



PROCEDURE TO BE FOLLOWED IN APPLYING FOR A NEW REGISTRATION AS AN UNDERWRITER

Manner in which the application has to be perfected and the documents to be submitted with the application are given below.

1. A specimen of the application form that has to be submitted is attached hereto (**Annex A**).
2. The supporting documents that must be annexed to the application form are;
 - i. Related companies
 - ii. Group structure
 - iii. Organizational chart
 - iv. Information relating to directors
 - v. Memorandum and/ or Articles of Association
 - vi. Certificate of incorporation and commence business
 - vii. Audited financial statements
 - viii. Fee structure
 - ix. List of personnel dealing with clients
 - x. Business relationships
 - xi. Business model
 - xii. License/ registration status of any other regulated activities
 - xiii. Declarations in the form of an affidavit with regard to fitness and propriety to function as Directors, etc.
 - xiv. Declaration of directors.

(For details of above supporting documents, please refer **Annex B**)

3. The aforesaid supporting documents should be attached to the application form in the order specified above and each supporting document should contain the title of the document as mentioned in Annex B in bold capital letters, at the top of the front page (eg: "**ARTICLES OF ASSOCIATION**").
4. With regard to the declaration in respect of Fitness and Propriety of the directors, key management personnel and persons dealing with clients of the applicant entity, a specimen of an affidavit to be submitted is enclosed herewith (please refer **Annex C**). The affidavit/s must be duly perfected and annexed to the application form.
5. In the event a material change takes place during the period consequent to the submission of the application and prior to the registration being granted, you are required to inform the SEC immediately.

Registration Fees

Details regarding the fees payable for the registration is available on the SEC website.

The cheque in relation to the applicable fee should be drawn in favor of the SEC and must accompany the application form.

APPLICATION FOR THE GRANT OF REGISTRATION AS AN UNDERWRITER

TO: CHAIRMAN
SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA.

..... (name of Applicant) of applies for registration as a Market Intermediary under the category of Underwriter under the provisions of the Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987 (as amended) and hereby undertakes, that in the event registration is granted, to comply with the provisions of the Act, Rules, Regulations and Determinations made thereunder from time to time.

1. Registered name and address of the Applicant (please include mailing address if different):
.....
2. Telephone/Fax Nos.:
3. E-mail address:
4. Web-site of the Applicant:
5. State whether the Applicant is formed and registered under the Companies Act, No. 17 of 1982 or the Companies Act No. 07 of 2007 of Sri Lanka or is a Company incorporated outside Sri Lanka or formed in pursuance of any statute of any foreign country, Royal Charter or Letters Patent or a body corporate established by or under any written law with details relating thereto including the statute under which it is formed and/or registered and the date of such formation and/or registration:
.....
6. The Capital Structure of the Applicant Company:

Stated Capital

Shareholders Funds:

Financial Year End (dd/mm):

.....
7. List of names of the Holding Companies, Subsidiary Companies, Associate Companies and Partnerships in which the Applicant has an interest (**Annexure 1**); and
 - (a) a tree diagram depicting the following (**Annexure 2**):
 - i) group structure,
 - ii) percentage of shareholding of each group member,
 - iii) principal business activities of each group member, and
 - (b) organisational chart of the Company (**Annexure 3**).

8. Shareholding Composition

Shareholders						
Individual	Ordinary		Preference		Others	
	No	%	No	%	No	%
Name						
Corporation	Ordinary		Preference		Others	
	No	%	No	%	No	%
Name						

9. Information Relating to Directors **(Annexure 4)**

Please provide details relating to the directors in the format given in Annexure 4.

(ii) Whether the Directors of the Applicant -

- (a) have been declared bankrupt;
- (b) have proceedings now pending in a Court of Law for any offence involving fraud or dishonesty; and
- (c) have been persons, or Directors of a Company, whose registration as a Market Intermediary or whose licence as a Stock Broker, Stock Dealer, or Managing Company of a Unit Trust has been cancelled or suspended by the Securities and Exchange Commission of Sri Lanka.

