

May 09<sup>th</sup> 2024

Ref: SEC/DG/2024/05/120

**TO : CEOs OF ALL MARKET INTERMEDIARIES (MIs)****IMPOSING ADMINISTRATIVE SANCTIONS**

In terms of The Securities and Exchange Commission of Sri Lanka Act No 19 of 2021 (SEC Act) and powers vested in the Securities and Exchange Commission of Sri Lanka (SEC) as per section 178 to impose administrative sanctions;

The Securities and Exchange Commission of Sri Lanka (SEC) has established an approved internal framework to;

Identify (*except in relation to offences under Part V*), "if any person;

- contravenes any provision of the Act or commits a breach of any regulation or rule made thereunder;
- contravenes or fails to comply with any condition or restriction of a license or registration granted under this Act;
- fails to comply with any provision of the rules of a market institution; or
- fails to comply with any written notice, guideline, directive or condition imposed by the Commission"

and,

having followed the due procedure, take one or more of the administrative actions as per Section 178 of the SEC Act.

- direct the person who has committed the contravention, non-compliance or breach to comply, observe, enforce or give effect to such provisions, regulations, rules, written notice, condition, directive or guideline;
- impose a penalty on the person who has committed the contravention, non-compliance or breach, in proportion to the severity or gravity of the contravention, non-compliance or breach and such penalty in any event shall not exceed fifty million rupees;
- reprimand the person who has committed the contravention, non-compliance or breach;
- require the person who has committed the contravention, non-compliance or breach to take such steps as the Commission may direct to remedy the contravention, non-compliance or breach to mitigate the effect of such contravention, non-compliance or breach, including making restitution to any other person aggrieved by the contravention, non-compliance or breach;

The SEC requires all MIs and applicable persons to duly adhere to The SEC Act, Rules, Regulations, Directives and/or Circulars made thereunder, at all times.



Chinthaka Mendis  
**DIRECTOR GENERAL**  
-/dm/sp/hm

**copy : Colombo Stock Exchange (CSE)**