accepting time deposits, demand deposits, and certificates of deposit from non-residents; granting secured and unsecured loans, credit facilities, overdrafts, and revolving credit lines; issuing payment instruments such as debit cards, credit cards, traveler's cheques, and electronic fund transfer mechanisms; facilitating foreign exchange transactions, currency conversions, hedging against exchange rate risks, and spot or forward contracts; providing custodial services for financial assets, including safekeeping of securities, precious metals, and digital assets in segregated accounts; offering private banking services for high-net-worth individuals, such as wealth management advisory, personalized transaction structuring, and confidential transaction processing; establishing correspondent banking relationships with international institutions to enable cross-border payments and settlements; managing escrow accounts for mergers, acquisitions, or real estate transactions; and conducting trade finance operations like letters of credit, bank guarantees, and export-import financing. All activities must comply with international banking standards, such as those from the Basel Committee on Banking Supervision, including robust KYC procedures, transaction monitoring for suspicious activities, and maintenance of liquidity reserves. Licensees are required to implement advanced cybersecurity measures to protect client data and funds, with regular stress testing and contingency planning for financial disruptions. This license supports Grande Comore's role as an offshore banking hub by enabling efficient, low-friction international capital flows while mitigating risks of financial crime through mandatory integration with global payment systems like SWIFT.

(b) Insurance License: Authorizes comprehensive insurance and reinsurance operations focused on non-resident policyholders and global risk diversification, including the underwriting of direct insurance policies for life (such as term life, whole life, and endowment plans), property (covering real estate, vehicles, and marine assets), casualty (liability, accident, and health coverage), and specialty products (e.g., cyber liability, political risk, or environmental insurance); engaging in reinsurance treaties, facultative reinsurance, and retrocession arrangements to spread risks across international markets; managing claims processes through investigation, adjudication, settlement, and dispute resolution mechanisms; offering risk assessment services, actuarial consulting, loss prevention advice, and premium calculation models; establishing captive insurance companies for corporate groups to self-insure against specific risks; providing annuity products, pension schemes, and retirement planning instruments for expatriates and international businesses; conducting catastrophe modeling and risk pooling for high-exposure events like natural disasters; and facilitating co-insurance partnerships with foreign insurers. Operations must align with solvency margins and reserving requirements inspired by frameworks like Solvency II, with emphasis on transparency in policy terms, fair claims handling, and prohibition of discriminatory practices. Licensees shall maintain reinsurance protections, undergo annual actuarial reviews, and implement customer protection measures, such as clear disclosure of exclusions and cooling-off periods, to enhance trust in Grande Comore's insurance sector as a reliable offshore alternative for global reinsurance hubs.

(c) Investment Services License: Allows for sophisticated investment and brokerage activities aimed at enabling non-residents to participate in global capital markets, including the provision of investment advisory services such as personalized financial planning, market analysis, and recommendation of asset allocations; portfolio management involving discretionary or non-discretionary handling of client investments, rebalancing, and performance tracking; brokerage in securities (stocks, bonds, ETFs), derivatives (options, futures, swaps), commodities, and alternative investments like hedge funds or private equity; fund administration for mutual funds, unit trusts, and collective investment schemes, encompassing net asset value calculations, investor reporting, and compliance oversight; operating collective investment schemes, including open-ended and closed-ended funds focused on equities, fixed income, or thematic investments (e.g., sustainable or emerging markets); facilitating initial public offerings (IPOs), secondary market trading, and underwriting services; providing research reports, algorithmic

trading platforms, and robo-advisory tools; managing margin accounts with leverage options while enforcing risk limits; and offering custody and settlement services for traded assets. All activities must comply with investor protection standards, such as those from the Markets in Financial Instruments Directive (MiFID), including suitability assessments, conflict-of-interest disclosures, and best execution policies. Licensees are obligated to conduct regular due diligence on investments, maintain segregated client accounts to prevent commingling of funds, and implement anti-fraud measures like trade surveillance systems, thereby positioning Grande Comore as a competitive offshore investment gateway with access to diversified global opportunities.

