

ACT

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SIGNED this *11th day of May, 2007*

ALHAJI AHMAD TEJAN KABBAH,
President.



No. 4



2007

Sierra Leone

The Other Financial Services (Amendment) Act, 2007.

Short title.

**Being an Act to amend the Other Financial Services Act,
2001 so as to provide for the establishment and operation of stock
exchanges.**

[17th May, 2007] Date of com-
mencement.

ENACTED by the President and Members of Parliament in this
present Parliament assembled.

Amendment
of Act No. 7
of 2007.

The Other Financial Services Act, 2001 is amended-

- (a) by the insertion immediately after section 49 thereof of the following:-

“PART VI A—STOCK EXCHANGES

Stock ex-
changes to be
approved.

49A (1) Except with the approval of the Central Bank, no person shall operate a stock exchange in Sierra Leone.

(2) Any person who acts in contravention of subsection (1) commits an offence and is liable on conviction, to a fine not exceeding Le500,000 for each day that the contravention continues.

Central Bank
to approve
stock
exchanges.

49B (1) Subject to this Part, the Central Bank may grant an approval to any holder of a dealer’s licence, or more than one such holder, to establish and operate a stock exchange in which other holders of dealer’s licences may participate.

(2) Application for approval to operate a stock exchange may be made to the Central Bank in the prescribed form.

(3) No approval shall be granted to any person to operate a stock exchange other than a body corporate.

(4) The Central Bank may, after consultation with the Minister responsible for finance, approve a body corporate as a stock exchange, if it is satisfied that –

- (a) at least two shareholders of that body corporate will carry on the business of dealing in securities independently of and in competition with each other;
- (b) the rules of the body corporate will make satisfactory provision-
 - (i) for the exclusion from membership of the stock exchange of persons who are not of good character and high business integrity;
 - (ii) for the expulsion, suspension or disciplining of members of the stock exchange for conduct inconsistent with

just and equitable principles in the transaction of business or for a contravention of or failure to comply with the rules of the stock exchange or the provisions of this Act;

- (iii) for the closing out of a member’s unsettled market contracts, where the member appears to be unable or is likely to become unable to meet obligations in respect of market contracts;
- (iv) for the making of a report to the Central Bank by the stock exchange whenever it rejects any application for membership of the stock exchange or where it suspends or expels a member or where it suspends trading in particular securities of, or made available by, a body corporate on the stock market of the stock exchange;
- (v) for the terms and conditions of the chief executive officer of the stock exchange, including a term that the chief executive officer shall not be liable to dismissal or removal from his office without the prior approval of the Central Bank;
- (vi) with respect to the conditions under which securities may be listed for trading on the stock market of the stock exchange;
- (vii) with respect to the conditions governing dealing in securities by members of the stock exchange and the clearing and settlement of deals;
- (viii) with respect to the class of securities that may be dealt in by members of the stock exchange,

- (ix) for the governance of the stock exchange by a council;
- (x) with respect to fair representation of persons in the selection of the council members and administration of the affairs of the stock exchange, including provision to ensure that one or more council members are representative of listed companies, investors and the professions relevant to securities trading and not associated with a stock;
- (xi) generally, for the carrying on of the business of the stock exchange with due regard to the interest of the public;
- (c) the body corporate has sufficient financial, human and system resources to operate a fair and efficient market; and
- (d) the interests of the public will be served by the granting of the approval.

(5) Nothing in this section shall preclude the Central Bank from appointing any person who is knowledgeable in the securities industry and who is not associated with a stockbroker or dealer to be on the council of the stock exchange to represent the public interest; except that a person so appointed -

- (a) shall have the same rights, powers, duties and obligations, liberties and privileges as any other member of the council of the stock exchange; and
- (b) shall hold office for a period specified by the Central Bank which may at any time revoke such an appointment; and

(c) shall be paid by the Central Bank.

(6) The Central Bank shall publish in the *Gazette* notice of approval for the establishment of a stock exchange and every cancellation or suspension of any such approval.

(7) Where the Central Bank is of the opinion that an approval granted to a stock exchange under subsection (4) should be withdrawn in the public interest, it may serve on the council of that stock exchange a written notice that it is considering the withdrawal of the approval for the reasons stated in the notice and after giving an opportunity to the council to be heard on the matter, it may cancel the approval granted under subsection (4).

