

Puerto Rico IFE Questionnaire

May 2019

Name of IFE:

- Must include the word “International”
- For example, Smart International Bank, Inc. or Smart International Private Bank, Inc.

Name of Project Lead:

Address:

Phone:

Email:

Purpose of the IFE:

Why do you want to open an international bank? What’s the story behind your IFE?

What will separate your IFE from the competition? What’s your Unique Selling Point?

Services to be provided by the IFE

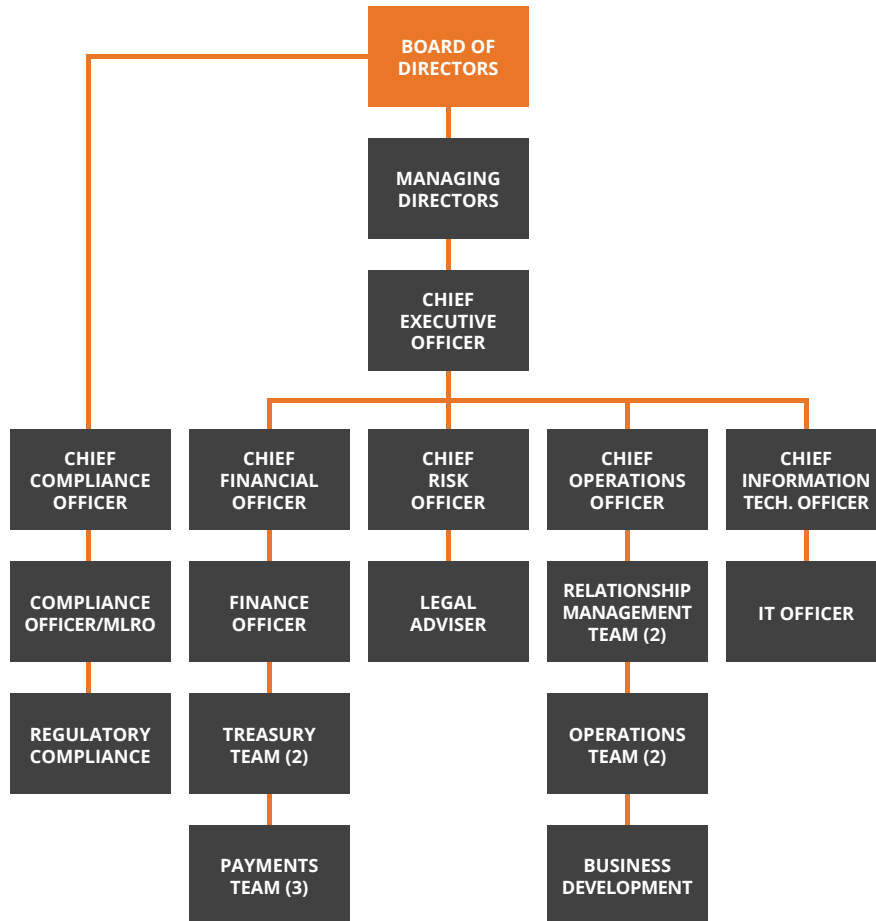
- For example, deposit accounts, CDs, debit cards, wire transfers, custodial accounts, etc.
- Only list those services you will provide in the first year or two. The fewer services the better.

Countries where your clients will be based.

- Include a percentage. For example, 80% from Brazil, 10% from Mexico, and 10% from USA.
- Your country allocations should be logical. For example, if 90% of your clients come from China, your compliance will focus on China. It's unlikely you can also afford to provide quality KYC and AML for clients in Mexico.
- Describe the intended target market and the geographical market area(s).

List all shareholders by ownership percentage. If corporate shareholders, list the country or State of incorporation and the beneficial owners of each structure.

- Each individual shareholder must provide a complete due diligence package. 3rd party due diligence fees range from \$3,500 to \$12,000 per person. Most non-US shareholders are \$6,000 (single jurisdiction) to \$9,000 (two countries).
- Shareholders must show liquid net worth sufficient to support the IFE.
- Corporate shareholders that are active businesses MUST have audited financial statements.
- I suggest applying for the license with those shareholders that will own 10% or more of the IFE. If you will raise money from smaller investors, do that after receiving your license.
- Indicate the country of citizenship and residence for each shareholder.



Describe your organizational structure. Who will be based in Puerto Rico and who will be based abroad? This is a list of nearly all possible positions. You do not need to fill each now. The minimum number is 5 in Puerto Rico and the most important is a highly qualified Chief Compliance Officer.

List your board of directors.

How many employees will you have in Puerto Rico (minimum of 5). Describe

Will you have employees in other countries or in the United States? If yes, describe.

List and describe all related companies. Include the physical address and websites of these companies.

Describe your marketing plan.

- A marketing plan should show that the IFE has reasonable prospects to achieve the revenue projections, customer volume, and key marketing and income targets. The analysis should be based on the most current data available, and the sources of information should be referenced. This section should contain an in-depth discussion of the major planning assumptions for the market analysis, economic, and competitive components used to develop the plans, objectives, and the basis for the assumptions.

Describe your competition.

- Compare and contrast the IFE's product strategy with its principal competitors in the target market(s). Include expected results in terms of relative strength, market share, and pricing.

Summarize what hardware, software, systems, and tech will be deployed.

- Avoid references to cryptocurrency and blockchain. See my cost summary for a list of software providers.

Do you have connections with potential correspondent banks that you want to include? If yes, describe.

Describe your IFE's target account size and transactions.

- How many accounts will you open each month. Number of accounts at the end of fiscal year one.
- Average balance in each account
- Minimum account size (range from \$500 to \$1.5 million depending on business model)
- Number of transfers per month per account
- Will you charge an account opening fee?
- Will you have in-house and external sales teams? Internal is in Puerto Rico and external is commission based abroad.

Notes / Comments