(d) Trust Services License: Enables fiduciary and corporate administration services for international asset structuring and protection, including the establishment and ongoing administration of various trust types such as revocable, irrevocable, discretionary, or purpose trusts; acting as a trustee or fiduciary with duties to manage, invest, and distribute trust assets in accordance with settlor instructions; managing estates through probate administration, will execution, and inheritance planning for non-resident beneficiaries; providing corporate services such as nominee directorships, shareholder representation, company secretarial duties, and registered agent functions for international business corporations (IBCs); facilitating asset protection strategies, including the creation of offshore trusts to shield assets from creditors, litigation, or political risks; handling family office services for high-net-worth families, encompassing multi-generational wealth transfer, philanthropic advisory, and tax-efficient structuring; administering foundations, limited partnerships, or hybrid entities; and offering escrow services for transactions requiring neutral third-party oversight. Operations must adhere to fiduciary standards of care, loyalty, and prudence, with mandatory accounting transparency, beneficiary rights protections, and anti-avoidance measures to prevent misuse for illicit purposes. Licensees shall perform enhanced due diligence on settlors and beneficiaries, maintain detailed trust deeds and records, and comply with international transparency initiatives like the Common Reporting Standard (CRS), ensuring Grande Comore's trust services remain a preferred choice for ethical, confidential offshore estate planning.

(e) Gaming License: Permits the operation of diverse online and interactive gaming platforms exclusively for non-resident users, including operating online casinos with games like slots,

roulette, blackjack, baccarat, and video poker; managing sports betting platforms for pre-match, in-play, and futures wagering on events such as football, basketball, tennis, esports, and virtual sports; administering lotteries, including draw-based, instant-win, and syndicated formats; offering other interactive gaming services such as bingo halls, poker rooms, skill-based games, and live dealer experiences via streaming technology; integrating game development and third-party software providers for content variety; overseeing player account management, including secure deposits, withdrawals, bonus allocations, and loyalty programs; ensuring random number generator (RNG) oversight through independent certification for fair play and unpredictability; implementing responsible gaming measures such as age verification using biometric or document checks, self-exclusion tools, deposit and loss limits, reality checks, time-out features, and partnerships with addiction support organizations; conducting player behavior analytics to detect problem gambling patterns; and maintaining geofencing technologies to block access from restricted jurisdictions. including robust AML/CTF protocols for high-value transactions, advertising restrictions to avoid targeting vulnerable groups, and integrity monitoring to prevent match-fixing or fraud.

(f) Other Specialized Licenses: The Authority may, by regulation and following public consultation, create additional categories for emerging or niche activities that align with the Act's objectives of financial innovation, stability, and international compliance, such as fintech services (e.g., digital payment processing gateways, mobile wallets, blockchain-based remittances, or cryptocurrency custody and exchange platforms with wallet security and transaction tracing); corporate services (e.g., company formation, domiciliation, virtual office provision, and ongoing compliance management for IBCs or special purpose vehicles); alternative finance options like peer-to-peer lending platforms, crowdfunding portals, or invoice factoring services; sustainable finance initiatives including green bonds issuance or ESG (environmental, social, governance) advisory; or specialized advisory for mergers and acquisitions, valuation services, and forensic accounting. New categories shall be subject to pilot programs, risk assessments, and stakeholder feedback before full implementation, with provisional licenses available for testing innovative technologies under a regulatory sandbox framework. Permitted activities must incorporate forward-looking safeguards, such as data privacy under GDPR-equivalent standards, cybersecurity protocols, and scalability

requirements, ensuring Grande Comore adapts to global trends while upholding its reputation as a flexible offshore jurisdiction.

(2) A licensee shall not engage in activities outside the scope of its license type without prior written approval from the Authority, which may grant endorsements, amendments, or hybrid licenses for justified cross-category operations (e.g., a banking licensee adding fintech elements), subject to additional assessments of compatibility, risk implications, and resource adequacy. Violations of this provision may result in immediate suspension, mandatory corrective actions, or referral to enforcement proceedings, with the Authority considering factors like intent, impact on non-residents, and remedial efforts in its decisions.

(3) The Authority shall publish and periodically update detailed guidelines, handbooks, or regulatory circulars for each license type, outlining operational boundaries (e.g., geographic restrictions, transaction thresholds), compliance expectations (e.g., reporting frequencies, audit standards), risk management requirements (e.g., internal controls, insurance coverage), and best practices (e.g., technology adoption, staff training). These guidelines shall be developed in consultation with industry experts, made publicly available on the Authority's website, and enforced through supervisory visits, with non-compliance triggering graduated sanctions to promote a proactive, educational approach to regulation and contribute to the overall resilience and attractiveness of Grande Comore's financial ecosystem.