(8) A cancellation under subsection (7) shall not take effect until after the expiration of three months from the date on which the cancellation is published in the *Gazette*.

(9) With effect from the date on which a notice of cancellation of approval under subsection (8) is published in the *Gazette*, the council shall ensure that trading on the stock exchange ceases.

(10) During the three months between the publication and the effective date of the cancellation—

- (a) the council shall take steps to wind up the business of the stock exchange; and
- (b) the Central Bank shall take such steps as are reasonably available to it to approve the establishment of an interim stock exchange which can provide a stock trading facility from the date on which trading on the stock exchange is to cease.

(11) In this section “dealer’s licence” means a licence granted as such under section 50D.

Central Bank
to approve
amendments
to rules.

49C (1) Where an amendment is proposed to be made by a stock exchange, whether by way of repeal, or alteration of, or addition to, the rules of the stock exchange or the listing rules of the stock exchange, the council of the stock exchange shall forward a written notice of it to the Central Bank for approval.

(2) The Central Bank shall within 7 days of receipt of a notice under subsection (1), give notice in writing to the stock exchange concerned that it approves the amendment or that it disapproves the whole or any specified part of the amendment in question and until such notice is given, the amendment shall not have any effect.

(3) Nothing in this section, shall preclude the Central Bank, after consultation with the council of the stock exchange, from amending the rules of the stock exchange by written notice specifying the amendments and the dates those amendments shall come into force, but the Central Bank may dispense with such consultation if it considers it necessary to do so for the protection of investors.

(4) Any notice under this section may be served personally or by post.

Stock exch-
ange to assist
Central Bank.

49D (1) A stock exchange shall provide such assistance to the Central Bank as the Central Bank reasonably requires for the performance of its functions, including the furnishing of returns and providing such information relating to the exchange's business or in respect of its dealing in securities or any other specified information as the Central Bank may require for the proper administration of this Act.

(2) Where a stock exchange reprimands, fines, suspends, expels or otherwise takes disciplinary action against a member of the stock exchange, it shall forthwith give to the Central Bank written particulars of the name of the member, the reason for and nature of the action taken, the amount of the fine, if any, and the period of the suspension, if any.

49E (1) The Central Bank may review any disciplinary action taken by a stock exchange which is required to be notified to it under subsection (2) of section 49D and may affirm or set aside a stock exchange decision after giving the member and the stock exchange an opportunity to be heard.

Disciplinary
power
of
Central Bank.

(2) Nothing in this section shall preclude the Central Bank, in a case where a stock exchange fails to act against a member of the stock exchange, from suspending, expelling or otherwise disciplining a member of the exchange but before doing so the Central Bank shall give the member and the stock exchange an opportunity to be heard.

(3) Any person who is aggrieved by the decision of a stock exchange or the Central Bank under this section may, within 30 days after he is notified of the decision, appeal to the High Court whose decision on it shall be final.

49F (1) Where a person who is under an obligation to comply with, observe, enforce or give effect to the rules of a stock exchange fails in performing the duty, the High Court, on the application of the Central Bank, a stock exchange or a person aggrieved by the failure, after giving to the person against whom the order is sought an opportunity of being heard, may make an order giving directions to that person to perform the duty.

Power of
court to order
compliance
with rules of
stock exch-
ange.

(2) For the purposes of subsection (1) -

(a) a body corporate that has been admitted to any official list of a stock exchange and has not been removed from that official list; or

a person associated with a body corporate that has been admitted to any official list of a stock exchange and has not been removed from that official list,

is under an obligation to comply with, observe and give effect to the rules of that stock exchange to the extent to which those rules apply in relation to it or him.

Central Bank may issue directions to stock exchange.

49G (1) The Central Bank may, where it appears to be in the public interest, issue directions to a stock exchange—

- (a) with respect to trading on or through the facilities of that stock exchange or with respect to any security listed on that stock exchange; or
- (b) with respect to the manner in which a stock exchange carries on its business, including the manner of reporting off-market purchases; or
- (c) with respect to any other matters which the Central Bank considers necessary for the effective administration of this Act,

and the stock exchange shall comply with any such direction.

(2) A stock exchange which, without reasonable excuse, fails or refuses to comply with a direction given under subsection (1), is liable to the imposition by the Central Bank of an administrative fine not exceeding Le5,000,000 and to a further fine of Le100,000 for each day that the failure or refusal continues.

