

# **EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION**



## **SECURITIES EXCHANGE LICENCE APPLICATION**

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Application is hereby made for a Securities Exchange Licence, pursuant to Sections 7 - 21<sup>1</sup> of the Securities Act, 2001, to operate as a securities exchange in the Eastern Caribbean Securities Market, and the following statements are made in respect thereof:

### **GENERAL INSTRUCTIONS AND GUIDELINES**

- (1) A company granted a Securities Exchange Licence under this application shall not carry on, or hold itself out as carrying on, any other business other than providing the services of a securities exchange.
- (2) A non-refundable application fee of One Thousand Eastern Caribbean Dollars (EC\$1,000.00) is payable on submission of an application for a securities exchange licence.
- (3) The following documents (or copies) must be submitted, as exhibits, in support of an application for a securities exchange licence:

EXHIBIT 1: A certified<sup>2</sup> copy of the applicant's Certificate of incorporation/continuance.

EXHIBIT 2: A certified copy of the applicant's Memorandum and/or Articles of Association and/or Bylaws.

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<sup>1</sup> This refers to the section in the generic Securities Act 2001. The sections to the Securities Acts enforced throughout the ECCU are:

s.6 to s.20 of the Securities Act Chapter S13 of Anguilla; s.7to s.21 of the Securities Act No. 14 of 2001 of Antigua and Barbuda; s.7to s.21 of the Securities Act No. 21 of 2001 of the Commonwealth of Dominica, s.7to s.21 of the Securities Act No. 23 of 2001 of Grenada; s.7to s.21 of the Securities Act Chapter 11.01 of Montserrat, s.7to s.21 of the Securities Act Chapter 21.16 of St Kitts and Nevis; s.7to s.21 of the Securities Act Chapter 12.18 of St Lucia; and s.7to s.21 of the Securities Act Chapter 261 of St Vincent and The Grenadines

<sup>2</sup> The certifier must be independent from the applicant. Acceptable certifiers include: a Justice of the Peace or a Notary Public or an Attorney-at-Law.

- EXHIBIT 3: Audited financial statements for the applicant for the last three financial years. If the applicant is a start-up company, provide an audited opening balance sheet and projected financial statements for at least three years.
- EXHIBIT 4: An organisational chart illustrating the key officers and employees of the applicant and their reporting line.
- EXHIBIT 5: The operating rules and practices proposed to be followed by the applicant, pursuant to the requirements of the Securities Act, 2001.
- EXHIBIT 6: Business Plans and general operations manual (a manual detailing the applicant's internal operating systems and procedures).
- EXHIBIT 7: Resumes for the executive management team of the applicant (the resume should provide a summary of the officers' qualifications and experience).
- (4) As part of the licensing process, physical on-site due diligence examinations<sup>3</sup> of the applicant's specified business premises may be conducted by the Commission. The costs of which will be borne by the applicant.
- (5) Applications to be submitted to the Commission –
- a) The application form must be typewritten. Handwritten forms will not be accepted.
  - b) No questions should be left unanswered. Where the applicant believes that a question does not apply, 'Not Applicable' or 'N/A' should be inserted in the field.
  - c) In cases where the space provided is insufficient to allow for comprehensive responses the applicant may use supplementary sheets, in the form of the annexure sheet provided on page 12, to be attached as an addendum. Any addendum should be identified as such and signed by the signatory to this application.
  - d) This application must be signed by two Directors or a Director and another duly authorized person (a *person occupying similar status or performing similar functions for the applicant*) in the presence of a Justice of the Peace or Notary Public or an Attorney-at-Law. The Authorization Sheet on page 13 with the original manual signatures must accompany the application.

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<sup>3</sup> Physical onsite due diligence examinations may include examinations during: 1) the application / pre-licensing phase; and/or 2) post licensing / prior to the commencement of business by the applicant. The costs associated with the physical on-site due diligence examinations are separate from the fees prescribed by the Securities (Licences and Fees) Regulations.

- e) The Commission may refuse to accept an application if it is not accompanied by the application fee set out in the Third Schedule of the Securities (Licence and Fees) Regulations.
- f) The Commission may refuse to accept an application if it is not accompanied by the application fee set out in the Third Schedule of the Securities (Licence and Fees) Regulations.
- g) Applications, along with the relevant annexures and exhibits, must be enclosed in a sealed envelope and filed with the Commission<sup>4</sup>.
- h) The Commission's mailing address for submission of applications is:

The Secretary  
Eastern Caribbean Securities Regulatory Commission  
ECCB Financial Complex  
P Box 1855  
Basseterre  
St Kitts

- (6) An applicant shall forthwith give written notice to the Commission of
  - (1) any proposed alteration to, or
  - (2) the occurrence of any event which the applicant knows affects or may affect in any material respect,any matter in respect of which the applicant was required to supply information to the Commission in the course of this application for licence.