10. Application for License

(1) An application for a license shall be made to the Authority in the prescribed form, which may be printed and filled manually or converted to a fillable PDF using appropriate tools, specifying the desired license type under section 9A (such as banking, insurance, investment services, trust services, gaming, or other specialized categories), and accompanied by such information as the Authority may require to ensure a thorough evaluation of suitability, operational readiness, and compliance with the Act's objectives. For all applications, this includes details on the applicant's preferred company name with at least three options listed in order of preference (to facilitate availability checks during any associated company formation or registration processes), contact person details including full name, position, email address, and phone

number, and ownership structure encompassing comprehensive lists of all directors (with their full names, positions, nationalities, and relevant experience) and shareholders or beneficial owners (with their full names, ownership percentages or beneficial interests, and any controlling influences). Additional tailored information must be provided based on the license type: this may include the proposed operational domain or website URL (if applicable for digital or online services), the specific types of regulated activities planned (e.g., deposit-taking and lending for banking, underwriting policies for insurance, portfolio management for investment services, trust administration for trust services, or platform operations for specialized categories), a detailed description of the services or products to be offered (e.g., financial instruments, risk coverage options, investment strategies, fiduciary arrangements, or innovative fintech solutions), any third-party providers, platforms, or technologies to be utilized (e.g., software vendors, custodial partners, or integration systems), target markets or regions (e.g., global non-resident clients, specific continents like Europe or Asia, excluding restricted jurisdictions), and infrastructure details such as server locations, hosting providers, or physical operational setups where relevant. Business plans must outline the proposed operational frameworks, including organizational charts, projected timelines for launch and scaling, risk management strategies, compliance frameworks (such as AML/CTF policies, data protection measures, and internal controls tailored to the activities), governance structures, and any other relevant data demonstrating financial stability, ethical commitments, and alignment with international standards. Applications shall also include a sworn declaration affirming that the information provided is true, accurate, and complete to the best of the applicant's knowledge, that no material facts have been omitted, and that the applicant understands any misrepresentation or incomplete submission may result in rejection, revocation, or legal consequences, signed by the applicant or authorized representative with the date, and countersigned by an Authority operator upon receipt where applicable.

(2) The Authority may request additional information or documents from the applicant at any stage to supplement the initial submission and verify compliance with fit-and-proper criteria, such as professional references from reputable financial institutions, employers, or regulatory bodies attesting to the applicant's integrity and expertise; comprehensive background checks on all directors, shareholders, beneficial owners, and key personnel (including criminal record verifications, credit history reports, and assessments of any prior regulatory sanctions or

involvements in financial misconduct); third-party verifications or independent assessments of operational readiness (e.g., technical audits of systems, infrastructure evaluations, or compliance certifications from accredited firms); copies of identification documents such as passports or national IDs for all directors, shareholders, and beneficial owners; copies of proof of address (e.g., recent utility bills, bank statements, or lease agreements not older than three months) for all directors, shareholders, and beneficial owners to confirm residency and authenticity; detailed business incorporation documents if the applicant is an existing entity (e.g., articles of association, certificates of incorporation, or equivalent); financial projections or historical statements if applicable (without specifying capital thresholds); compliance policies and manuals (e.g., AML/CTF programs, risk assessment protocols, and data privacy frameworks); and any other supporting materials deemed necessary, such as service level agreements with providers, insurance coverage details for operational risks, or letters of intent from potential partners. The Authority shall process applications in a timely manner, typically aiming for an initial review and acknowledgment within a short period following complete submission, followed by substantive evaluation, providing detailed reasons for any delays (e.g., due to verification processes, high volume of applications, or requests for clarification) or rejections (e.g., due to incomplete documentation, failure to meet suitability standards, identified risks to financial integrity, or non-alignment with the jurisdiction's regulatory priorities) to promote transparency, accountability, and procedural fairness. In cases of incomplete or deficient submissions, the Authority may grant a reasonable grace period for rectification, with clear guidance on required amendments, and all communications, including requests and responses, shall be conducted through official, secure channels to maintain a documented audit trail and protect confidential information.

11. Criteria for Granting License

The Authority may grant a license if satisfied that—

- (a) the applicant is fit and proper to carry on the regulated activity, assessed through evaluations of character, experience, and track record relevant to the requested license type;
 - (b) the applicant has adequate systems for compliance, risk management, and anti-money laundering, including policies, procedures, and technology to detect and report suspicious activities specific to the permitted operations;
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- (c) the regulated activity will not prejudice the reputation of Grande Comore as a financial center, considering factors like potential for abuse or alignment with international norms for the chosen license category;
- (d) any other prescribed criteria are met, such as technological readiness or commitments to ethical standards. These criteria ensure that only reputable entities are licensed, aligning with global regulatory expectations.

