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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA ACT, No. 19 OF 2021

Regulation under Section 182 (2)(a)

Regulations made by the Minister of Finance, Economic Stabilization and National Policies. Under section 182(2)(a) of the Securities and Exchange Commission Act No. 19 of 2021.

RANIL WICKREMESINGHE,
Minister of Finance, Economic, Stabilization and
National Policies.

Ministry of Finance, Economic Stabilization and National Policies,
Colombo 01,
January 12, 2024.

Regulations

1. These Regulations may be cited as the Securities and Exchange Commission of Sri Lanka Regulations No. 1 of 2023.
2. The Fees and Charges as specified in Schedule I of this Regulations shall apply to Market Intermediaries.
3. The Fees and Charges as specified in Schedule II of this Regulations shall apply to Market Institutions.
4. These Regulations shall come into effect from 01st February 2024.



SCHEDULE I

Corporate Finance Advisor	
Processing Fee for an application for 'in-principle' approval	1. Every application for 'in-principle' approval for the grant of a license to operate as a Corporate Finance Advisor under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Corporate Finance Advisor shall be accompanied by a processing fee of Rs. 150,000/-.
License Fee to operate as a Corporate Finance Advisor	2. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Corporate Finance Advisor, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Corporate Finance Advisor shall be accompanied by a license fee of Rs. 250,000/-
In case of refusal of application	3. Where an application for the grant of a license to operate as a Corporate Finance Advisor is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	4. An application for a renewal of a license granted to operate as a Corporate Finance Advisor shall be accompanied by a Renewal Fee of Rs. 300,000/-.
Penalty for late renewal	5. Any licensed Corporate Finance Advisor who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 11 of Corporate Finance Advisors of SEC Rules; <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	6. Where an application for the renewal of a license to operate as a Corporate Finance Advisor is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Credit Rating Agency	
Processing Fee for an application for 'in-principle' approval	7. Every application for 'in-principle' approval for the grant of a license to operate as a Credit Rating Agency under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Credit Rating Agency shall be accompanied by a processing fee of Rs. 150,000/-.
License Fee to operate as a Credit Rating Agency	8. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Credit Rating Agency, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Credit Rating Agency shall be accompanied by a license fee of Rs. 500,000/-
In case of refusal of application	9. Where an application for the grant of a license to operate as a Credit Rating Agency is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.

SCHEDULE I (Contd.)

Renewal of license	10. An application for a renewal of a license granted to operate as a Credit Rating Agency shall be accompanied by a Renewal Fee of Rs. 500,000/-.
Penalty for late renewal	<p>11. Any licensed Credit Rating Agency who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 11 of Credit Rating Agencies of SEC Rules;</p> <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	12. Where an application for the renewal of a license to operate as a Credit Rating Agency is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Investment Manager	
Processing Fee for an application for 'in- principle' approval	13. Every application for 'in-principle' approval for the grant of a license to operate as an Investment Manager under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of an Investment Manager shall be accompanied by a processing fee of Rs. 50,000/-.
License Fee to operate as an Investment Manager	14. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as an Investment Manager, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to an Investment Manager shall be accompanied by a license fee of Rs. 250,000/-
In case of refusal of application	15. Where an application for the grant of a license to operate as an Investment Manager is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	16. An application for a renewal of a license granted to operate as an Investment Manager shall be accompanied by a Renewal Fee of Rs. 300,000/-.
Penalty for late renewal	<p>17. Any licensed Investment Manager who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 12 of Investment Managers of SEC Rules;</p> <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee

SCHEDULE I (Contd.)

