

Media Release

26th March 2023

The SEC Chairman commences stakeholder meetings



The Chairman, Securities and Exchange Commission of Sri Lanka (SEC), Mr. Faizal Salieh, met with representatives of the stock broking industry on 20th March 2023 at the SEC and deliberated issues that currently impact the capital market and the way forward.

Director General, SEC Mr. Chinthaka Mendis, Chairman, Colombo Stock Exchange (CSE) Mr. Dilshan Wirasekara, Chief Executive Officer, CSE Mr. Rajeeva Bandaranaike and other officials of both the SEC and CSE, participated at the meeting.

The meeting commenced with the Chairman explaining that, although the SEC has more teeth under the new Act, it is mindful in playing a balanced regulatory role with due consideration to both market development and market facilitation. He emphasized the need to safeguard investors while helping the market grow by doing the right thing the right way and added that the stock brokers are the front liners in the market who engage with clients directly and therefore should act with due responsibility in advising clients and trading on the Exchange.

During the meeting, Chairman, SEC stressed the importance of self - governance at the market institution, market intermediary and market operator levels and their responsibility to safeguard and uphold public interest. Mr. Salieh urged the participants to move away from short-termism towards long-term sustainability collectively in order to build investor trust and confidence in the capital market. He added that, “Our capital market must become a good alternative source for capital funds, like in other jurisdictions and that we are being watched by overseas and local investors on how the market behaves and is regulated”.

In addition, Mr. Salieh encouraged the stock brokers to develop in-house research capabilities which is now a requirement under the new SEC Act, review risk mitigation policies and processes, ensure succession planning and strengthen the compliance function. He suggested that a Compliance Officers Forum be created to enable exchange of views, best practices and improve compliance in the market.

The industry participants while appreciating various initiatives taken by SEC, shared their ideas and suggestions to develop the market. Among the topics that received significant attention were, listing of identified State Owned Enterprises, attraction of captive funds such as pension and retirement funds to the market and listing of Green and Blue bonds, and Infrastructure Bonds.

Mr. Salieh requested all stakeholders to come together in driving the market in a sustainable and professional manner.

Issued by

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