(3) All administrative fines collected under subsection (2) shall be paid by the Central Bank into an Investor Compensation Fund established under section 49K.

(4) A stock exchange that is aggrieved by any direction of the Central Bank under subsection (1) or the imposition of an administrative fine under subsection (2) may appeal to the High Court within 30 days of the date of the direction or fine, as the case may be.

(5) Where the Central Bank is satisfied that an executive officer of a stock exchange -

- (a) has intentionally contravened this Act or any regulations made under it or the rules of a stock exchange; or

- (b) has without reasonable justification or excuse, failed to enforce compliance with such enactment by a member of the stock exchange or a person associated with that member,

the Central Bank may, if it thinks it necessary in the public interest or for the protection of investors, and after giving the executive officer, an opportunity of being heard and, where appropriate, after consulting the stock exchange first, direct by notice in writing, that the stock exchange remove from office or employment the executive officer, and the stock exchange shall comply with the direction of the Central Bank or may instead, censure the executive officer.

49H (1) Without prejudice to the generality of section 49G, where the Central Bank is of the opinion that it is necessary to prohibit trading in particular securities of, or made available by, a body corporate on the stock market of a stock exchange in order to protect the interest of the public, the Central Bank may give notice in writing to the stock exchange:—

Power of Central Bank to prohibit trading in particular securities.

- (a) stating that it has formed that opinion and setting out its reasons; and
- (b) in a case of urgency, prohibit trading in those securities on that stock market during such period, not exceeding 14 days, as may be specified in the notice.

(2) If, after receipt of a notice under paragraph (a) of subsection (1), the stock exchange does not take action to prevent trading in the securities to which the notice relates on the stock market of the stock exchange and the Central Bank is still of the opinion that it is necessary to prohibit trading in those securities on that stock market, the Central Bank may, by notice in writing to the stock exchange, prohibit trading in those securities on that stock market during such period, not exceeding 14 days as may be specified in the notice.

(3) Where the Central Bank gives a notice to a stock exchange under subsection (2), the Central Bank shall -

- (a) at the same time, send a copy of the notice to the body corporate together with a statement setting out the reasons for the giving of the notice; and
- (b) as soon as practicable, furnish to the Court a written report setting out the reasons for the giving of the notice and send a copy of the report to the stock exchange.

(4) Where the Central Bank gives a notice to a stock exchange under subsection (2), the stock exchange may request the Central Bank in writing to refer the matter to the High Court.

(5) Where a request is made by the stock exchange under subsection (4), the Central Bank shall forthwith refer the matter to the High Court which may, if it thinks fit, direct the Central Bank to revoke the notice or confirm the prohibition imposed by the Central Bank and the decision of the High Court shall be final.

(6) A stock exchange which permits trading in securities on the stock market of the stock exchange in contravention of a notice under subsection (2) commits an offence and is liable on conviction to a fine not exceeding Le500,000 for each day that the contravention continues.

Power to close or suspend trading on stock exchange.

49I (1) Subject to subsections (2) and (3), the Central Bank may, after consultation with a stock exchange, order that the stock exchange be closed for transactions or dealings in securities for a period of not more than 3 days.

(2) The Central Bank may make an order under subsection (1) on the ground that, in the opinion of the Central Bank the orderly transaction of business on the stock exchange is likely to be adversely affected due to-

- (a) an emergency or natural disaster in Sierra Leone; or
- (b) an economic or financial crisis whether in Sierra Leone or elsewhere.

(3) An order made under subsection (1) may be renewed for a further period of not more than 5 trading days.

(4) Any dealer, broker or representative who deals in securities listed on a stock exchange while an order under subsection (1) or (3) is in force, being an order that has been notified to the stock exchange, commits an offence and is liable on conviction to a fine not exceeding Le5,000,000 or to imprisonment for a term not exceeding, 180 days, or to both fine and imprisonment.

(5) Where the Central Bank issues an order under subsection (1) or (3), notice of the order shall be published in the *Gazette* and in two daily newspapers in wide circulation in Sierra Leone.

49J (1) Every stock exchange and every person providing clearing and settlement services shall keep or cause to be kept such records or information in sufficient detail, whether such records or information are maintained in electronic form or manual form, so as to show particulars of every bid or offer made or bargain struck on the exchange. Records and information of stock exchange etc.

