



BY HAND

Ref: SEC/DG/2023/04/91

26th April 2023**TO: MARKET INTERMEDIARIES UNDER THE FOLLOWING CATEGORIES****DIRECTIVE ISSUED UNDER AND IN TERMS OF SECTION 16(C) OF THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA ACT, NO. 19 OF 2021****RE: MINIMUM FINANCIAL REQUIREMENTS**

The Securities and Exchange Commission of Sri Lanka at its 482nd meeting held on 03rd April 2023 resolved to stipulate "Minimum Financial Requirements" for the following categories of Market Intermediaries.

This Directive is issued in furtherance to the Rules applicable for Market Intermediaries issued via Gazette No. 2271/09 dated 15th March 2022 with the enactment of the Securities and Exchange Commission of Sri Lanka Act. No. 19 of 2021.

| Market Intermediary Category | Minimum Shareholders' Funds Requirement (LKR) | Minimum Liquid Capital Requirement |
|---|--|---|
| Investment Manager | 7.5 million | 2.5% of Total Liabilities |
| Credit Rating Agency | 15 million | 2.5% of Total Liabilities |
| Margin Provider | 30 million | 2.5% of Total Liabilities |
| Managing Company | 25 million | Not applicable for the Managing Company category as each Collective Investment Scheme under the respective Managing Company shall maintain liquidity levels as specified by the Commission in terms of the Collective Investment Scheme Code, 2022. |
| Underwriter | 50 million | The Liquid Capital Requirement will be determined case by case, based on the value of the amount underwritten. Accordingly, at the time of obtaining approval of the SEC for any underwriting obligation, the entity shall demonstrate availability of Liquid Capital equivalent to the value of the amount underwritten. |
| Entities acting under multiple licensing categories | Highest value stipulated for applicable licensing categories | 2.5% of Total Liabilities |

This Directive shall be effective from the date hereof.

Chinthaka Mendis
DIRECTOR GENERAL