**APPLICATION FOR A GRANT OF A LICENCE AS A STOCK BROKER OR A STOCK DEALER**

TO : CHAIRMAN

SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA

We, ........................ of .................... hereby apply for a licence as .............................................

under the provisions of the Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987 and agree to undertake, in the event of our application being accepted, to abide by the rules and procedures of the Securities and Exchange Commission of Sri Lanka established according to the Act.

The following documents are enclosed:

1. Memorandum and/ or Articles of Association
2. List of directors
3. Corporate information
4. Related companies
5. Audited financial statements
6. Membership certificate
7. Certificates on registered investment advisor (RIA) status
8. Declarations in the form of an affidavit with regard to fitness and propriety to function as Directors, etc.

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

Cheque No. ………. dated……. for Rs. ……….. is attached, being licence fees.

|  |  |
| --- | --- |
| ………………………………………………. | …………………………………………………………………….. |
| NAME & SIGNATURE OF DIRECTOR | NAME & SIGNATURE OF DIRECTOR/COMPANY SECRETARY |

DATE……………………………….

**GRANT OF LICENSE AS A STOCKBROKER/STOCK DEALER**

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| **ANNEXURE** | **DOCUMENT TITLE** | **DOCUMENTS RELATED TO THE TITLE DOCUMENT** |
| Annexure 1 | **MEMORANDUM/ARTICLES OF ASSOCIATION** | Memorandum/Articles of Association |
| Annexure 2 | **LIST OF DIRECTORS** | * Status-chairman/executive/non-executive * Directorships in listed companies * Directorships in Holding company, subsidiary company/ies, associate company/ies * Directorships in any other companies * Directorships in any other company which has made a similar application to the SEC * Directorships in any other company which has been licensed/registered by the SEC * Shareholding in listed companies |
| Annexure 3 | **CORPORATE INFORMATION** | * Corporate information * Declaration relating to the directors * Employees certified by the SEC for stock exchange operations |
| Annexure 4 | **RELATED COMPANIES** | Details of;   * Holding Company * Subsidiary companies * Associate companies * Partnerships |
| Annexure 5 | **AUDITED FINANCIAL STATEMENTS** | * Audited financials for the preceding 3 years including; * 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 6 | **MEMBERSHIP CERTIFICATE** | Certificate of Membership issued by the CSE |
| Annexure 7 | **CERTIFICATES ON REGISTERED INVESTMENT ADVISOR (RIA) STATUS** | Certificates issued by the SEC/CSE confirming that the Director/Directors and employees are sufficiently trained in stock exchange operations.  (in the event of a stock dealer, certificate to be submitted only for the RIA appointed exclusively for own account trading) |
| Annexure 8 | **FITNESS AND PROPRIETY/AFFIDAVIT** | Declarations in the form of an affidavit with regard to Fitness and Propriety of Directors, Key Management Personnel (CEO, Compliance Officer) and RIAs. |

**ANNEXURE 2**

**LIST OF DIRECTORS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the Director** | **Residential Address of the Director** | **Status (chairperson/executive/non-executive)** | **Directorships in listed companies** | **Directorships in Holding Company, Subsidiary/ies, Associate/s** | **Directorships in any other companies** | **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** | **Shareholding in listed companies** |
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**ANNEXURE 3**

**CORPORATE INFORMATION**

1. Registered name and address of Applicant:

...............................................................................................................................................................

1. Telephone No. : .................................................................................................................
2. Is your company incorporated in Sri Lanka? (State Date of Incorporation)

...............................................................................................................................................................

1. Capital Structure of your company (Authorised and issued Capital):

...............................................................................................................................................................

1. Please confirm that the Directors of your Company;
   1. have never been declared bankrupt :.....................................................................................
   2. have never been themselves, or as Directors of a company been denied a licence as a stock broker or stock dealer: ...............................................................................
   3. have never been themselves or as Directors of a company been subjected to the removal of their license as a stock broker or stock dealer………………………………………………..
2. Please name the Director/Directors and employees who are certified by the Securities Exchange Commission of Sri Lanka as sufficiently trained in stock exchange operations: ...........................................................................................................................................................
3. Please confirm that your company will lodge security in such sum that may be determined by the Minister in charge of the subject of Finance. (Such sum will be based on the value of the transactions that are likely to be carried on by your company or an equivalent in bank guarantee with the Colombo Stock Exchange): ............................................................................................

We declare that all information provided herein is true and correct.

|  |  |
| --- | --- |
| ………………………………………………. | …………………………………………………………………….. |
| NAME & SIGNATURE OF DIRECTOR | NAME & SIGNATURE OF DIRECTOR/COMPANY SECRETARY |

DATE……………………………….

**ANNEXURE 4**

**RELATED COMPANIES**

|  |  |  |  |
| --- | --- | --- | --- |
| **HOLDING COMPANY** | **SUBSIDIRARY COMPANIES** | **ASSOCIATE COMPANIES** | **PARTNERSHIPS** |
|  |  |  |  |
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**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*]

1. 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.
2. 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.
3. 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.
4. 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:
   1. has been subject to any judgment debt or award in Sri Lanka or abroad, that remains unpaid in whole or in part; or
   2. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. I affirm / state that I have the competence/ expertise and experience in the nature of the business being conducted by the applicant.
13. 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.
14. 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.
15. 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.
16. 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