(2) A stock exchange shall also keep records showing the business of trading in securities, including daily, weekly, monthly, quarterly and annual transactions and such records or information shall be subject to inspection at all reasonable times by the Central Bank.

49K (1) The Central Bank shall:-

- (a) by statutory instrument, establish a fund to be known as the Investor Compensation Fund for the purpose of compensating persons in cases where the licence holders are unable or are likely to be unable, to satisfy claims against them; and

Investor Compensation Fund.

- (b) ensure that the Investor Compensation Fund is adequately insured against inability to meet investor compensation claims.

(2) The Investor Compensation Fund shall consist of -

- (a) contributions by the Central Bank from moneys appropriated for the purpose by Government;
- (b) moneys required to be paid into it by licence holders;
- (c) administrative fines paid into the Fund by the Central Bank, pursuant to subsection (3) of section 49G;
- (d) the interest and profits accruing from the investment of any part of the Fund;
- (e) all moneys recovered by or on behalf of the Central Bank in any legal proceedings against persons found guilty of any abuse on a stock market; and
- (f) all other moneys lawfully paid into it.

(3) The Central Bank shall, by statutory instrument, make regulations to govern the operation of the Investor Compensation Fund.

(4) Regulations made under subsection (3) shall, in particular, provide for the Central Bank -

- (a) to assess and pay compensation to claimants in respect of claims made in connection with the activities of licence holders; and
- (b) to impose levies on licence holders, or any class of licence holders, for the purpose of meeting its expenses, including in particular, expenses incurred, or expected to be incurred in paying compensation, borrowing or insuring risks.

(5) An amount payable to the Central Bank pursuant to regulations made under subsection (3) may be recovered as a civil debt due to the Central Bank.

(6) Any moneys in the Investor Compensation Fund that are not immediately required for its purposes shall be invested by the Central Bank in any manner in which trustees are for the time being authorised by law to invest trust funds.

(7) All payments out of the Investor Compensation Fund shall be made at the discretion of the Central Bank having regard to the regulations made under subsection (3).

(8) In this section, "licence holder" means a person licensed under section 50D in any capacity referred to in sub section (1) of section 50A.

- (b) by the insertion immediately after section 50 thereof of the following:—

“PART V1B – LICENSING AND REGISTER OF DEALERS
AND OTHER OPERATORS

50A (1) It is an offence for any person to act in any of the following capacities or hold himself out as doing so unless he is the holder of a licence for that purpose granted under this Part:—

Dealers and others to be licensed.

- (a) a dealer;
- (b) a dealer's representative;
- (c) a broker;
- (d) a broker's representative;
- (e) an investment adviser;
- (f) an investment adviser's representative;
- (g) a fund manager;
- (h) a fund manager's representative;
- (i) an authorised registrar;
- (j) a custodian;
- (k) a rating agency;
- (l) an operator of a depositary, clearing and settlement facility;

- (m) an underwriter; or
- (n) any other capacities relating to securities as the Central Bank may from time to time prescribe.

(2) Notwithstanding the prohibition in subsection (1) -

- (a) a licensed dealer or licensed fund manager may provide investment advice subject to any conditions or restrictions imposed on his licence;
- (b) a financial institution or other institution approved by the Central Bank may act as a custodian; and
- (c) a financial institution or any other person may carry out such other services or functions in relation to securities as may be specified in regulations made by the Central Bank under this section subject to such conditions or restrictions as may be specified in the regulations.

(3) Any offence under this section shall be punishable by a fine not exceeding Le5,000,000 or by imprisonment for a term not exceeding 180 days or to both such fine and imprisonment.

Applications
for licence
renewal.

50B. (1) An application for a licence or for the renewal of a licence shall be made to the Central Bank in the prescribed form and shall be accompanied by the prescribed fee which shall not be refundable and, in the case of an application for renewal of a licence, shall be made not later than three months before the expiry of the licence.

(2) The Central Bank may require an applicant to supply it with such further information as it considers necessary in relation to the application.

(3) The Central Bank shall not refuse to grant or renew a licence without first giving the applicant or the holder of the licence an opportunity of being heard.

