



# EASTERN CARIBBEAN SECURITIES MARKET LICENSING POLICY FOR INDIVIDUALS

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# EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION

## EASTERN CARIBBEAN SECURITIES MARKET LICENSING POLICY FOR INDIVIDUALS

### FOREWORD

1. The Policy provides general information for licensees and prospective licensees under the Securities Act 2001 administered by the Eastern Caribbean Securities Regulatory Commission (“ECSRC”).
2. Any person carrying on regulated activities in the Eastern Caribbean Securities Market (“ECSM”) must be licensed with the ECSRC.
3. It is an offence to carry on regulated activity in the ECSM or conduct securities business with the public in the Eastern Caribbean Currency Union member countries<sup>1</sup> without the required licence.
4. For further information or assistance, please visit the ECSRC website at [www.ecsrc.com](http://www.ecsrc.com) or for consultation you may contact the ECSRC via telephone, email or post. The contact information is as follows:

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<sup>1</sup>The ECCU Member countries are: St. Kitts and Nevis, Antigua and Barbuda, Montserrat, Anguilla, St. Vincent and the Grenadines, St. Lucia, the Commonwealth of Dominica and Grenada.

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## EASTERN CARIBBEAN SECURITIES MARKET LICENSING POLICY

### PART I - PRELIMINARY

#### 1.0 Background

All individuals who wish to engage in the conduct of securities business in the ECSM are required to be licensed by the Eastern Caribbean Securities Regulatory Commission (ECSRC). Pursuant to section 163 of the Securities Act<sup>2</sup> (“the Act”) *“the Commission may from time to time issue such guidance notes, bulletins, advice or other regulatory statements as it may consider necessary or desirable for the administration of this Act.”*

#### 2.0 Objectives

The Policy aims to:

- i) provide general information for individuals seeking to be certified and licensed to conduct securities business in the ECSM;
- ii) apprise individual licensees of the requirements for continuing to meet the fit and proper requirements of the Securities Act;
- iii) assist individual licensees to be compliant with the requirements of the Securities Act 2001 and the relevant provisions in the Securities (Conduct of Business) Regulations;
- iv) assist the Commission in collecting and proficiently maintaining reliable and valid records for licensees;
- v) provide options for the re-entry of licensees into the market following a period of absence or inactivity;

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<sup>2</sup>The Securities Act Chapter S13 of Anguilla; the Securities Act No. 14 of 2001 of Antigua and Barbuda; the Securities Act No. 21 of 2001 of the Commonwealth of Dominica, the Securities Act No. 23 of 2001 of Grenada; the Securities Act Chapter 11.01 of Montserrat, the Securities Act Chapter 21.16 of St Kitts and Nevis; the Securities Act Chapter 12.18 of Saint Lucia; and the Securities Act Chapter 261 of St Vincent and The Grenadines

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- vi) provide explicit guidance to give effect to sections 64(3) and 66(1)(f) of the Securities Act 2001 and the Securities (Licence and Fees) Regulations; and
- vii) outline the rules for the ECSM Certification Examination Programme.

### **3.0 Scope and Application**

The Policy outlines the procedures and processes for licensees and prospective licensees operating in the ECSM.

## **PART II - CERTIFICATION EXAMINATION: PRE-REQUISITE FOR LICENSING**

### **4.0 Eligibility for Licensing**

The applicant must possess suitable credentials, experience and be of a good reputable character to be considered eligible for licensing by the Commission. The applicant must be fit and proper to undertake the required activities of the securities operations in the ECSM.

In assessing whether the applicant is a fit and proper person, the ECSRC assesses a number of factors including:

- Financial Status;
- Reputation and character;
- Education and other qualification or experience; and
- Satisfactory completion of any prescribed examination required by the ECSRC.

#### **4.1 Financial Status**

The suitable candidate should have established and carry on a good relationship with a financial institution. The Commission requires a Reference Letter from a financial institution with which the applicant conducts business on a regular basis. The Reference would indicate the number of years of the current standing business

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relationship with the applicant and indicate whether the applicant is in good standing with the financial institution.

### **4.2 Reputation and Character Reference**

The character Reference is a requirement for completing the Licence Application. The applicant is expected to indicate the names of two Referees within the Application Form who could provide character references for the applicant. The Letters of Recommendation must be completed by the referees and submitted directly to the Commission by the referee in a sealed envelope and signed across the seal. Any Letter of Recommendation which reaches the Commission unsealed or found to be tampered with, will not be accepted by the Commission. The Commission will accept Letters of Recommendation via electronic mail, however, only directly from the character referee.

The Letter of Recommendation is used to determine whether the individual has the ethos necessary to conduct securities business in a fair manner and in accordance with its employer's policies and the laws governing the operations of the securities business.