(iii) Are the Directors of the Applicant Company functioning in the capacity of Directors of any Listed Companies?

If so, please provide the names of the Listed Companies against the names of the particular Director **(Annexure 4)**

(iv) Are the Directors of the Applicant Company also Directors of the Holding Company/Subsidiary/ Associates?

If so please provide the names of the Companies against the name of the director **(Annexure 4)**

(v) Are the Directors of the Applicant Company shareholders of Listed Companies?

If so, please provide the names of the Listed Companies against the name of the particular Director **(Annexure 4)**

(vi) Do the Directors of the Applicant Company represent another company which has also made a similar application to the Securities and Exchange Commission of Sri Lanka to carry on the identical business as in the present application?

If so, please provide the name of the company against the name of the particular Director **(Annexure 4).**

(vii) Are the Directors of the Applicant Company involved in any manner in another company which carries on any business which has been licensed by or has been registered with the

Securities and Exchange Commission of Sri Lanka?

If so please provide the name of the company and the nature of business against the name of the particular Director **(Annexure 4)**.

10. General Information

The Applicant:

- (a) Has there been any judgment by a court of law in respect of any findings of fraud or other dishonest act, misrepresentation, breach of contract, breach of fiduciary duty or professional negligence against it, in any criminal/civil proceedings, or are there any proceedings now pending in a court of law?

.....
(if so, please provide details)

- (b) Has there been/is there a receiver and/or manager appointed in respect of any of the assets of the Applicant?

.....
(if so, please provide details)

- (c) Has there been/is there a Petition presented in a Court for its winding up?

.....
(if so, please provide details)

- (d) been subjected to any form of disciplinary proceedings or action by any professional or regulatory body?

.....
(if so, please provide details)

11. Documents Relating to Incorporation

The application comprises of the following documents which are duly authenticated as truecopies of the original:

- (1) copy of the Memorandum/Articles of Association or corresponding documents;
(Annexure 5)
- (2) copy of the Certificate of Incorporation and the Certificate to Commence Business, if any, or corresponding documents **(Annexure 6)**

12. Documents Relating to Financial and Operational Requirements

- (c) Audited Financial Statements **(Annexure 7)** :

(Audited Financial Statements for the immediately preceding three years; **or** in the event the Applicant has not been in business for three years, latest interim audited financial statements)

- (d) Fee Structure of fees payable by the clients including the level of all charges payable by clients and the basis of calculation of all charges **(Annexure 8)**.

- (e) Names of Directors and employees who will be dealing with clients of the Applicant **(Annexure 9)**

(Please attach copies of certificates/documents to support professional and/or academic qualifications and/or experience of directors and employees who will be, dealing with clients of the applicant/ involved in management of client funds/ dealing with clients on behalf of the Applicant)

- (f) Business relationships, ownership interests or any other financial interest between the Applicant or any other company/individual associated with the Applicant **(Annexure 10)**.

- (g) Please describe the Applicants' proposed business model, its value proposition for the overall development of the capital market and the Compliance Manual **(Annexure 11)**.

- (h) Licence/Registration status of any other regulated activities of the Applicant and the respective regulatory authority **(Annexure 12)**.

13. Declaration by way of an affidavit by directors, key management personnel and persons dealing with clients **(Annexure 13)**.

14. Declarations Required From the Applicant **(Annexure 14)**

Declaration by two Directors of the Applicant that to the best of their knowledge 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 the Act or any Rules or Regulations made under the Act.

15. Bank Receipt/Cheque No.datedfor Rs.....is attached, being registration fees

We declare that all information provided herein is true and correct and that all attachments are individually certified as being true copies and correct.

NAME & SIGNATURE OF DIRECTOR

NAME & SIGNATURE OF DIRECTOR/COMPANY SECRETARY

DATE

N. B.Section 25 (1)A of the SEC Act requires a Market Intermediary that proposes to alter any particulars already furnished or undergoes or intends to undergo a change from the state specified in the application for registration or renewal of registration as a Market Intermediary to inform the Commission forthwith of such alteration or change.

