(*d*) investments;

(*e*) listing fees receivable;

(*f*) deferred tax;

(*g*) members fund; and

(*h*) revenue reserves.

Made this 4th day of May, 2015.

C. S. R. CHUKA
Registrar of Financial Institutions

(FILE NO.EA/FSPU/1/1)

GOVERNMENT NOTICE NO. 23

FINANCIAL SERVICES ACT, 2010

(NO. 20 OF 2010)

FINANCIAL SERVICES (LICENSING REQUIREMENTS FOR SECURITIES REPRESENTATIVES) DIRECTIVE, 2015

ARRANGEMENT OF PARAGRAPHS

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(*d*) investments;

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Made this 4th day of May, 2015.

C. S. R. CHUKA
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SCHEDULES:

First Schedule	Licence Application Form
Second Schedule	Licence
Third Schedule	Licence Renewal Application Form
Fourth Schedule	Minimum Educational Qualifications and Experience for Securities Representatives

IN EXERCISE of the powers conferred by section 21(5) of the Financial Services Act, I, CHARLES S. R. CHUKA, Registrar of Financial Institutions, issue the following Directive—

PART I—PRELIMINARY

Citation

1. This Directive may be cited as the Financial Services (Licensing Requirements for Securities Representatives) Directive, 2015.

Interpretation

2. In this Directive, unless the context otherwise requires—

"securities representative" has the meaning ascribed to that term in the Securities Act.

PART II—OBJECTIVES

Objectives

3. The objectives of this Directive are to—

Act No. 20 of 2010

(*a*) ensure that securities representatives are licensed and comply with the provisions of the Act and the Securities Act;

(*b*) protect the interests of investors and the public in general; and

(*c*) promote professional standards among securities representatives in the provision of their services.

PART III—LICENSING

Application for a licence

4.—(1) A person shall not operate as a securities representative unless licensed as such.

(2) An application for a licence to operate as a securities representative shall be made by a person who is an employee of a broker, dealer, portfolio manager or an operator of a collective investment scheme.

(3) The application for a licence under sub-paragraph (1) shall be—

(*a*) made in the Form set out in the First Schedule hereto ; and

(*b*) accompanied by a non-refundable application fee of fifty thousand Kwacha (K50,000.00).

(4) An applicant who wishes to amend any documentation submitted in support of an application for a licence under sub-paragraph (2) shall first obtain an approval from the Registrar.

(5) All licences issued under sub-paragraph (2) shall be valid for up to a period of one calendar year and shall expire on 31st December of each year regardless of the time an application is made.

Grant or denial of licence

5.—(1) The Registrar shall communicate to an applicant the outcome of the application made under paragraph 4, within sixty (60) days of receipt of a complete application.

(2) Where the Registrar approves an application for a licence, the Registrar shall issue a licence to the applicant in the Form set out in the Second Schedule hereto.

(3) Where the Registrar has not approved an application for a licence,—

(*a*) the Registrar shall, in writing, communicate to the applicant, citing the reasons for the decision; and

(*b*) the applicant may appeal to the Financial Services Appeals Committee within twenty one (21) days after being notified of the Registrar's decision.

Renewal of a licence

6. An application for a renewal of a licence issued under paragraph 4 shall be—

(*a*) made in the prescribed Form set out in the Third Schedule hereto;

(*b*) made at least two months prior to the expiry of the licence; and

(*c*) accompanied by a non-refundable renewal fee of fifty thousand Kwacha (K50,000.00).

Suspension or revocation of a licence

7. The Registrar may, on written notice to a securities representative, suspend or revoke the securities representative's licence where the Registrar is satisfied that—

(*a*) the securities representative has become subject to a statutory disqualification;

(*b*) the securities representative has become subject to a statutory restriction;

(*c*) the securities representative has failed to comply with any condition of his licence;

(*d*) the securities representative has contravened any provision of the Act, Securities Act or any Directive made thereunder;

Act No 20 of 2010

(*e*) an employer of the securities representative has ceased to be a holder of an operating licence; or

(*f*) the securities representative has ceased to be employed by the person who was his employer at the time the licence was granted.

Notification of transfer

8.—(1) An employer shall report to the Registrar when a securities representative ceases to be in his employment and shall surrender that securities representative's licence.

(2) A securities representative shall, on ceasing employment, surrender his licence to his employer.

PART IV—MINIMUM QUALIFICATIONS OF SECULITIES REPRESENTATIVES

Qualifications and experience of securities representatives

9. A person shall be eligible to apply for a licence to operate as a securities representative where he has the minimum educational qualifications and has the number of years of experience set out in the Fourth Schedule hereto.

PART V—REPORTING REQUIREMENTS

Qualifications and experience of securities representatives

10. A securities representative shall, in writing, inform the Registrar, where he has reasonable ground to believe that his employer has contravened or is likely to contravene the provisions of the Act, or any other financial services law.

PART VI—ENFORCEMENT ACTION

Monetary penalty

11. The Registrar shall impose a monetary penalty of up to ten million Kwacha (K10,000,000.00 million) for any violations of this Directive.

PART VII—REVOCATION

Revocation GN No. 58 of 2011

12. The Securities (Securities Representative) Directive, 2011 is hereby revoked.

FIRST SCHEDULE (para 4 (2) (*a*))

APPLICATION FOR A LICENCE TO OPERATE AS A SECURITIES REPRESENTATIVE

Licence Application Form

All questions shall be answered in full.

Application is hereby made for the grant of a licence to operate as a securities representative under the Financial Services Act, 2010 and the following statements are made in respect thereof—

1. Name of applicant:
2. Physical address:
3. Mailing address:
4. E-mail address:
5. Telephone numbers:
6. Details of educational and professional qualifications:
7. Details of employment history including details of previous experience in the securities industry :
8. Has the applicant—

   (*a*) been convicted of any offence, or are there any proceedings now pending for any offence involving fraud or dishonesty?