### **4.3 Education and other Qualification or Experience**

The suitable candidate should have at least a first degree in one or more of the following subject areas; Accounting, Banking, Finance, Investment, Economics along with experience and training in the securities industry. The experience required would be assessed by the Commission based on the licence being applied for; however, the applicant is expected to possess at least 1 to 3 years of relevant industry experience.

Candidates who are already authorised to operate in a foreign securities markets may qualify for licensing by the Commission and may be exempted from Paper I of the ECSM Certification Examination by providing proof of licensing or authorisation from a foreign regulatory authority and relevant Continued Professional Development (CPD) as per Appendix II.

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**4.4 Prescribed Examination Requirement**

In considering whether an applicant is a fit and proper person to be licensed, the Commission shall have regard to the applicant’s satisfactory completion of the ECSM Certification Examination. Therefore, success in the ECSM Certification Programme and Examination (ECPE) is one of the eligibility criteria for obtaining a licence to operate as a Principal, Representative or Investment Adviser in the ECSM and for Associate Membership in the Eastern Caribbean Securities Exchange.

The ECSRC may not grant a licence to an individual who has not been successful in the certification examination. **All individual licence applicants must successfully complete the ECSM Certification Examination with a pass rate of 70 per cent in order to be considered eligible for licensing.**

However, individuals with a minimum of three years’ experience in a foreign securities market that have been successful in the following examinations (see table below) issued by the Financial Industry Regulatory Authority (FINRA) may be considered for exemption from Paper I of the ECSM Certification Examination.

<b>Examinations</b>	<b>Examination Level</b>
Series 7 – General Securities Programs Limited Representative Exam	Representative
Series 57 – Securities Trader Representative Exam	Representative
Series 6 – Investment Company and Variable Contracts Products Representative Exam	Representative
Series 79 – Investment Banking Representative Exam	Representative
Series 17 – United Kingdom Securities Representative Examination	Representative
Series 24 – General Securities Principal Exam	Principal
Series 27 – Financial and Operations Principal Exam	Principal
Series 28 – Introducing Broker/Dealer Financial and Operations Principal Exam	Principal



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### **5.0 ECSM Certification Programme and Examination (“ECPE”)**

The objective of the ECPE is to provide a thorough understanding of the Securities Act and its accompanying regulations and their applicability in the ECSM and to provide practical training on the securities trading platform to individuals who intend to become licensed market participants in the ECSM. The ECPE comprises a training and examination component. The training in both the theory and practical aspects of the operations of the ECSM is conducted mainly through webinars, totalling approximately 30 hours over a 5-day period.

#### **5.1 Who Should Participate in the ECPE**

The ECPE is targeted at persons with a background and/or experience in Finance and Investment, Banking, Accounting, or Economics. The ideal candidate has academic training and practical experience in the securities industry. However, the ECPE will be of particular interest to recent graduates who wish to specialise in securities business. The training and examinations for this programme are conducted at a postgraduate level, and as such, candidates are expected to have a first degree or extensive experience in one of the recommended disciplines.

#### **5.2 Structure of the ECSM Certification Examination**

The ECPE culminates with the ECSM Certification Examination which is in two parts: Part I and Part II. The structure of the examination consists exclusively of multiple-choice questions, with four available choices per question. There are 200 questions divided into two papers, each consisting of 100 questions. The examination is completed in two sittings, one for each paper. Two hours is allotted to complete each paper.

The objective of the ECSM Certification examination is to assess prospective market participants' competence in securities market issues, and the laws and regulations in force and governing the operations of the ECSM. The assessment will be used to determine candidates' eligibility to be licensed as market participants.

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### **5.2.1 Examination Results**

Examination results will be provided to candidates and their sponsors (if any) within a maximum period of four (4) weeks of completing the examination. A certificate is provided to all successful candidates in the ECSM Certification Examinations. Please note that this certificate is **not** a licence to operate in the ECSM.

### **6.0 Examination Rules and Regulations**

- 6.1** The Commission requires that every ECSM Certification Examination candidate must present a valid form of identification issued by a national government, such as a passport, national identification card or drivers licence for proof of identity upon entering the examination centre.
- 6.2** Candidates are required to comply, in all respects, with any instructions issued by the exam invigilator before and during the examination.
- 6.3** Candidates must not attempt to deceive the exam invigilator by giving false or misleading information.
- 6.4** Non-programmable calculators may be used during the examination.
- 6.5** Candidates who leave the examination centre within forty-five (45) minutes of the commencement of the examination are not allowed re-entry to the examination centre. Therefore, the candidate's examination script must be submitted to the invigilator prior to departure from the examination centre.
- 6.6** Candidates requiring the attention of the invigilator should indicate without disturbing other candidates.