In case of refusal of renewal	18. Where an application for the renewal of a license to operate as an Investment Manager is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Managing Company	
Processing Fee for an application for 'in-principle' approval	19. Every application for 'in-principle' approval for the grant of a license to operate as a Managing Company under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Managing Company shall be accompanied by a processing fee of Rs. 50,000/-.
License Fee to operate as a Managing Company	20. (a) Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Managing Company, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Managing Company shall be accompanied by a license fee of Rs. 250,000/-
Fee for Approval of a Collective Investment Scheme	(b) A licensed Managing Company shall pay a sum of Rs. 400,000/- as fees at the time of obtaining approval for each Collective Investment Schemes in terms of Rule 12 of the Collective Investment Scheme Code of 2022 published in <i>Gazette Extraordinary</i> No.2278/27 of May 07, 2022.
In case of refusal of application	21. Where an application for the grant of a license to operate as a Managing Company is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	22. An application for a renewal of a license granted to operate as a Managing Company shall be accompanied by a Renewal Fee of Rs. 300,000/-.
Penalty for late renewal	23. Any licensed Managing Company who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 16 of Managing Companies of SEC Rules; <ul style="list-style-type: none"> • Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee • Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee • Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	24. Where an application for the renewal of a license to operate as a Managing Company is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Margin Provider	
Processing Fee for an application for 'in- principle' approval	25. Every application for 'in-principle' approval for the grant of a license to operate as a Margin Provider under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Margin Provider shall be accompanied by a processing fee of Rs. 150,000/-.

SCHEDULE I (Contd.)

License Fee to operate as a Margin Provider	26. Where the applicant upon obtaining “in-principle” approval for the grant of license to operate as a Margin Provider, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Margin Provider shall be accompanied by a license fee of Rs. 1,500,000/-
In case of refusal of application	27. Where an application for the grant of a license to operate as a Margin Provider is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	28. An application for a renewal of a license granted to operate as a Margin Provider shall be accompanied by a Renewal Fee of Rs. 1,500,000/-.
Penalty for late renewal	29. Any licensed Margin Provider who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 12 of Margin Providers of SEC Rules; <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	30. Where an application for the renewal of a license to operate as a Margin Provider is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Stock Broker	
Processing Fee for an application for ‘in-principle’ approval	31. Every application for ‘in-principle’ approval for the grant of a license to operate as a Stock Broker under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Stock Broker shall be accompanied by a processing fee of Rs. 150,000/-.
License Fee to operate as a Stock Broker	32. Where the applicant upon obtaining “in-principle” approval for the grant of license to operate as a Stock Broker, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Stock Broker shall be accompanied by a license fee of Rs. 500,000/-.
In case of refusal of application	33. Where an application for the grant of a license to operate as a Stock Broker is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	34. An application for a renewal of a license granted to operate as a Stock Broker shall be accompanied by a Renewal Fee of Rs. 500,000/-.

SCHEDULE I (Contd.)

Penalty for late renewal	<p>35. Any licensed Stock Broker who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 11 of Stock Brokers of SEC Rules;</p> <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	36. Where an application for the renewal of a license to operate as a Stock Broker is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Stock Dealer	
Processing Fee for an application for 'in-principle' approval	37. Every application for 'in-principle' approval for the grant of a license to operate as a Stock Dealer under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of a Stock Dealer shall be accompanied by a processing fee of Rs. 150,000/-.
License Fee to operate as a Stock Dealer	38. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Stock Dealer, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to a Stock Dealer shall be accompanied by a license fee of Rs. 250,000/-.
In case of refusal of application	39. Where an application for the grant of a license to operate as a Stock Dealer is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	40. An application for a renewal of a license granted to operate as a Stock Dealer shall be accompanied by a Renewal Fee of Rs. 250,000/-.
Penalty for late renewal	<p>41. Any licensed Stock Dealer who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 11 of Stock Dealers of SEC Rules;</p> <ul style="list-style-type: none"> Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee

SCHEDULE I (Contd.)

In case of refusal of renewal	42. Where an application for the renewal of a license to operate as a Stock Dealer is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.
Underwriter	
Processing Fee for an application for 'in-principle' approval	43. Every application for 'in-principle' approval for the grant of a license to operate as an Underwriter under Section 94(1) of the SEC Act by any body corporate which intends to carry on, the business of an Underwriter shall be accompanied by a processing fee of Rs. 150,000/-.
License Fee to operate as an Underwriter	44. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as an Underwriter, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/09 of March 15, 2022 (the SEC Rules) applicable to an Underwriter shall be accompanied by a license fee of Rs. 250,000/-.
In case of refusal of application	45. Where an application for the grant of a license to operate as an Underwriter is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Renewal of license	46. An application for a renewal of a license granted to operate as an Underwriter shall be accompanied by a Renewal Fee of Rs. 250,000/-.
Penalty for late renewal	47. Any licensed Underwriter who fails to submit an application for renewal on or before the due date which is, three months prior to the expiry of the license, shall pay a penalty in the following manner in terms of Rule 12 of Underwriters of SEC Rules; <ul style="list-style-type: none"> • Applications submitted within 1 to 30 days after due date - 1/3 of renewal fee • Applications submitted within 31 to 60 days after due date - 2/3 of renewal fee • Applications submitted within 61 to 90 days after due date - amount equivalent to the renewal fee
In case of refusal of renewal	48. Where an application for the renewal of a license to operate as an Underwriter is refused, the Renewal Fees paid by such applicant shall be refunded subject to recovery of penalty for late renewal, if any.

