**DRAFT 5.12.2023**

**SECURITIES (LICENSING) (AMENDMENT) RULES 2023**

**ARRANGEMENT OF RULES**

Rule

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**SECURITIES (LICENSING) (AMENDMENT) RULES 2023**

FSC Rules made by the Financial Services Commission under Section 93 of the Financial Services Act and Section 155 of the Securities Act

1 Citation

This Act may be cited as the Securities (Licensing) (Amendment) Rules 2023.

2 Interpretation

In these Rules “principal Rules” means the Securities (Licensing) Rules 2007.

3 Rule 14 of the principal Rules amended

Rule 14 of the principal Rules is amended—

1. by deleting paragraph (4) and substituting the following paragraphs—

“(4) The licensee shall inform the Commission immediately where its minimum stated unimpaired capital falls below 110% of the minimum required by these rules.

(5) If the licensee breaches the minimum stated unimpaired capital referred to in paragraph (4), the licensee must present the Regulator with a plan of how they will restore the level of capital.

(6) If the licensee cannot expect to restore the capital ratio above 100%, the licensee must notify the Commission of the action they are going to take, including the possibility of winding down the business.

(7) Except in the case of a CIS Manager or CIS Administrator, the licensee shall when requested by the Commission, provide forward-looking financial projections under severe but reasonably adverse circumstances.

(8) The projections under paragraph (7) shall—

(a) include projections regarding the impact on capital and liquidity and

1. be sufficient for the Commission to determine whether the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities.”.

4 Rule 14A of the principal Rules inserted

The principal Rules are amended by inserting after Rule 14 the following new Rule—

**“14A Minimum stated liquidity requirements**

1. The applicant for a licence shall maintain a minimum amount of liquid assets, being one-third of the ongoing capital requirements.
2. The liquid assets shall be made up of cash and equivalents, including deposit placed with a banking or deposit-taking institution, or any cheque, draft or other item drawn on a banking institution or merchant bank that is either payable immediately upon presentation or that is in the process of collection.

5 Commencement

These Rules come into force on [ ].

Made by the Financial Services Commission on [\*]