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- 6.7** All materials (question paper, rough sheets, answer sheets, etc) provided to candidates for the examination are the property of the Commission. These materials should not be removed from the examination centre. Failure to return all materials provided prior to exiting the examination centre may result in the candidate's examination script not being graded.
- 6.8** Legal action may also be taken against any candidate or person who removes and/or reproduces any examination material.
- 6.9** Any candidate who engages in any form of disruptive or dishonest activity may be expelled from the examination centre. Such actions include *inter alia*:
- i) sharing of information, that is, giving help to or receiving help from other candidates;
  - ii) using reference or resource material during the examination;
  - iii) participating in an act of impersonation or any other form of cheating;
  - iv) failure to follow the instructions of the invigilator or other examination centre official;
  - v) unauthorised speaking or moving around during the examination;
  - vi) unauthorised use of electronic devices such as cellular phones, tablets, laptops and notebook computers.
- 6.10** Candidates will be allowed into the examination room during the first 15 minutes of the examination. After this time, entry will not be permitted. However, candidates who arrive late for the examination will not be allowed any extra time under any circumstances.

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**6.11** Candidates who wish to leave before the end of the examination should raise their hand and wait until the invigilator collects their script before exiting the examination centre.

**6.12** In the event of a fire alarm or other emergency, which requires evacuation, the invigilator would instruct candidates of the emergency procedures. Candidates are expected to leave all examination materials on the desk. Unless otherwise informed, candidates should not communicate with each other as examination conditions would still be applicable.

**7.0 Misconduct in an Examination**

**7.1** Any candidate who fails to adhere to any instruction or who was determined to have breached the examination rules or regulations may be disqualified from any examination through expulsion from the centre, non-grading of examination scripts, suspension of results or termination of eligibility to participate in future examinations in the ECSM Certification Programme.

**7.2** The invigilator is empowered to discontinue the examination of a registered candidate who engages in misconduct during the examination. The candidate will be required to leave the examination room.

**7.3** A candidate for whom results have not yet been issued, and who was determined to have breached the examination rules or regulations and/or engaged in misconduct during the examination will be barred from sitting examinations for two years and/or would also be liable to such penalty as the Disciplinary Committee may establish.

**7.4** The ECSRC reserves the right to withhold the results of a registered candidate's examination while a complaint against him or her is under investigation or consideration by the Commission.

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**8.0 Withdrawal, Deferral and Re-sits**

The following rules and regulations apply to requests for withdrawal, deferral or re-sits of an examination.

**8.1 Withdrawal**

- (i) Requests to withdraw from an examination should be received by the ECSRC, on the prescribed form, at least one week prior to the scheduled examination date.
- (ii) Candidates who withdraw from the certification programme prior to examination would not be refunded the certification programme registration or examination fee.
- (iii) The Commission may impose a penalty of EC\$300.00 and an administration fee of EC\$100.00 for withdrawal requests.

**8.2 Deferral**

- (i) An individual will be permitted to defer twice within the span of 12 months on consideration by the Commission.
- (ii) Requests for deferral of an examination date should be received by the ECSRC via written correspondence at least one week prior to the scheduled commencement date of the examination.
- (iii) Candidates are allowed one deferral of an examination, on payment of a non-refundable fee of \$500.00, to the next available sitting or within six months of registration and participation in the ECSM Certification Programme.

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- (iv) If the examination is not taken on the deferred date the candidate may elect to re-register for the examination only at the next available sitting or within six months, whichever is less.

**8.3 Examination Re-sits**

- (i) Upon initial registration for the ECSM Certification Examination candidates who fail to obtain a passing grade of 70 per cent will be permitted to re-sit the examination only upon re-registration and payment of the prescribed examination fee, of EC\$2,000.00 for Principal and Investment Adviser and EC\$1,500.00 for Representative.
- (ii) All examination re-sits must be undertaken within six months of the date of the last examination sitting, unless the Commission allows the candidate to defer the examination.
- (iii) Should the candidate be unsuccessful after two attempts (subsequent to the initial sitting of the ECSM Certification Examination), he/she is required to re-register to undertake the entire ECSM Certification programme prior to any further attempts at the examination.
- (iv) Where an applicant has not submitted an application for a licence within three years of the successful completion of the ECSM Certification and Examination Programme, the applicant may be required to complete refresher training as part of the application process for a Principal, Representative or Investment Adviser licence.
- (v) An applicant who submits an application for licence five years or more after the successful completion of the ECPE may be required to complete the refresher training and re-take the certification examination.