SCHEDULE II

Stock Exchange	
Processing Fee for an application for 'in-principle' approval	1. Every application for 'in-principle' approval for the grant of a license to operate as a Stock Exchange under Section 26(1) of the SEC Act by any body corporate which intends to carry on, the business of a Stock Exchange shall be accompanied by a processing fee of Rs. 250,000/-.
License Fee to operate as a Stock Exchange	2. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Stock Exchange, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 6(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/10 of March 15, 2022 applicable to an Exchange shall be accompanied by a license fee of Rs. 15,000,000/-
In case of refusal of application	3. Where an application for the grant of a license to operate as a Stock Exchange is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Payment of Annual License Fee	4. A licensed Stock Exchange shall pay to the Commission an Annual License Fee of Rs. 1,000,000/- in terms of Section 76 of the SEC Act in respect of each calendar year, on or before 31 st of January.
Penalty for delay in payment of Annual License Fee	5. Any licensed Stock Exchange who fails to pay the Annual License Fee by the 31 st of January of each calendar year shall pay a penalty of Rs. 500,000/-.
Clearing House	
Processing Fee for an application for 'in-principle' approval	6. Every application for 'in-principle' approval for the grant of a license to operate as a Clearing House under Section 36(1) of the SEC Act by any body corporate which intends to carry on, the business of a Clearing House shall be accompanied by a processing fee of Rs. 250,000/-.
License Fee to operate as a Clearing House	7. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Clearing House, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 5(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/10 of March 15, 2022 applicable to a Clearing House shall be accompanied by a license fee of Rs. 2,500,000/-.
In case of refusal of application	8. Where an application for the grant of a license to operate as a Clearing House is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Payment of Annual License Fee	9. A licensed Clearing House shall pay to the Commission an Annual License Fee of Rs. 100,000/- in terms of Section 76 of the SEC Act in respect of each calendar year, on or before 31 st of January.
Penalty for delay in payment of Annual License Fee	10. Any licensed Clearing House who fails to pay the Annual License Fee by the 31 st of January of each calendar year shall pay a penalty of Rs. 500,000/-.

SCHEDULE II (Contd.)

Central Depository	
Processing Fee for an application for 'in-principle' approval	11. Every application for 'in-principle' approval for the grant of a license to operate as a Central Depository under Section 55(1) of the SEC Act by any body corporate which intends to carry on, the business of a Central Depository shall be accompanied by a processing fee of Rs. 250,000/-.
License Fee to operate as a Central Depository	12. Where the applicant upon obtaining "in-principle" approval for the grant of license to operate as a Central Depository, fulfills the conditions as required by the Commission, such applicant shall submit to the Commission the documents set out in Rule 5(b) of the SEC Rules published in <i>Gazette Extraordinary</i> No.2271/10 of March 15, 2022 applicable to a Central Depository shall be accompanied by a license fee of Rs. 2,500,000/-.
In case of refusal of application	13. Where an application for the grant of a license to operate as a Central Depository is refused, the license fees paid by such applicant shall be refunded. The processing fees paid shall be retained by the Commission to cover administrative costs incurred by the Commission.
Payment of Annual License Fee	14. A licensed Central Depository shall pay to the Commission an Annual License Fee of Rs. 100,000/- in terms of Section 76 of the SEC Act in respect of each calendar year, on or before 31 st of January.
Penalty for delay in payment of Annual License Fee	15. Any licensed Central Depository who fails to pay the Annual License Fee by the 31 st of January of each calendar year shall pay a penalty of Rs. 500,000/-.

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