   .....

   (If so, please provide details)

(*b*) had any judgment involving findings of fraud or other dishonesty, misrepresentation, breach of contract, breach of fiduciary duty or professional negligence given against the applicant in any civil proceedings?

.....

(if so, please provide details)

(*c*) contravened any written law designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts?

.....

(if so, please provide details)

(*d*) been subjected to any form of disciplinary proceedings or action by any professio nal or regulatory body?

.....

(if so, please provide details)

9. Please attach the following documents:

(*a*) copies of certificates in support of educational and professional qualifications;

(*b*) a letter from the employer recommending the application; and

(*c*) a cheque for fifty thousand Kwacha (K50,000.00) being a non-refundable licence application fee.

I, the undersigned, do hereby certify that:

1. All the information given in response to the questions and in support of the application is true and correct to the best of my knowledge and belief.

2. To the best of my knowledge and belief, there are no other facts or information relevant to this application of which the Registrar should be made aware of and I hereby pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered.

Dated .....this.....day of.....20.....

Signature.....

Name.....

Notes:

1. All enquiries concerning the preparation, filing and status of this application should be made to The Director, Microfinance and Capital Markets Supervision, Reserve Bank of Malawi.

2. Upon completion, the original and two duplicate copies of the application and all other attachments must be submitted to The Director, Microfinance and Capital Markets Supervision, Reserve Bank of Malawi, P.O. Box 565, Blantyre, Malawi.

3. A non-refundable licence application fee of fifty thousand Kwacha (K50,000.00) payable to the Reserve Bank of Malawi must be accompanied with the application.

SECOND SCHEDULE (para 5(2))

LICENCE

REGISTRAR OF FINANCIAL INSTITUTIONS

FINANCIAL SERVICES ACT , 2010

SECURITIES REPRESENTATIVE LICENCE

A LICENCE is hereby granted to.....of.....to operate as a Securities representative. This licence is issued subject to the provisions of the Financial Services Act, 2010 and is valid for a period of one year from ..... to .....

ISSUED THIS..... DAY OF 20

.....

REGISTRAR OF FINANCIAL INSTITUTIONS

THIRD SCHEDULE (para 6(*a*))

APPLICATION FOR A RENEWAL OF A LICENCE TO OPERATE AS A SECURITIES REPRESENTATIVE

LICENCE RENEWAL APPLICATION FORM

All questions shall be answered in full.

Application is hereby made for the renewal of a licence to operate as a securities representative under the Financial Services Act, 2010 and the following statements are made in respect thereof—

1. Name of applicant:
2. Number of previous licence:
3. Physical address:
4. Mailing address:
5. E-mail address:
6. Telephone numbers:
7. Details of educational and professional qualifications
8. Details of employment history including details of previous experience in the securities industry :
9. Has the applicant—

   (*a*) been convicted of any offence, or are there any proceedings now pending for any offence involving fraud or dishonesty?

.....
(If so, please provide details)

(*b*) had any judgment involving findings of fraud or other dishonesty, misrepresentation, breach of contract, breach of fiduciary duty or professional negligence given against the applicant in any civil proceedings?

.....
(if so, please provide details)

(*c*) contravened any written law designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts?

.....
(if so, please provide details)

(*d*) been subjected to any form of disciplinary proceedings or action by any professional or regulatory body?

.....
(if so, please provide details)

10. Please attach the following documents:

(*a*) a letter from the employer recommending the application;

(*b*) a cheque for fifty thousand Kwacha (K50,000.00) being a non–refundable licence renewal fee.

I, the undersigned, do hereby certify that:

(1) All the information given in response to the questions and in support of the application is true and correct to the best of my knowledge and belief.

(2) To the best of my knowledge and belief there are no other facts or information relevant to this application of which the Registrar should be made aware of and I hereby pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered.

Dated this.....day of.....20.....

Signature.....

Name.....

Notes:

1. All enquiries concerning the preparation, filing and status of this application should be made to The Director, Micro Finance and Capital Markets Supervision, Reserve Bank of Malawi.

2. Upon completion, the original and two duplicate copies of the application and all other attachments must be submitted to The Director, Microfinance and Capital Markets Supervision, Reserve Bank of Malawi, P O Box 565, Blantyre, Malawi.

3. A non-refundable licence application fee of fifty thousand Kwacha (K50,000.00) payable to the Reserve Bank of Malawi shall accompany the application.

FOURTH SCHEDULE (para 9(*b*))

QUALIFICATIONS EXPERIENCE SECURITIES REPRESENTETIVES

PART I—LOCAL QUALIFICATIONS

Local Qualifications	*Requisite Experience*
Institute of Chartered Accountants in Malawi Technician Diploma	4 years
A business degree from a recognized University	1 year
Institute of Chartered Accountants in Malawi Certificate . .	1 year
Other qualifications evaluated by Registrar on a case by case basis	As may be deter mined by the Registrar

PART II—FOREIGN QUALIFICATIONS

Local Qualifications	*Requisite Experience*
Investment Advice Certificate from the South African Institute of Financial Markets	1 year
A business degree from a recognized University	1 year
Registered Persons Examinations Certificate from of the South African Institute of Financial Markets	2 years
Association of Chartered Certified Accountants (ACCA) or Chartered Institute of Management Accountant (CIMA)	
Certificate	1 year
Chartered Financial Analyst (any level)	None
Other qualifications evaluated by the Registrar on a case by case basis	Determined by the Registrar on a case by case basis

Made this 4th day of May, 2015.

C. S. R CHUKA
Registrar of Financial Institutions

(FILE NO.EA/FSPU/1/1)