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**PART III - LICENCE APPLICATIONS**

**9.0 Types of Individual Licences Approved by the ECSRC**

Part IV of the Securities Act makes the provision for the licensing of individuals as Investment Adviser, Principal or Representative.

**10.0 Minimum Requirements for Individual Licences**

The following are the minimum requirements for licensing as an Investment Adviser, Principal and Representative.

**10.1 Minimum Requirements for an Investment Adviser Licence**

- The applicant should be employed at supervisory level.
- The applicant must be successful in the ECPE.
- The applicant must satisfy the fit and proper requirements set out in section 54(4) of the Securities Act.
- The applicant is required to have 3 prior years' experience within the securities industry.

**10.2 Minimum Requirements for a Principal Licence**

- The applicant should be employed at supervisory level.
- The applicant must be successful in the ECPE.
- The applicant must satisfy the fit and proper requirements set out in section 60(3) of the Securities Act.
- The applicant is required to have 3 prior years' experience within the securities industry.

**10.3 Minimum Requirements for a Representative Licence**

- The applicant should have at least 6 months' prior work experience with a broker-dealer or within the securities industry.
- The applicant must be successful in ECPE.

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- The applicant must satisfy the fit and proper requirements set out in section 62(3) of the Securities Act.

### **11.0 Eligibility to Apply for Representative Licence (without accreditation)**

Individuals who have been successful in the ECSM Certification Examination whether employed or not, must qualify for licensing as a Representative in order to be eligible for the grant of a representative licence without accreditation. However, individuals whose licence was revoked as a result of the individual ceasing to carry on the conduct of securities business, but continues to be employed by a broker-dealer, will not be allowed to hold a Representative Licence without accreditation.

#### **11.1 Prospective Licensees Qualify**

On successful completion of the ECPE, candidates may apply to the Commission, to hold a representative licence without accreditation. If approved, this licence will demonstrate to prospective employers that the licensee has successfully satisfied the legislative requirements for licensing by the Commission.

#### **11.2 Former Licensees Qualify**

Individuals whose licenses were revoked may reapply to the Commission to hold a licence. As part of the assessment for the licence, in addition to satisfying the fit and proper requirements, the Commission may require the former licensee to attend an ECSM Certification Program refresher training course and/or provide evidence that the individual satisfies the continuing education requirements outlined in **Appendix II**.

#### **11.3 Licence Without Accreditation**

Individuals who hold a Representative Licence without accreditation must be guided by the following conditions for the grant of this licence:



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- The licence does not authorize the holder to conduct of securities business in the ECSM.
- The individual is required to renew the licence annually, by the 31 March deadline in order for the licence to remain valid.
- The individual must continue to meet the fit and proper requirements.
- The individual and/or his employer is responsible for notifying the Commission within 7 days of a change in the status of his/her accreditation.

### **12.0 Applying for Individual Licence**

**12.1** Part IV of the Securities Act<sup>3</sup>, the *Securities (Licence and Fees) Regulations*<sup>4</sup> and the *Securities (Foreign Securities and Intermediaries) Regulations* set out the requirements and conditions for applications for the licensing of individuals as Investment Advisers, Principals and Representatives.

**12.2** Applicants are advised to refer to the following specific provisions for the licensing eligibility criteria:

- (i) The provisions for the eligibility for an applicant to obtain an Investment Adviser Licence is outlined in section 54 of the Securities Act;
- (ii) The provisions for the eligibility for an applicant to obtain a Principal Licence is outlined in section 60 of the Securities Act; and
- (iii) The provisions for the eligibility for an applicant to obtain a Representative Licence is outlined in section 62 of the Securities Act.

### **13.0 Completing the Application Form**

**13.1** Regulation 5 of the Securities (Licence and Fees) Regulations stipulates that each application for a licence must be:

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<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

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- (i) made in the prescribed form and accompanied by the prescribed fee of EC\$1,000.00 for an Investment Adviser licence; and EC\$200.00 for a Principal licence or Representative licence;
- (ii) duly completed and typewritten;
- (iii) accompanied by all relevant supporting documentation, including but not limited to:
  - a. certified copies of the applicant's highest degree or professional qualification and proof of other qualifications held including certified copies of professional licences held;
  - b. current Curriculum Vitae;
  - c. completed copy of ECSRC Form 5 - Register of Interest in Securities;
  - d. banker's reference. This should give an appreciation of financial integrity, reputation and inform of the length and nature of relationship;
  - e. a notarized copy of a valid form of government-issued picture identification; and
  - f. two Letters of Recommendation completed by the character references specified within the application form.