**FOR OFFICIAL USE ONLY**

Application Received on:

Remarks:

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<sup>4</sup> Failure to disclose and submit all necessary information may lead to the Commission rejecting the application.

**PART I  
GENERAL INFORMATION ON THE APPLICANT**

1.

- (a) Name of applicant \_\_\_\_\_
  
- (b) Full address of registered office: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- (c) Provide Mailing Address if different from above: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- (d) Principal address at which the business of the applicant will be conducted and all records and other business documents will be kept: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- (e) Address at which the applicant's register of its interest in securities will be held: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- (f) Telephone No: \_\_\_\_\_  
*(specify area code )*
  
- (g) Fax No: \_\_\_\_\_
  
- (h) E-mail address of applicant: \_\_\_\_\_
  
- (i) Website Address of applicant: \_\_\_\_\_
  
- (j) Financial Year End: \_\_\_\_\_  
(month) (day)

- (k) Legal form of the applicant and the law, under which it was incorporated, established or registered: \_\_\_\_\_  
(Include details on Country and date of incorporation/establishment/registration): \_\_\_\_\_
- (l) Provide information on branch offices or other business locations. Report information on: commencement date of operations, name of supervisor, officers and/or associated persons assigned to branch, type of services to be conducted, and information which may be different in respect of items (a) to (k) above .

**PART II**  
**INFORMATION ON THE BUSINESS OPERATIONS OF THE APPLICANT**

2. Set out as annexure to this application form the following information (*if not already detailed in EXHIBITS 5 or 6*):
- a) Brief description of the nature of business and service to be provided by the applicant:
  - b) The manner in which the applicant proposes to conduct the business for which the licence is required:
  - c) The applicant's facilities or systems for the conduct of a business of a securities exchange, including systems and procedures for governing the display of quotations and orders:
  - d) The means by which the applicant will display information, indices and averages on its activities:
  - e) The arrangements (system and methodology) made by the applicant for:
    - 1. the clearing and settlement of dealings in securities and for the recording and publication of such transactions.
    - 2. the effective monitoring and enforcement of compliance with its rules, the Securities Act, 2001 and the Securities Regulations made thereunder.
    - 3. the investigation of complaints in respect of business transacted by any of its members.
    - 4. the conduct of market surveillance.

- f) The organisational structure and internal control procedures which the applicant has adopted or proposes to adopt for its proposed business.
- g) The means by which the applicant proposes to deal with any conflicts of interest which may arise.
- h) Risk management systems, including procedures relating to internal audit, internal controls and security
- i) Business continuity plan and system capacity planning procedures
- j) Information Technology deployment plan and systems
- k) Fee and revenue structure for the services to be rendered by the applicant.
- l) The rules and practices to be followed by the applicant for the conduct of business by means of the facilities or systems including:
  - 1. Rules for access to the securities exchange, including conditions relating to financial integrity and business ethics;
  - 2. Rules under which securities are to be traded on the securities exchange;
  - 3. Rules in respect of applications for listing on the securities exchange and the requirements for listing;
  - 4. Rules regarding agreements to be entered into between the securities exchange and other persons for listing securities and enforcing those arrangements;
  - 5. Rules regarding the cancellation and withdrawal of the listing of securities and the suspension of dealings in them;
  - 6. Rules obliging a person to observe specified standards of conduct or to perform, or refrain from performing, specified acts reasonably imposed for the listing or continued listing of securities;
  - 7. Rules regarding the penalties and sanctions which the holder of the securities exchange licence may impose for a breach of the rules of the securities exchange;
  - 8. Rules concerning the buyback of listed securities by companies whose securities are listed
  - 9. The default rules in place or that will be put in place, detailing how the applicant will deal with members who are unable or are likely to become unable to meet their obligations.
  - 10. Rules governing the admission and expulsion of recognized foreign securities dealers as members of the securities exchange.

3. The name(s) of all member(s) and/or proposed member(s) of the applicant, who will carry on business of dealing in securities independently and in competition with each other:

4. Name and address of Auditors or proposed Auditors:

5. Name and address of Attorneys-at-Law or proposed Attorneys-at-Law:

6. Name and address of Bankers or proposed Bankers:

7. If the company is a subsidiary of another company, give the name, address, nature of business of the parent company:

8. Give the name and address of any subsidiaries of the applicant, or any company quoted on a securities exchange in which the applicant controls 5% or more of the share. Give

9. (a) Capital structure of the applicant:	Authorised capital: _____
	Issued: _____
	Paid-up capital: _____
	Types of shares: _____
	_____
	_____



- (b) Particulars on substantial shareholders of the applicant (shareholdings equal to or in excess of five percent of the applicant's share capital).

