



EXPOSURE OF PROPOSED AMENDMENTS TO THE COMMISSION'S RULES AND REGULATIONS

Sundry Amendment:

1. Proposed Amendment to Rule 33 – Withdrawal from Registration

Details of the proposal are as follows:

Legend:

- New insertions are underlined;
- Deletions are ~~struck through~~;
- Justifications are in *italics*.

Proposed Amendment to Rule 33 – Withdrawal from Registration

Full Text of Existing Rule:

(1) (a) A notice of withdrawal from registration as a market operator or from a registered function pursuant to the Act shall be filed on Form S.E.C. 8 as provided in schedule III to these rules and regulations.

(b) Notice of withdrawal from registration of securities shall be filed on Form S.E.C. 8A as provided in schedule III to these rules and regulations.

(2) Except as hereinafter provided, a notice to withdraw from registration shall become effective on the 60th day after filing thereof with the Commission or within such shorter period of time as the Commission may determine;

(3) Notwithstanding the provisions of sub rule (2) above, a notice of withdrawal from registration filed after a registration certificate has been issued shall not become effective, until the original certificate of registration is returned to the Commission for cancellation;

(4) If prior to the effective date of a notice of withdrawal from registration, the Commission has initiated proceedings to suspend or revoke the registration or to impose terms or conditions upon such withdrawal, the notice of withdrawal shall not become effective except at such time and upon such terms and conditions as the

Commission may deem necessary in the public interest or for the protection of investors;

(5) The market operator shall:

- (a) file with the Commission, a list of all its clients with the outstanding liabilities written against their names;
- (b) file evidence of satisfactory discharge of its obligation to clients; the Commission reserves the right to verify the information;
- (c) discharge all outstanding obligations to the Commission e.g. returns, fees, penalties, etc.;
- (d) file information about the market operator taking over its operations;
- e) file a sworn statement of indemnity, in favour of the market operator taking over its operations;
- (f) file a copy of the agreement between it and the market operator taking over its operations;
- (g) file a copy of the public notice of the withdrawal, which shall be published in two (2) national daily newspapers.

Proposed amendment- Creation of New Sub-rule (6):

No Capital Market Operator shall transfer its registration under this Rule without the Commission's approval in writing. In the case of a transfer of the registration to a new investor or promoter, the new investor or promoter shall fulfil all the registration requirements as provided by the Rule.

Justification

To allow the transfer of registered functions/licenses under the Act but subject to the approval of the Commission.