



SECURITIES AND EXCHANGE
COMMISSION OF SRI LANKA

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BY HAND

REF: SEC/ER&CME/2020/07/10

10 July 2020

Mr. Rajeeva Bandaranaike
Chief Executive Officer
Colombo Stock Exchange
#04-01, West Tower
World Trade Center
Colombo 1

Dear Mr. Bandaranaike,

RE-INSTATEMENT OF INVESTMENT ADVISORS (IA)

The Securities and Exchange Commission of Sri Lanka (SEC) writes in reference to a Regulatory Committee decision taken to amend the existing re-instatement requirement of Investment Advisors.

The amendment is annexed for your information and you are kindly requested to circulate amongst all licensed stock brokers.

Yours sincerely,

Chinthaka Mendis
DIRECTOR GENERAL
Sp/Sb

Encl: Circular dated 10 July 2020 ref. SEC/ER&CME/2020/07/09



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BY HAND

Ref: SEC/ER&CME/2020/07/09

10 July 2020

To: COLOMBO STOCK EXCHANGE
ALL LICENSED STOCK BROKERS

RE-INSTATEMENT OF INVESTMENT ADVISORS (IA)

The SEC writes pursuant to a Regulatory Committee decision taken to amend the existing re-instatement requirement of Investment Advisors.

Existing CPD requirement

As per SEC Circular no. 08/2009 dated 13th October 2009 and SEC Directive ref: no. SEC/CMET/2018/12/103 dated 18th December 2018, all IAs are required to earn four (4) CPD credits mandatorily during their licensing year.

Re-instatement requirement due to non-compliance

Investment advisors, whose license has expired due to non-compliance with CPD requirement for two (2) or more years at the time of request, are obligated to fulfill following extended requirements in order to renew their RIA status.

(a) **IAs with continuous industry experience over 10 years with a proven track record**

The IAs will be re-instated when formally requested by the relevant stock broking company subsequent to passing a RIA VIVE VOCE Examination subject to such individuals earning a minimum of four (4) CPD seminar credits within a period of one year.

(b) **IAs with continuous industry experience between 5 to 10 years with a proven track record**

The IAs will be re-instated when formally requested by the relevant stock broking company subsequent to passing a RIA VIVE VOCE Examination subject to such individuals earning a minimum of four (4) CPD seminar credits and pass a re-licensing examination within a period of one year.

(c) **IA's with continuous industry experience less than 5 years with a proven track record**

The IA's must first renew the RIA status through the process described below and may not act as an IA in the securities industry that comes under the purview of the SEC prior to renewing their RIA.

Such IA's should pass a RIA VIVA VOCE Examination and a re-licensing examination. The relevant stock broking company should then formally request the reinstatement.

Within a period of one year IA should also earn a minimum of four (4) CPD seminar credits.

(d) **IA's of separate asset classes**

Above stated requirements will be applicable to IA's of separate asset classes.



Chinthaka Mendis
DIRECTOR GENERAL
Sp/Sb