50C (1) A licence to act as a dealer, broker, fund manager, custodian, rating agency, operator of a depository, clearing and settlement facility or underwriter shall only be granted to a body corporate. Restrictions
on grant of
licences.

(2) A licence to act as a representative shall only be granted to an individual.

(3) A licence to act as a dealer, broker, fund manager, custodian, rating agency, operator of a depository, clearing and settlement facility or underwriter shall only be granted if the holder of the licence meets and continues to meet the minimum financial requirements determined by the Central Bank either generally or specifically, or as are provided in the rules of a stock exchange.

(4) Subject to subsection (3) of section 50B and regulations made under this Act, where an application is made for the grant or renewal of licence under this Part, the Central Bank shall refuse the application, if in the case of an applicant who is a natural person-

- (a) subsection (1) applies;
- (b) the applicant has been adjudged bankrupt anywhere;
- (c) the applicant has been convicted, either within Sierra Leone or elsewhere, of an offence involving fraud or dishonesty punishable on conviction by imprisonment for a term of three months or more or has been convicted of an offence under the Anti-Money Laundering Act 2004;
- (d) the Central Bank –
 - (i) is not satisfied as to the educational qualifications or experience of the applicant having regard to the nature of the duties of a holder of the relevant licence;
 - (ii) has reason to believe that the applicant is not of good reputation or character; or

- (iii) has reason to believe that the applicant will not perform the duties of a holder of the relevant licence efficiently, honestly and fairly.

(5) Subject to subsection (3) of section 50B and regulations made under this Act, where an application is made for the grant or renewal of a licence by a body corporate under this Part, the Central Bank shall refuse the application if –

- (a) the body corporate is in the course of being wound up under the Companies Act;
- (b) the body corporate is one in respect of which a receiver or a manager has been appointed under the Companies Act;
- (c) the body corporate has, whether within or outside Sierra Leone, entered into a compromise or scheme of arrangement with its creditors, which is still in operation;
- (d) the Central Bank –
 - (i) is not satisfied as to the educational qualifications or experience of the officers of the applicant who are to perform duties in connection with the licence; or
 - (ii) has reason to believe that the applicant will not perform the duties of a holder of the licence efficiently, honestly and fairly.

Power of Central Bank to grant or renew licences and to impose conditions.

50D. (1) The Central Bank may grant or renew a licence under this Part, subject to such conditions or restrictions as it thinks fit and the Central Bank may, at any time, by written notice to a licence holder, vary any condition or restriction in relation to the licence.

(2) Without limiting the generality of subsection (1), the Central Bank may, in granting or renewing an investment adviser's licence, impose a condition or restriction as to the class of business that the investment adviser may carry on, including a condition or restriction that-

- (a) he shall only carry on the class of business of advising others concerning securities; or
- (b) he shall only carry on the class of business of issuing or promulgating analyses in reports concerning securities; or
- (c) he shall carry on any of the classes of business in paragraphs (a) or (b) in combination with each other.

(3) Without limiting the generality of subsection(1), the Central Bank may, in granting or renewing a fund manager's licence, impose a condition or restriction as to the class of business that the fund manager may carry on, including a condition or restriction that he shall only carry on a class of business involving the management of a portfolio of securities on behalf of clients for investment purposes.

(4) The Central Bank may also by written notice to a licence holder suspend, cancel, restrict or impose terms and conditions on the right of the licence holder to -

- (a) call at any residence; or
- (b) telephone or communicate electronically with any residence in Sierra Leone;

for the purpose of dealing in any securities.

(5) A person who contravenes or fails to comply with any condition of, or restriction in his licence, commits an offence, and shall be liable on conviction to a fine not exceeding Le5,000,000 or to imprisonment for a term not exceeding two years or to both such fine and imprisonment

(6) In this section "residence" includes any building or part of a building where the occupant resides either permanently or temporarily.

50E. (1) The Central Bank shall not grant a dealer's or a broker's licence unless there is with the Central Bank at the time of the application for the licence, a deposit in such amount as the Central Bank may prescribe in respect of the licence.

(2) A deposit required under subsection (1) shall be in cash or in such other form as the Central Bank may in any particular case direct.

(3) All amounts paid under this section shall be deposited in an account at a bank approved for that purpose by the Central Bank.

(4) A deposit lodged under subsection (1) shall be applied by the Central Bank subject to and in accordance with regulations made under this Act.

