

# **The Stock Exchange Corner**

## **How to Register a Securities Company**

*by George Edwards*

A securities company is a company that carries on the business of trading in securities on behalf of others and as the Securities Industry Act Section 3 (2) (p) states:

“includes a company which carries on business as –

- i. A broker;
- ii. A dealer;
- iii. An underwriter;
- iv. An investment adviser; or
- v. Any combination of two or more of the foregoing”.

Any company seeking to trade in securities on the Guyana Stock Exchange must first be registered by the Guyana Securities Council. A company applying for registration must satisfy the Council that “it is a fit and proper body to be registered as a securities company” [Regulation No. 4 of 2002 Section 3 (3) (k)]. This includes having adequate capital and qualified personnel of good character who will conduct themselves in the market with integrity. An application must be submitted to the Council in the format set out in the Regulations (Form 1) accompanied by the appropriate fee as set out in the Second Schedule.

The applicant must give the Council any information it reasonably requires concerning the type of services it intends to offer, the business it proposes to carry on, and any person whom the company will employ or be associated with in the course of the business. The applicant must nominate at least one individual as principal who will participate in or supervise the company’s business and also specify the location of all premises at which the business’s records and other documents will be kept. Section 4 of this Regulation (No.4 of 2002) also states that:

“ The Council may require an applicant to provide it with such additional information as the Council thinks necessary”.

The main parts of the Application Form 1 are quoted below for your information.

### **Application for registration as a securities company**

#### **Part 1**

#### **Information on the applicant**

1. (a) Name of applicant:
- (b) Registered office:
- (c) Full address, telephone and fax number of the principal place at

which the business of the applicant is to be carried on:

- (d) The authorized and paid-up capital of the applicant, including the types of shares issued:
  - (f) Details of shareholders of the applicant, including the name, address, amount of shares being held and date of acquisition:
  - (g) Set out as an annexure hereto details of each director and principal showing full name, residential address, date of birth, office held and date of appointment:
2. State the nature of the principal business of the applicant:
3. (a) State in detail the activity and the manner in which the applicant proposes to conduct the business for which the applicant requires to be registered:
- (b) The type of clients with whom the applicant proposes to do business:
  - (c) Describe in detail the organisational structure and internal control procedures which the applicant has adopted or proposes to adopt for the applicant's proposed business:
3. Set out the name and address of each person who, directly or indirectly, exercises or has power to exercise a controlling influence over the management and policies of the applicant other than those shown as directors:
4. Is any director or principal of the applicant a director of any other company?

Using an annexure, answer "Yes" or "No" for each person; if "Yes", give details of:

- (a) names of companies
- (b) places of incorporation; and
- (c) dates of appointment.

5. Has the applicant or any director, principal or representative of the applicant within the past 10 years –

- (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 authorized by law to carry on any trade, business or profession in any place?
- (c) been refused the right or restricted in the right to carry on any trade, business or profession for which a specific registration, registration or other authority is required by law in any place?

(For questions 6 to 8, answer “Yes” or “No” in space provided. If “Yes”, attach annexure giving all relevant particulars).

6. Has any director, principal or representative of the applicant within the past 10 years –

- (a) been a member or partner in a member firm of any securities exchange?
- (b) been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?
- (c) been refused membership of any securities exchange?
- (d) been known by any name other than the name or names shown in this application?
- (e) been convicted of any offence other than a traffic offence in Guyana or elsewhere or are there any proceedings now pending which may lead to such a conviction?
- (f) had judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Guyana or elsewhere? (If “Yes”, using an annexure, give full details, including whether judgement is unsatisfied).
- (g) been declared bankrupt or compounded with or made an arrangement for the benefit of his creditors, in Guyana or elsewhere?

- (h) been engaged in the management of any company other than those referred to in answer to question 5 ?
- (i) been refused a fidelity or surety bond in Guyana or elsewhere?
- (j) been disqualified as a director, or been director of a company that has gone into receivership or liquidation, in Guyana or elsewhere?

Has any director, principal, or representative of the applicant had any experience in performing the functions in relation to the proposed activity of the applicant referred to in question 3?

9 In relation to each director, principal or representative of the applicant, set out below details of the officer's employment and business activities, during the previous 10 years:

Name of director, principal or representative	Name and address of principal(if self-employed, so state)	Nature of business	Description of duties in relation to the employment or activity	Period of employment or activity (give exact dates)

10. Set out any additional information (including any formal qualifications or training of the directors, principal and representative of the applicant and the name of the institution that conducted the course) considered relevant to this application.

11. Set out below details of two persons with whom each director of the applicant has had regular contact over the past 5 years and of whom the Council may enquire regarding their character and reputation.

Name of Character Referee	Address of Character Referee	Occupation of Character Referee	Name of Director, principal or representative in respect of whom enquiries may be made
1			
2			

Note: Numbering quoted exactly as it appears in the Regulations.

## **Stock Exchange Bulletin**

**GBTI held its Annual General Meeting on Monday March 20, 2006 and approved its final dividend of \$1.75 bringing the total dividend paid for the year to \$3.25**

**Next week: Capital Requirements for a Securities Company**

**N.B. – More information may be accessed on our website: [www.gasci.com](http://www.gasci.com)**