

PART V

- A. Terms and conditions to be complied with for the purpose of granting registration as a market intermediary to an investment manager, margin provider or underwriter, which is a body corporate and the renewal of such registration are :-
- (i) that the applicant is a company formed and registered under the Companies Act, No. 17 of 1982 and includes a company duly incorporated outside Sri Lanka, or formed in pursuance of any statute of any foreign country, Royal Charter or Letters Patent and a body corporate established by or under any written law;
 - (ii) that the Directors of the applicant -
 - (a) have never been declared bankrupt;
 - (b) have never been persons, or been Directors of a Company, whose registration as a market intermediary or license as a stock broker, stock dealer or managing company of a unit trust has been cancelled or suspended by the Commission;
 - (iii) that all Directors and employees who will be dealing with clients on behalf of the applicant possess such adequate qualifications and training as may be determined by the Commission from time to time;
 - (iv) that the applicant is in good financial standing; and
 - (v) that the applicant meets any other criteria that may be imposed by the Commission from time to time.
- B. Terms and conditions to be complied with for the purpose of registration as a market intermediary to an investment manager who is an individual and the renewal of such registration are, that the applicant -
- (i) is a citizen of Sri Lanka;
 - (ii) is a fit and proper person, and has not been declared bankrupt at any time;
 - (iii) possesses such qualifications and training as may be determined by the Commission from time to time; and
 - (iv) meets any other criteria that may be imposed by the Commission from time to time.

- C. Terms and conditions to be complied with for the purpose of registration as market intermediary of a body corporate which performs the functions of a clearing house and the renewal of such registration are -
- (i) that the applicant is a company incorporated under the Companies Act, No. 17 of 1982 and includes a company duly incorporated outside Sri Lanka, or formed in pursuance of any statute of any foreign country, Royal Charter or Letters Patent and a body corporate established by or under any written law;
 - (ii) that the Directors of the applicant -
 - (a) have never been declared bankrupt;
 - (b) have never been persons or been directors of a company whose registration as a market intermediary or licence as a stock broker, stock dealer or managing company to a unit trust has been cancelled or suspended by the Commission;
 - (iii) that the applicant is of good financial standing;
 - (iv) that a licensed stock exchange is a shareholder of the applicant;
 - (v) that the rules of the applicant make satisfactory provision -
 - (a) with respect to the conditions under which securities may be deposited, withheld, withdrawn or transferred;
 - (b) for the holding of deposited securities;
 - (c) for the processing of dealings in deposited securities;
 - (d) for facilitating the settlement of deposited securities;
 - (e) for the protection of the interests of depositors and the protection and control of information on deposited securities and dealings therein;
 - (f) for the monitoring of compliance with, and for the enforcement of the rules of the applicant company;
 - (g) with respect to the maintenance of a policy or policies of insurance, the obtaining of guarantees from participants and the establishment and maintenance of compensation funds, for the purpose of settling claims by depositors against the applicant; and

- (h) generally for the carrying on of the business of the applicant with due regard to the interests of the public;
 - (vi) that the applicant meets any other criteria that may be imposed by the Commission from time to time.
- D. Terms and conditions to be complied with, for the purpose of granting registration as a market intermediary to a credit rating agency and the renewal of such registration are -
 - (i) that the applicant is a company incorporated under the Companies Act, No. 17 of 1982 and includes a company duly incorporated outside Sri Lanka or formed in pursuance of any Statute of any foreign Country, Royal Charter, Letters Patent and a body corporate established by or under any written law;
 - (ii) that the Directors of the applicant -
 - (a) have never been declared bankrupt;
 - (b) have never been persons or been Directors of a company whose registration as a market intermediary or licence as a stock broker, stock dealer or managing company of a unit trust has been cancelled or suspended by the Commission;
 - (iii) that the applicant is of good financial standing;
 - (iv) that no Director, officer or employee of the applicant has been convicted of fraud or criminal breach of trust or cheating or criminal misappropriation or has been declared bankrupt or found guilty of contravening any provisions of this Act or any rules or regulations made thereunder;
 - (v) that the promoters of the applicant are, in the opinion of the Commission, persons of means and integrity and have special knowledge of matters which the company may have to deal with as a credit rating agency;
 - (vi) no Director of the applicant is a Director of a corporate entity or a business firm or a shareholder holding five *per centum* or more of any corporate entity or business firm or is in any other way interested in such an entity subject to rating by the applicant; and
 - (vii) an undertaking that no Director, officer or employee of the applicant shall communicate the information acquired by him for use of rating purposes, to any other person except when required under law to do so.