12. Conditions of License

- (1) A license may be subject to such conditions as the Authority deems necessary, including limitations on scope tied to the license type, reporting obligations, or requirements for independent audits.
- (2) The Authority may vary or revoke conditions at any time, upon notice to the licensee and after considering representations, to adapt to changing circumstances or identified risks.

13. Duration and Renewal of License

- (1) A license shall be valid for such period as specified therein, typically aligned with the nature of the activity and license type to allow for periodic reviews.
- (2) An application for renewal shall be made before the expiry of the license, accompanied by updated information on operations and compliance, with the Authority conducting assessments similar to initial applications.

14. Suspension or Revocation of License

- (1) The Authority may suspend or revoke a license if—
 - (a) the licensee breaches any provision of this Act or regulations, such as failing to maintain required systems or exceeding the permitted activities under its license type;
 - (b) the licensee is no longer fit and proper, due to changes in management or adverse findings;
 - (c) it is in the public interest to do so, including to protect non-residents or preserve financial stability.
 - (2) Before suspension or revocation, the Authority shall give the licensee an opportunity to be heard, including the right to submit evidence and arguments, ensuring procedural fairness in line with principles of administrative law.
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15. Register of Licensees

The Authority shall maintain a public register of all licensees and make it available for inspection, including online access where feasible, with details such as license type, permitted activities, issuance date, and status, to enhance transparency and allow third parties to verify legitimacy.

PART IV: SUPERVISION AND ENFORCEMENT

16. Supervisory Powers

- (1) The Authority may require licensees to submit reports on their activities, including financial statements, transaction logs, and risk assessments segmented by license type, at specified intervals or upon request.
- (2) Authorized officers of the Authority may enter premises during business hours, inspect records, and interview persons, with safeguards against unreasonable searches and requirements for identification and warrants in sensitive cases, balancing oversight with respect for privacy.

17. Anti-Money Laundering and Counter-Terrorist Financing

- (1) Licensees shall implement measures to prevent money laundering and terrorist financing in accordance with international standards, such as those from the Financial Action Task Force (FATF), including customer due diligence, transaction monitoring, and record-keeping adapted to their specific license activities.
- (2) The Authority shall issue guidelines on compliance, conduct training sessions, and perform thematic reviews to ensure effectiveness, thereby integrating global best practices into the local framework.

18. Confidentiality

Information obtained by the Authority in the course of its functions shall be confidential, except as required for enforcement, court proceedings, or cooperation with other regulators under secure protocols, with penalties for unauthorized disclosure to protect sensitive commercial data and maintain trust in the regulatory process.

19. Offences

- (1) A person who carries on a regulated activity without a license commits an offence, including those aiding or abetting such conduct outside permitted license scopes.
- (2) A person who provides false information to the Authority commits an offence, whether intentionally or recklessly.
- (3) A licensee who fails to comply with conditions or reporting requirements commits an offence, encompassing omissions or delays that hinder supervision or involve unauthorized activities. These offences are designed to deter violations and uphold the Act's objectives.

20. Penalties

A person guilty of an offence under this Act shall be liable to such penalties as prescribed by regulations, which may include fines, imprisonment, or both, with aggravating factors like repeat offences or breaches of license-specific activities considered, ensuring proportionality and deterrence.

21. Appeals

- (1) A person aggrieved by a decision of the Authority may appeal to a tribunal established for that purpose, comprising independent experts in law and finance.
- (2) The tribunal's decision may be appealed to the courts on points of law, providing a multi-tiered review mechanism to safeguard against arbitrary actions.

PART V: MISCELLANEOUS

22. Regulations

The Minister, on the recommendation of the Authority, may make regulations for—

- (a) prescribing forms and procedures for applications, reports, and other administrative matters, including those related to specific license types;
 - (b) detailing supervisory standards, including risk assessment methodologies and compliance benchmarks tailored to permitted activities;
 - (c) any other matter necessary to give effect to this Act, such as updates to reflect technological advancements or international developments, allowing for flexibility in implementation.
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23. Transitional Provisions

Any financial service provider operating prior to the commencement of this Act shall apply for a license within [Draft Placeholder - e.g., six months], specifying the appropriate license type under section 9A, with interim protections for good-faith operators during the transition period, to minimize disruption while ensuring all entities come under the new regime.

24. Repeals and Savings

Any prior laws inconsistent with this Act are repealed to the extent of the inconsistency, but savings clauses shall apply to preserve rights, licenses, or proceedings under repealed laws, facilitating a smooth legal transition.

25. Commencement

This Act shall come into force on the date specified by the Minister by notice in the official gazette, allowing for preparatory measures such as staff recruitment and system setup prior to full operation.