**14.0 Requirement for Foreign Applicants**

- 14.1** Pursuant to Regulation 8(1) of the Securities (Foreign Securities and Intermediaries) Regulations, 2004 a foreign broker dealer, limited service broker or investment adviser company that is licensed by the Commission must have at least one Principal and one Representative. Therefore, individuals that have been identified as employees of a licensed foreign entity (that is, a foreign broker-dealer, foreign limited services broker or foreign investment adviser) for the purpose of conducting securities business on behalf of that entity must be licensed with the Commission.

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**14.2** The conduct of the securities business by the foreign individuals identified for a Principal licence and a Representative licence may occur within any ECCU member country, and even if the licensee is not physically present in the member country when he engages in the conduct of securities business on behalf of his employer, if any part of the activity takes place in a member country or is designed or intended to communicate with persons present in a member country, such individuals soliciting securities business must obtain the requisite Principal licence or Representative licence from the Commission.

**15.0 Licensing Requirement for Foreign Investment Adviser**

**15.0** A foreign investment adviser that desires to give advice on securities or hold himself out as carrying on the business of giving advice on securities must comply with the *Securities (Foreign Securities and Intermediaries) Regulations, 2004*.

**15.1** The Commission may grant an exemption from the requirements of Part IV of the Securities Act for an Investment Adviser that is licensed and regulated by a securities regulator in a foreign country acceptable to the Commission<sup>5</sup> provided that the individual registers with the Commission; and advises foreign persons concerning investment in securities.

**15.2** In determining the eligibility for exemption under Part IV of the requirements for the licensing of a foreign Investment Adviser, the Commission would take the following into consideration:

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<sup>5</sup>The list of acceptable foreign countries as outlined in the First Schedule of the Securities (Foreign Securities and Intermediaries) Regulations are as follows: Australia, Canada, Finland, Iceland, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, USA, a member of the CARICOM, and a member of the EU as at 1 July 2003.

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- (i) The applicant's compliance with the requirements of the foreign securities regulator;
- (ii) The applicant's compliance with the minimum paid up capital as required per section 54(3)(c) of the Securities Act;
- (iii) The applicant's compliance with the insurance requirement per section 80 of the Securities Act 2001;
- (iv) The applicant's compliance with section 54(3)(g) of the Securities Act 2001 which requires the applicant to specify the location of the premises at which the records and other documents of the business would be kept.

**15.3** The Commission reserves the right to obtain due diligence information including, but not limited to, any pending or previous disciplinary actions taken against the applicant whether retrieved from the public domain, the foreign securities regulator or other source, to assist in determining whether the applicant is fit and proper to obtain the Foreign Investment Adviser licence for which it applied.

**16.0 Grant of Licences and Issuance of Licence Certificates**

**16.1** The applicant will be informed in writing of the Commission's decision to grant or not to grant a licence within **5 days** of approval or disapproval. In the case of an applicant for Principal or Representative licence, both the employer and the employee would be notified of the Commission's decision.

**16.2** A licence issued by the Commission authorizes only the conduct of the securities business permitted by the licence. The licence is non-transferable.

**16.3** All licences issued by the Commission are maintained in its Register of Licensees. This Register is maintained in accordance to section 68 of the Securities Act.

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- 16.4** For every individual licence granted, the Commission will issue a licence certificate to the licensee, on payment of the licence fee as prescribed in the Third Schedule in the *Securities (Licence and Fees) Regulations*.
- 16.5** Each licence certificate is uniquely numbered and bears the following information:
- name of the licensee;
  - the type of licence,
  - the company to which the licensee is accredited (except for Representative licence without accreditation);
  - the date of issue (which is the date of receipt of payment of the licence fee)
  - the signature of the Secretary of the ECSRC
  - the signature of the Chairperson of the Commission.
- 16.6** Licence certificates are issued within 14 days of the receipt of the payment of the requisite Licence Fee.
- 16.7** A licensee shall not, when conducting business for which a licence is required, use a name other than the name specified on the licence certificate.
- 16.8 Replacement of Licence Certificates**
- (i) Prior to issuing a replacement certificate in cases where a licence certificate is reported misplaced, destroyed or defaced, a request must be submitted to the Commission on the prescribed form, with the requisite fee of EC\$1,500.00 as prescribed in the Third Schedule of the *Securities (Licence and Fees) Regulations, 2001*.
- (ii) Where the particulars of the licence certificate require alteration, the licensee must submit the licence certificate to the Commission for

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cancellation and a replacement certificate issued. Licensees whose licence certificates are not returned to the Commission due to reasons outside of the licence certificate being misplaced, destroyed or defaced, incur the requisite Licence Replacement fee of EC\$1,500.00 to replace the licence.