Grant of representative's licence.

50F. Subject to subsection (3) of section 50B and regulations made under this Act, the Central Bank shall grant or renew a representative's licence, if after consideration of the application it is satisfied that the applicant will perform the duties efficiently, honestly and fairly.

Cessation of activity on loss of representative.

50G. The holder of a dealer's, broker's or fund manager's licence shall not carry on its licensed activity when it ceases to have in its employment or service at least one person who holds a representative's licence.

Power of Central Bank to enquire into securities transactions of licence holders.

59H. (1) In deciding whether a person should hold a licence under this Part, the Central Bank may enquire into any transactions involving the purchase or sale of securities entered into by that person, whether directly or indirectly, during any period of twelve months preceding the application for the licence or renewal of the licence (referred to in this section as the relevant period), to ascertain if that person has in such transaction or series of transactions used dishonest, unfair or unethical methods or trading practices, whether such method or trading practices constitute an offence under this Act or not.

(2) For the purposes of subsection (1), the Central Bank may, in such form and within such times as it may specify by notice in writing, require the person and, in the case of a dealer, broker or investment adviser, his representative to submit detailed information of all or any transactions involving the purchase or sale of securities, whether such transactions were completed during the relevant period before or after the commencement of this Act.

(3) Any person who, without reasonable excuse, fails or refuses to submit information to the Central Bank, within the time specified in the notice referred to in subsection (2) or who gives false

or misleading information shall, in addition to any other penalty that may be imposed under this Act, be liable, in the case of an application for renewal of a licence, to have his licence revoked under section 50M and in the case of a first application for a licence, to have the application refused.

50I. (1) Subject to subsection (2), a licence under this Part shall expire one year from the date of issue. Period of licence.

(2) A licence that has been renewed in accordance with the provisions of this Part shall continue in force for a period of one year from the date of the renewal, subject to section 50M.

50J. Where –

Notification of change of particulars.

- (a) the licence holder under this Part ceases to carry on the business to which the licence relates; or
- (b) a change occurs in any matter, particulars of which are required by section 50K to be entered in the register of licence holders in relation to the holder of a licence,

the licence holder shall, not later than 14 days after the occurrence of the event, give to the Central Bank, in the prescribed form, particulars in writing of the event.

50K. (1) The Central Bank shall keep in such form as it thinks fit a register of the licence holders under this Part specifying – Register of licence holders.

- (a) in relation to each licence holder-
 - (i) name of the holder;
 - (ii) the address of the principal place of business at which the holder carries on the business;
 - (iii) where the business is carried on under a name or style other than the name of the licence holder, the name or style under which the business is carried on;

- (iv) the activities covered by the licence; and
- (v) such other information as the Central Bank may determine; and
- (b) in relation to each holder of a representative's licence also–
 - (i) the name of the dealer, broker, investment adviser or fund manager in relation to whom the licence was issued; and
 - (ii) where the business of that dealer, broker, investment adviser or fund manager is carried on under a name or style other than the name of the dealer, broker, investment adviser or fund manager, the name or style under which that business is carried on.

(2) Where a licence holder has ceased to be licensed, the Central Bank shall make a note to that effect in the register and may delete any reference to that person in respect of any such licence at the end of such period as the Central Bank thinks appropriate.

Inspection of register. **50L.** (1) The register shall be open for inspection free of charge by members of the public and the Central Bank may publish the information contained in the register in any form it thinks appropriate and may offer copies of any such information for sale.

(2) The register shall be opened for inspection only at such times and places as the Central Bank may reasonably appoint and a person entitled to inspect any information may obtain a certified copy of it from the Central Bank on payment of a prescribed fee.

(3) The Central Bank shall keep the register in such form as it thinks appropriate with a view to facilitating inspection of the information which it contains.

Revocation or suspension of licence. **50M.** (1) A licence under this Part shall be deemed to be revoked, in the case of–

- (a) an individual, if the individual dies; or

- (b) a body corporate, if it is wound up.

