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# Offences

## Offences under the Sec Act

Offences under the Sec Act No.36 of 1987

### (1)**Section 51(1)(a):**

Any person who contravenes any provision of the Securities and Exchange Commission of Sri Lanka Act (SEC Act) or any requirement imposed or regulations or rules made under the Act shall be guilty of an offence.

(2) **Section 51(1)(b):**

Any person who furnishes or produces for the purposes or requirements of the SEC Act, rules or regulations, any information, return, document or statement which is untrue, incorrect or misleading shall be guilty of an offence.

(3) **Section 51(1)(c):**

Any person who wilfully obstructs any member of the Commission or any officer of the Commission in the performance of his legitimate duties shall be guilty of an offence.

(4) **Section 50A:**

Any person who threatens or intimidates or makes any derogatory remarks or publishes any statement with a view to bringing disrepute or defaming the reputation of any member of the Commission, the Director General or any other officer or servant of the Commission in the course of discharging his duties shall be guilty of an offence.

(5) **Section 30:**

Any body corporate or individual who uses the words "stock exchange", "stock broker" or "stock dealer" without first having obtained a licence from the SEC shall be guilty of an offence.

(6) **Section 32:**

Any person who commits an act of insider dealing as set out in Section 32 shall be guilty of an offence.

(7) **Sections 27, 28(2) & 29:**

Prohibited conduct of licensed stock exchanges, licensed stock brokers and licensed stock dealers

(8) **Sections 28A & 29A:**

Prohibited conduct of listed public companies or any public company who has applied for a listing in an exchange

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(9) **Section 28(1):**
Prohibition on off-the-floor trading (dealing in listed securities except in accordance with the trading procedure of the stock exchange)

(10) **Section 46A(4):**
Every person who fails to appear before the Commission when required to do so/ refuses to answer any question put to him/ gives false answers/ fails to produce any document in his possession when required to do so is guilty of an offence.

## Offences Under the Sec Rules

Offences Under the Sec Rules Gazette No.1215/2 of 18th December, 2001

In addition to the specific offences set out above, the contravention of any of the provisions of the SEC Act or Rules and Regulations made thereunder shall be an offence as stipulated in Section 51(1)(a) referred to above.

(11) **Rule 12:**
Any person who creates a false or misleading impression of active trading or a false or misleading impression regarding the price of any securities shall be guilty of an offence.

(12) **Rule 13:**
Any person who creates a false market in listed securities shall be guilty of an offence.

(13) **Rule 14:**
Any person who front-runs his client in the manner provided in Rule 14 shall be guilty of an offence.

(14) **Rule 16:**
Any listed company which does not supply with immediate effect any price-sensitive information concerning such company to the stock exchange is guilty of an offence.

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