



BY HAND

Ref: SEC/LEG/23/10/07

06<sup>th</sup> October 2023

TO: THE COLOMBO STOCK EXCHANGE

**DIRECTIVE ISSUED IN TERMS OF SECTION 16(c) TOGETHER WITH SECTIONS 26(5), 178(5)(a), 81(3), 175(1)(a) AND 175(4) OF THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA ACT NO. 19 OF 2021**

The Securities and Exchange Commission of Sri Lanka (SEC) at its 493<sup>rd</sup> Meeting held on 03<sup>rd</sup> October 2023 having taken into consideration the representations made and discussions held with the Colombo Stock Exchange (CSE) in respect of non-compliances relating to the Listing Rules of the CSE, decided to issue guidelines to the CSE in order for the CSE to take disciplinary actions and/or administrative sanctions in respect of same.

Therefore, the CSE is directed to take the following disciplinary actions and/or administrative sanctions in respect of non-compliances relating to the Listing Rules of the CSE as appropriate, subsequent to following the procedure stipulated below:

- (1) The CSE to identify the non-compliances relating to the Listing Rules of the CSE in respect of the following:
  - a) Non-submission/delayed submission of Annual Reports;
  - b) Non-submission/delayed submission of Interim Financial Statements;
  - c) Non-disclosure/delayed disclosure of revision of ratings; and
  - d) Non-disclosure of material information as per the CSE Listing Rules.
- (2) The CSE to provide notice or an opportunity of being heard to the Listed Entity and to the Directors of such entity (as applicable) in respect of the aforesaid non-compliance(s) relating to the Listing Rules of the CSE.
- (3) To take any one or more of the following disciplinary actions and/or administrative sanctions on the Listed Entity and/or its Directors upon providing notice or considering the responses received, pursuant to Item 2 above (as applicable):
  - (i) imposition of a penalty not exceeding Rupees 5 million in respect of the aforesaid non-compliances;
  - (ii) issuance of a Letter of Caution;
  - (iii) issuance of a Letter of Warning;
  - (iv) issuance of a Public Reprimand to the Board of Directors of a Listed Entity which has committed the non-compliance.

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- (4) The CSE to notify the SEC and publish information in respect of the disciplinary action and/or the administrative sanction taken.

The CSE is further directed to exclude the following categories for the time being from the imposition of the above sanctions:

- (a) Companies listed on the Empower Board; and
- (b) State Owned Enterprises which would be listed on the Catalist Board of the Exchange.

These guidelines will be effective from the date hereof.



Chinthaka Mendis  
**DIRECTOR GENERAL**