**16.9 Misplaced or stolen Licence Certificate**

- (i) The licensee must submit a request to the Commission for a replacement certificate, on the prescribed form along with the requisite Replacement of Licence fee of EC\$1,500.00.
  
- (ii) The Commission would then issue a new licence number and a new licence certificate. Should the initial licensed be recovered, this must be returned to the Commission for cancellation.

**16.10 Destroyed Licence Certificate**

- (i) The licensee must submit a request for a replacement certificate on the prescribed form along with the requisite fee.
  
- (ii) A new certificate would be issued but the licence number would remain the same.

**16.11 Defaced Licence Certificate**

- (i) The certificate should be returned to the Commission along with the requisite form and the fee payment. A new certificate would be issued.

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**17.0 Requirements for change of Licence from Representative to Principal**

**17.1** A licensed individual is prohibited from holding both a Principal and Representative licence. A licensee may request a change from a Representative to Principal licence, by submitting a formal request to the Commission.

**17.2** The candidate for the change of licence will be required to complete and submit the requisite Application Form for Principal Licence and pay the prescribed application fee as outlined in the Third Schedule of the *Securities (Licence and Fees) Regulations*.

**17.3** The Commission will assess the request based on the following established criteria to determine whether the change of licence should be approved:

- i) date of last certification;
- ii) examination grade at last certification - the candidate should have obtained *a passing grade of 70 and above*;
- iii) proof of continuing professional development - should provide proof of *not less than 30 hours over a three-year period*;
- iv) performance as a Representative;
- v) experience as measured by participation in the market and the level of sophistication/complexity of the product offered by the firm;
- vi) evidence that the individual has decision-making authority within the firm; written recommendation from the chief executive officer of the firm

**18.0 Change of Licence from Representative or Principal to Investment adviser**

**18.1** A licensee may change from a Representative or Principal to an Investment Adviser. A formal written request for the change must be submitted the Commission.

**18.2** The requirements of sections 17.2 and 17.3 shall apply for the change from a Representative or Principal licence to an Investment Adviser licence.

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**19.0 Accreditation of Licensee**

**19.1** *Principal:* individuals who are licensed by the Commission as Principals are employed by entities licensed to conduct securities business on the ECSM on behalf of that entity (employer) or its clients, is ascribed to that entity.

**19.2** *Representative:* individuals licensed by the Commission as Representatives who are employed by a licensed entity and are authorized to conduct securities business in the ECSM on behalf of that entity (employer) or its clients, are accredited to that entity.

**PART IV - CHANGES IN THE REGISTER OF LICENSEES**

**20.0 Name Change of Licensee**

**20.1** When the name of a licensee changes the requisite form and the licence certificate along with all supporting legal documentation, must be submitted to the Commission **within one month** of the name change. The legal documentation required would include, for example, a deed poll or notarized copy of a marriage certificate.

**20.2** The Commission will issue a new certificate once all the required information has been received.

**21.0 Changes in Accreditation Status**

**21.1** The Commission must be informed of all changes to licensee accreditation, within 7 days, via Form 9 (individuals) and Form 10 (employer/companies) as well as the reasons for the termination of the accreditation or employment of a Representative or Principal on Form 11 (employer).



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- 21.2** Since the termination of an accreditation is not an automatic revocation of licence, the reasons for the termination of employment or termination of accreditation would assist the Commission in its assessment of an individual to determine whether or not the individual should continue to hold a licence.
- 21.3** A licensee must notify the Commission of any change in accreditation (that is, termination or transfer) in writing within seven (7) days from the effective date of the change in status of accreditation.
- 21.4** In cases where a licensed representative/principal's accreditation is to be transferred a formal request (along with the completion of Form 9) shall be submitted to the Commission within 60 days following termination.
- 21.5** When an accreditation is terminated, the Commission would contact the individual to confirm whether he or she wishes to continue to hold a licence. If yes, the individual would continue to be licensed, once the Commission is satisfied that he/she satisfies the fit and proper requirements to hold a licence. However, in the case where the individual no longer wishes to be licensed, the licence certificate must be returned to the Commission within seven (7) days of the Commission requiring a licensee to do so. Failure to do so by the issued deadline shall result in an administrative charge of EC\$200.00.
- 21.6** The Commission may issue a directive to a non-accredited licensee to cease and desist from the conduct of all securities business or may suspend an individual's licence until the reinstatement of his/her accreditation.
- 22.0** **Conditions for Removal From the Register of Licensees**
- 22.1** The following will be subject to immediate removal from the Register of Licensees:

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- (i) Individuals whose licences have not been renewed shall be removed from the Register of Licensees.
- (ii) Individuals, who have left the broker-dealer organisation and left the industry.
- (iii) Individuals whose licences have been revoked.