(2) The Central Bank may revoke a licence under this Part–

- (a) in the case of a licence holder who is an individual–

- (i) if a levy of execution in respect of him has not been satisfied;
- (ii) if he ceases to carry on the business for which he was licensed;
- (iii) if he has been adjudged bankrupt in any jurisdiction;
- (iv) if, in the case of a representative, the licence of the dealer, broker or investment adviser or fund manager, in relation to whom the licence was granted, is revoked;
- (v) if the Central Bank has reason to believe that the licence holder is not a fit and proper person or has not performed his duties efficiently, honestly or fairly,
- (vi) if he is convicted of an offence involving fraud or dishonesty punishable by imprisonment; or
- (vii) if the licence holder contravenes or fails to comply with any condition or restriction applicable in respect of the licence or any provision of this Act;

- (b) in the case of a body corporate–

- (i) if it is wound up, or is in the process of being wound up;
- (ii) if a levy of execution in respect of it has not been satisfied;

- (iii) if a receiver or a manager has been appointed whether by a court or creditors in respect of its property;
- (iv) if it has entered into any composition or arrangement with its creditors;
- (v) if it ceases to carry on the business for which it was licensed;
- (vi) if the Central Bank has reason to believe that the licence holder, or any of its directors or employees, has not performed its or his duties efficiently, honestly or fairly; or
- (vii) if the licence holder contravenes or fails to comply with any conditions or restrictions applicable in respect of the licence or any provision of this Act.

(3) In a case to which subsection (2) applies, the Central Bank may, instead of revoking a licence, impose conditions or restrictions upon the exercise of the licence or it may suspend the licence for a specific period and, where it suspends a licence, it may at any time remove the suspension.

(4) The Central Bank shall not revoke a licence under subsection (2) or impose conditions or restrictions upon the exercise of a licence or suspend a licence under subsection (3) without first giving the licence holder an opportunity of being heard.

(5) A person whose licence is revoked under this section shall, for the purposes of this Part, be deemed not to be licensed as from the date of the revocation or suspension of the licence.

(6) A revocation or suspension of a licence of a person shall not operate so as to—

- (a) avoid or affect any agreement, transaction or arrangement relating to trading in securities entered into by the person, whether the agreement, transaction or arrangement was entered into before or after the revocation or suspension of the licence; or

- (b) affect any right, obligation or liability arising under any agreement, transaction or arrangement existing before the revocation or suspension.

50N. Where a person who holds a licence issued under this Part has before the expiry of the licence applied for a renewal of the licence, he shall not, until the licence is renewed or his application for the licence is refused or withdrawn, be held liable for not holding a licence. Operation pending renewal etc. of licence.

50P. (1) Any person who is aggrieved by the refusal of the Central Bank to grant or renew a licence under this Part, may appeal to the High Court within 30 days of the Central Bank's decision. Appeals.

(2) Any person aggrieved by the revocation or suspension of a licence or by the imposition of conditions or restrictions on a licence by the Central Bank under this Part may appeal to the High Court within 30 days of the Central Bank's decision.

(3) The High Court may confirm the Central Bank's decision or give such directions in the matter as seems just.

50Q. (1) Where the Central Bank determines in any disciplinary proceedings that a licence holder has contravened any provision of this Act, the Central Bank may publish a statement to that effect, stating any action that the Central Bank may have taken in respect of that contravention. Public statement.

(2) Before publishing a statement under subsection (1), the Central Bank shall give the person concerned written notice of the proposed statement and of the reasons for which it proposes to act.

(3) Where the reasons stated in the notice relate specifically to matters which—

- (a) refer to a person identified in the notice other than the person who is or was the licence holder; and
- (b) are in the opinion of the Central Bank prejudicial to that person in any office or employment,

the Central Bank shall, unless it considers it impracticable to do so, serve a copy of the notice on that other person.

(4) A notice under this section shall give particulars of the right conferred by subsection (5).

(5) A person on whom a notice is served under subsection (2) or (3) may, within 21 days after the service, make written representations to the Central Bank and, if desired, representations to a person appointed by the Central Bank for that purpose.

(6) The Central Bank shall, after considering any representations made under subsection (5), give any person on whom notice was served under subsection (2) or (3) written notice that the statement is or is not to be published; and if it is to be published, the Central Bank shall, after publication, send a copy of the statement to such person.

(7) A person on whom notice is served under subsection (6) who is aggrieved by the decision of the Central Bank may appeal to the High Court.

Passed in Parliament this *12th* day of *April*, in the year of our Lord two thousand and seven.

A. A. KEMOKAI,
Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

A. A. KEMOKAI,
Clerk of Parliament.