GRANT OF REGISTRATION AS AN UNDERWRITER

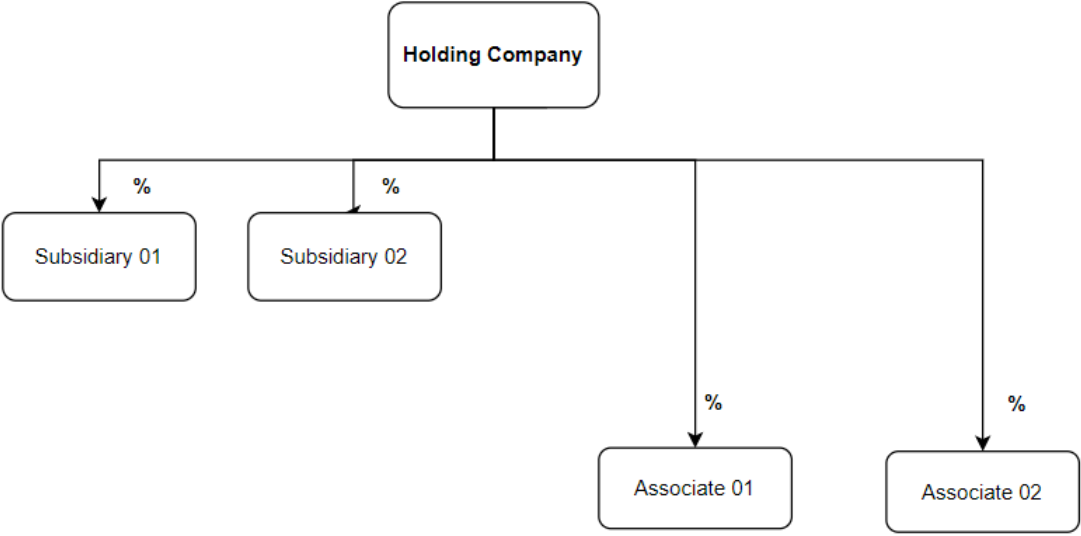
ANNEXURE	DOCUMENT TITLE	DOCUMENTS RELATED TO THE TITLE DOCUMENT
Annexure 1	RELATED COMPANIES	Details of; <ul style="list-style-type: none"> - Holding Company - Subsidiary companies - Associate companies - partnerships
Annexure 2	GROUP STRUCTURE	Tree diagram of: <ul style="list-style-type: none"> - group structure, - percentage of shareholding of each group member - principal business activities of each group member
Annexure 3	ORGANIZATIONAL CHART	Organizational chart of the Company
Annexure 4	INFORMATION RELATING TO DIRECTORS	<ul style="list-style-type: none"> - Name and address - Status-chairman/executive/non-executive - Directorship in listed companies - Shareholding in listed companies - Directorship in Holding company, subsidiary company/ies, associate company/ies - Directorship in any other company which has made a similar application to the SEC - Directorship in any other company which has been licensed/registered by the SEC
Annexure 5	MEMORANDUM/ARTICLES OF ASSOCIATION	Memorandum/Articles of Association
Annexure 6	CERTIFICATE OF INCORPORATION AND COMMENCE BUSINESS	Certificate of incorporation and Certificate to commence business
Annexure 7	AUDITED FINANCIAL STATEMENTS	<ul style="list-style-type: none"> • Audited financials for the preceding 3 years including; <ul style="list-style-type: none"> - Statement of Profit or Loss and other comprehensive income - Statement of financial position - Statement of changes in equity - Cash flow statement - Notes to the financial statements - Independent Auditor's report • If not in operation for 3 years –latest available interim audited financial statements
Annexure 8	FEE STRUCTURE	levels of charges payable by the investor and the basis of calculation
Annexure 9	LIST OF PERSONNEL DEALING WITH CLIENTS	<ul style="list-style-type: none"> - name - professional/academic qualification/s - Experience