NAME	ADDRESS	SHARES AMOUNT		DATE OF LAST ACQUISITION
		EC\$	No.	

- (c) Where the shareholder is a nominee or non-individual, provide the name and address of each Beneficial Owner referencing the percentage of beneficial ownership.

**PART III  
DISCLOSURE INFORMATION**

10. Set out as an annexure hereto details of each director and senior officer showing full name, date of birth, residential address, academic qualifications and experience, office held and date of appointment (*except where the senior officer's resume, with the requested information, is already provided*).
11. Set out in an annexure hereto the name, address and nature of influence of each person, excluding the persons identified in number 10, who, directly or indirectly, exercises or has power to exercise a controlling influence over the management and policies of the applicant.

12. Is any director or senior officer of the applicant a director in any other company/organisation? If yes, set out in an annexure hereto the name of the director or officer, the name of the company/organisation in which directorship is held, place of incorporation of the company/organisation, and the date of appointment. \_\_\_\_\_
13. Is any director or senior officer of the applicant a senior officer of a market participant licensed by the Eastern Caribbean Securities Regulatory Commission? If yes, set out in an annexure hereto the name of the director or officer, the name of the market participant, the position held, and the date of appointment. \_\_\_\_\_
14. Set out in an annexure hereto a schedule detailing all securities held by directors and officers of the applicant in companies registered or incorporated in the Eastern Caribbean Securities Market. The schedule should include the name of the director or officer, type of securities held, the amount of securities held (number and value), the securities issuer

*For questions 15-17, if answer is “Yes”, attach annexures giving all relevant particulars.*

15. Has the applicant, any director or officer of the applicant within the past 10 years -

Answer

- (a) been licensed or registered in any place under any law which requires licensing or registration in relation to securities business \_\_\_\_\_
- (b) been licensed, registered or otherwise authorised by law to carry on any trade, business or profession in any place? \_\_\_\_\_
- (c) been refused in any territory the right or restricted in its or his/her right to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law? \_\_\_\_\_

(d) Disciplinary History:

Has there been any instance of violation or non-adherence to securities laws, code of ethics/standard of conduct, conduct of business rules/regulations for which the applicant, any director or officer of the applicant or its parent/holding company or affiliate may have been subjected to economic or criminal liability or suspended from carrying out its operations or the registration, has been revoked?

\_\_\_\_\_

16. Has any director or officer of the applicant within the past 10 years –

Answer

(a) been known by any name other than the name or names shown in this application?

\_\_\_\_\_

(b) been convicted of any offence other than a traffic offence or have any proceedings now pending which may lead to a conviction?

\_\_\_\_\_

(c) had judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him/her in any civil proceedings?

\_\_\_\_\_

(d) been declared bankrupt or compounded with or made an arrangement for the benefit of his/her creditors?

\_\_\_\_\_

(e) been disqualified as a director, or been director of a company that has gone into receivership or liquidation?

\_\_\_\_\_

17. Has any director or officer of the applicant had any experience in performing the functions for which a licence is required?

\_\_\_\_\_

18. Provide any additional information that you may consider relevant in processing this application on an annexure sheet attached as an addendum to this application.

**PART IV  
LICENSING**

18. The applicant is seeking a licence to carry on business as a Securities Exchange in the following territories:

*Check appropriate jurisdiction(s)*

<b>JURISDICTION</b>	<b>Option(s)</b>	<b>Effective Date</b>
Anguilla		
Antigua and Barbuda		
Commonwealth of Dominica		
Grenada		
Montserrat		
St Kitts and Nevis		
Saint Lucia		
St Vincent and The Grenadines		

## AUTHORISATION

I certify that the information provided in this application form, the attached annexure(s) and submitted documents is complete, true and accurate, and that this application form is completed to the best of my knowledge and belief. I understand and agree that any misrepresentation or omission of fact in this application can and will prejudice the review of this application.

\_\_\_\_\_  
(Chairman of the Board of Director)

\_\_\_\_\_  
(General Manager)

\_\_\_\_\_  
\*Signature

\_\_\_\_\_  
\*Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

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\_\_\_\_\_  
Name of the Justice of the Peace/Attorney-at-Law

\_\_\_\_\_  
Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

***\*The application must be signed by the Chairman of the Board of Directors (or his/her designate), the applicant's manager and a Justice of the Peace or an Attorney-at-Law.***

***ANNEXURE SHEET***

Annexure Sheet#	Applicant Name:	Date:
General: Use this sheet to report continued information as the applicant may deem applicable.		
Section Number on Form	ANSWER	