**23.0 Revocation and Suspension of an Individual licence**

**23.1** Pursuant to section 66(1) of the Securities Act, the Commission may revoke a licence granted to an individual if that individual is:

- (a) mentally or physically incapable of performing the activities to which the licence relates;
- (b) adjudged to be bankrupt;
- (c) convicted of fraud or any other offense involving dishonesty;
- (d) convicted of an offence under the Securities Act or Regulations;
- (e) contravenes or fails to comply with any condition applicable in respect of the licence;
- (f) ceases to carry on the business for which that individual is licensed;
- (g) is the holder of a representative licence and the licence of the licensee to whom that individual is accredited is revoked or suspended;
- (h) fails to pay the annual licence fee as prescribed; or
- (i) by reason of any other circumstances, is no longer a fit and proper person to hold a licence.

**23.2** Within 7 days of the Commission's decision to revoke an individual licence, the Commission will notify the licensed corporation to which said licence was accredited to inform of the decision to revoke the licence. Likewise, the individual whose license was revoked will be duly notified within 7 days of the Commission's decision to revoke said licence.

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**23.3** If the Commission does not receive a response within the timeframe stipulated, the licence will be revoked and the licensee deemed not to be licensed from the date of notification of revocation.

**23.4** The Commission may deem it is necessary to suspend a licence:

- (i) as a matter of urgency for the protection of investors;
- (ii) as a result of any investigation under the Securities Act or Regulations; if the Commission is made aware of any egregious act by a licensee; or
- (iii) until the occurrence of a risky event, as the Commission considers appropriate.

**24.0 Procedure for Suspension and revocation of Licences**

**24.1** Should the Commission receive a request for, or is satisfied that a licensee no longer meets the fit and proper requirements to maintain the licence, or finds the licensee in violation of the Securities Act and/or its accompanying Regulations, the licence may be suspended or revoked by the Commission. The following outlines the procedures for the suspension and revocation of an individual's licence:

- (i) In the case where the individual licensee or employer of the licence individual opted for the revocation of the licence, the Commission shall contact the licensee to confirm the reason for revocation and whether the individual wished to conduct any securities business on the ECSM in the future. In the case where a report is made which calls for the suspension of an individual's licence, the Commission would conduct its investigation to collate the material necessary for onward reporting to the ECSRC's Board of Commissioners.
- (ii) A report with the essential information pertaining to the suspension or revocation of the individual licence is presented to the ECSRC's Board of

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Commissioners with a recommendation which the Secretariat deems suitable given the circumstances surrounded the suspension/revocation of the licence. The Board of Commissioners considers the matter being presented and make an informed decision.

- (iii) The Commission notifies the individual and his/her employer of the decision to suspend or revoke the within 7 days. The individual receiving the notification is expected to comply accordingly.

### **PART V - MAINTENANCE OF LICENCES**

#### **25.0 Renewal of Licences**

**25.1** Licences are due for renewal annually by 31 March. Applicants for the renewal of licences are required to submit the requisite application and renewal licence fee to the Commission at least 2 weeks prior to 31 March to allow for the processing of the licence renewal.

**25.2** Licences may be renewed by the Commission:

- (i) upon application for renewal if the Commission is satisfied that the applicant has complied with the provisions of the Act and the accompanying Regulations; and
- (ii) upon payment of a renewal licence fee and receipt of the Application Form for Renewal of Principal, Representative, and Investment Adviser Licences.

**25.3** At least **sixty (60) days** prior to the expiration of a licence, the Commission should provide written renewal notice to the licensee and his employer indicating the requirements and fees for renewal.

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**26.0 General**

**26.1** The *Securities (Licence and Fees) Regulations, 2001* provide the requirements for the granting of licences. Licensees are expected to be aware of the procedures to be followed and to inform the Commission when changes affecting their licence occur.

**PART VI - AMENDMENTS TO LICENSING POLICY**

**27.0** The Policy and the forms attached may be amended by the Commission from time to time.

**28.0** The Commission undertakes to provide notification of any amendments to this Policy and the forms will be provided to all licensees.