		(Please attach copies of certificates/documents in proof)
Annexure 10	BUSINESS RELATIONSHIPS	<ul style="list-style-type: none"> - Business relationships - ownership interests - any other financial interest between the applicant and any other company/individual
Annexure 11	BUSINESS MODEL	<ul style="list-style-type: none"> - Proposed business model - value proposition for the overall development of the capital market.
Annexure 12	LICENSE/REGISTRATION STATUS OF ANY OTHER REGULATED ACTIVITIES	License/Registration status of any other regulated activities and the respective regulatory authority.
Annexure 13	FITNESS AND PROPRIETY AFFIDAVITS	Declaration in the form of an Affidavit with regard to Fitness and Propriety of Directors and Key Management Personnel (CEO, Compliance Officer) and Personnel Dealing with Clients.
Annexure 14	DECLARATION OF DIRECTORS	Declaration by two Directors that to the best of their knowledge no Director, Officer or Employee has been convicted of fraud or any criminal breach/charges or found guilty for contravening any provisions of the Act .

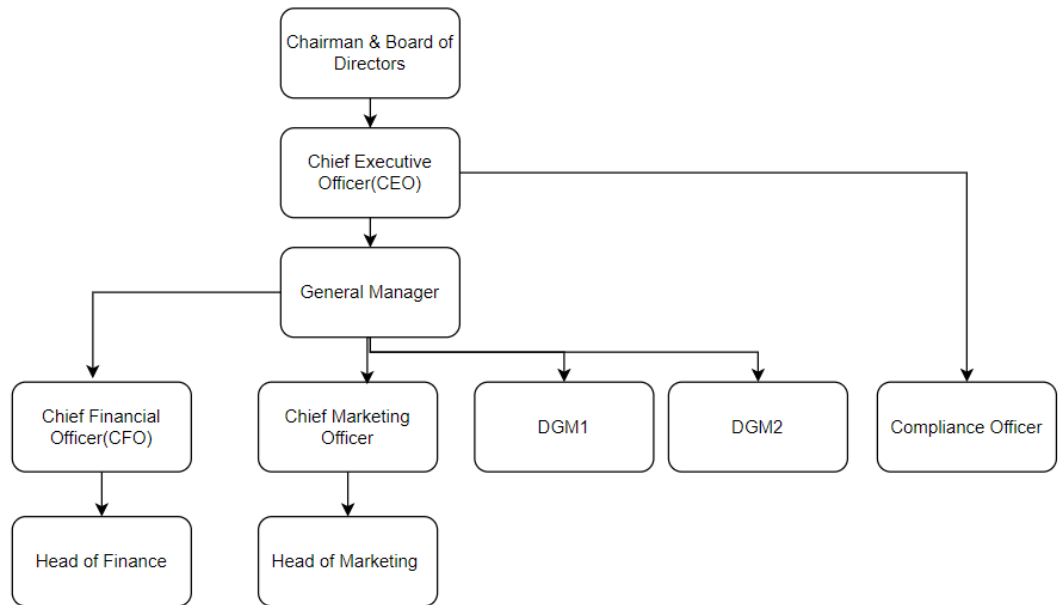
RELATED COMPANIES

HOLDING COMPANY	SUBSIDIARY COMPANIES	ASSOCIATE COMPANIES	PARTNERSHIPS

GROUP STRUCTURE



ORGANIZATIONAL CHART



INFORMATION RELATING TO DIRECTORS

Name of the Director	Residential Address of the Director	Status (chairperson/ executive/non -executive)	Directorship in listed companies	Shareholding in listed companies	Directorship in Holding Company, Subsidiary/ies, Associate/s	Directorship in any other company which has made a similar application to the SEC	Directorship in any other company which has been licensed/registered by the SEC

PERSONNEL DEALING WITH CLIENTS

Name	Academic/professional qualifications	Experience

SPECIMEN OF AN AFFIDAVIT

Affidavit

I, _____ [Full name] holder of NIC No. / Passport No. (*In the case of a foreign national*) _____ of _____ [Address], being a [Buddhist /Hindu do hereby solemnly, sincerely and truly declare and affirm] / [Christian/ Catholic/ Muslim make oath and swear as follows]:

1. I am the [affirmant / deponent] above named.
2. I affirm / state that I am a _____ [Designation] of _____ [Name of the applicant entity].
3. I affirm / state that I possess the following academic and/ or professional qualification/s:

[State here the academic and/ or professional qualification/s]
4. I affirm / state that there are no criminal / capital market cases pending against me in any court in Sri Lanka or abroad and that I have not been convicted of any criminal / capital market offence in Sri Lanka or abroad.
5. I affirm / state that I have not been part of a body corporate which has been found guilty / held responsible by a court of law in Sri Lanka or abroad for the commission of any criminal offence/ capital market offence, proved to have been committed with the knowledge or involvement or negligence attributable to me.
6. I affirm / state that I am not a person against whom an offence has been compounded or a fine has been imposed in terms of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) during a period of three (3) years immediately preceding the date of this affidavit.
7. I affirm / state that I am not a person/ director of a company or a shareholder in a position that exercises significant influence in a company that:
 - a. has been subject to any judgment debt or award in Sri Lanka or abroad, that remains unpaid in whole or in part; or
 - b. has in Sri Lanka or abroad filed for bankruptcy, winding-up, been declared bankrupt, had assets sequestered or been subjected to proceedings relating to any of the foregoing.
8. I affirm / state that I am not an individual against whom an inquiry and/or investigation by the Securities and Exchange Commission of Sri Lanka/ the Colombo Stock Exchange/ any other regulatory/ supervisory authority/ professional body in Sri Lanka or abroad is presently pending, for the commission of any act which involves fraud, deceit or dishonesty or that a finding has

been made by the Securities and Exchange Commission of Sri Lanka/ the Colombo Stock Exchange/ any other regulatory/ supervisory authority/ professional body in Sri Lanka or abroad that I have committed any act which involves fraud, deceit or dishonesty.

9. I affirm / state that I have not been a director/ chief executive officer or chief financial officer of a company, partnership or other organization whose license or registration has been refused, suspended or cancelled by the Securities and Exchange Commission of Sri Lanka for violating any provision of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended), any Rules or Regulations made thereunder.
10. I affirm / state that I have not been an individual who has been censured, disciplined, suspended or refused membership or registration by the Securities and Exchange Commission of Sri Lanka, the Colombo Stock Exchange or any other regulatory authority in Sri Lanka or abroad.
11. I affirm / state that I have not been an individual who has been disqualified by the Securities and Exchange Commission of Sri Lanka, the Colombo Stock Exchange or any other regulatory body or professional body from serving as a director of a company, or has been dismissed or requested to resign from any position or office due to mismanagement of funds or the commission of a financial fraud.
12. I affirm / state that no proceedings have been instituted in a Court of Law in Sri Lanka or abroad requesting that I be declared a bankrupt or that I have not been declared a bankrupt and that my assets have not been sequestered.
13. I affirm / state that I have not contravened any written law enacted for the protection of the members of the public against financial loss by dishonesty, incompetence or malpractice.
14. I affirm / state that I have not been declared as a person of unsound mind by a court of competent jurisdiction in Sri Lanka or abroad.
15. I affirm / state that I have the competence/ expertise and experience in the nature of the business being conducted by the applicant.
16. I affirm / state that I have not been engaged in or associated with any business practices in such manner as to cast doubt on my competence and/or soundness of judgment.
17. I affirm / state that I have the appropriate range of skills and experience to understand, operate and manage the regulated activities/financial affairs of the applicant.
18. I affirm / state that I have the technical knowledge and ability to perform the prescribed duties which I am engaged in, especially recognised professional qualifications and membership of relevant professional institutions.
19. I affirm / state that all of the above are true and accurate to the best of my knowledge.

The averments contained herein were read over to the [affirmant/ deponent] who having understood the contents hereof and having accepted same as true,
[affirmed/ swore] to and placed his/her signature at on this day of.....

Affix stamps as applicable

Before me

JUSTICE OF THE PEACE/
COMMISSIONER FOR OATHS