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**APPENDIX I - FEE SCHEDULE**

<b>Examination Fees:</b>	
Principal	\$2,000.00
Investment Adviser	\$1,500.00
Representative	\$1,500.00
Penalty for Withdrawal from Examination	\$ 300.00
Administrative Fee for Withdrawal from Examination	\$ 100.00
Examination Deferment Fee	\$ 500.00
Investment Adviser Licence Application Fee	\$1,000.00
Principal Licence Application Fee	\$ 200.00
Representative Licence Application Fee	\$ 200.00
Replacement of Licence Fee	\$1,500.00
<b>Licence Fee:</b>	
Investment Adviser	\$4,000
Principal	\$500
Representative	\$500
<b>Annual Renewal Licence Fee:</b>	
Investment Adviser	\$2,500.00
Principal	\$500.00
Representative	\$500.00
<b>*All fees are Non-Refundable</b>	

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**APPENDIX II - CONTINUING PROFESSIONAL DEVELOPMENT**

- 1.0** Continuing Professional Development (CPD) requirements apply to individuals who are subject to the ECSM certification examination requirements and are:
- 1.1 licensed to carry out the duties of a representative, principal or investment adviser on behalf of a holder of a broker-dealer, limited service broker or investment adviser licence and have been employed in this role from the date of licensing.
  - 1.2 licensed since 2015 to carry out the duties of a representative and are not currently employed in this role by a licensed intermediary.
  - 1.3 licensed as either a representative or principal prior to 2015 are no longer employed by a licensed intermediary in the ECSM and have not been actively employed in the financial services industry continuously over the last three years.
- 2.0** As outlined in the ECSM Licensing Policy for Individuals, competence and capability are criteria that the ECSRC will take into account in considering whether an individual is fit and proper to hold a licence to conduct securities business in the ECSM.
- 3.0** The ECSRC expects licensed individuals to undergo continuing professional development so as to keep abreast of developments in the industry and update skills and knowledge relevant to the securities industry. In this regard, a licensed individual must ensure that he/she undertakes structured continuous training to remain fit and proper to conduct the securities business authorized by his/her licence.
- 4.0** Every licensed individual must –
- 4.1 undergo structured CPD training which is relevant to his licence;

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- 4.2 obtain and retain supporting evidence that he has completed the minimum hours of structured CPD training under section 7.0, as applicable, within the stipulated period.
- 5.0** Where the licensed individual is employed by a licensed intermediary, his employer must-
- 5.1 review and follow-up on the individual licensee's structured CPD training needs on an annual basis; and
- 5.2 obtain and retain supporting evidence that he has completed the minimum hours of structured CPD training under section 7.0, as applicable, within the stipulated period.
- 6.0** Structured CPD training includes lectures, conferences, workshops, E-learning courses which have clear learning objectives and outcomes that are clearly documented and independently verified, but excludes activities that are part of the job scope of the licensed individual, such as carrying out research on products and services for clients.
- 7.0** With effect from the implementation date of the ECSM Licensing Policy for Individuals, an individual who is licensed or who carries on business giving advice on securities, as a principal, representative or investment adviser in the ECSM must complete the following total annual CPD hours (Core and Supplementary) by the end of every calendar year-
- 7.1 **Core CPD hours:** 6 hours in ethics and/or ECSM rules and regulations or both, as the case may be, which is relevant to the type or type of regulated activity he carries out; and



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- 7.2 Supplementary CPD hours:** 3 hours of relevant training courses in any one of the following subject areas:
- (i) Securities business related topics
  - (ii) Accounting
  - (iii) Finance
  - (iv) Economics
- 8.0** If the licensed individual is employed by a licensed intermediary for less than a year in a calendar year, the licensed individual must complete by the end of that calendar year-
- 8.1 A pro-rated minimum number of Core CPD hours calculated as *(Total number of days appointed as an accredited representative of a licensed intermediary in the calendar year/365 x 6 hours)*
- 8.2 A pro-rated minimum number of Supplementary CPD hours calculated as *(Total number of day appointed as an accredited representative of a licensed intermediary in the calendar year/365 x 3 hours)*
- 9.0** If the licensed individual is unable to complete his total pro-rated CPD hours by the end of that calendar year, he may carry over his unfulfilled total pro-rated CPD hours to the next calendar year on the condition that he completes his unfulfilled total pro-rated CPD hours by the end of the next calendar year.
- 10.0** If the licensed individual ceases to be accredited to a licensed intermediary in any calendar year and has been approved to hold a representative licence without accreditation by the Commission, the licensed individual is required to complete his total annual CPD hours or total pro-rated CPD hours, as applicable for that calendar year and for each year thereafter, while he continues to hold a licence.

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**11.0** If the licensed individual is or will be unable to fulfil any of the CPD requirements in section 7.0, within the stipulated period due to circumstances beyond his control, that could not be reasonably foreseen by the licensed individual, he will not be treated as having breached these requirements, if he-

11.1 immediately informs the licensed intermediary or the Commission upon being aware of his inability to fulfil the requirements; and

11.2 completes the unfulfilled number of total annual CPD hours or total pro-rated CPD hours, as may be applicable within 12 months of being aware of his inability to fulfil the requirements.

