



CMDA Policy Statement 7/99

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Investment Adviser Licensing

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Subject

The Authority has considered the matter of 1) on-going minimum net worth standards for investment advisers, and 2) clarification of the rules relating to the handling of client funds or securities by investment advisers under the provision of Part VII Rule 19(2) of the Capital Markets Development Authority Rules, 1997.

Policy

Accordingly, the Authority has adopted the following policies with respect to licensed investment advisers:

- 1.) "It is the policy of the Capital Markets Development Authority that licensed investment advisers must maintain a "Total Shareholders Equity" or "Minimum Net Worth" above \$30,000 at all times."
- 2.) "It is the policy of the Capital Markets Development Authority that licensed investment advisers who handle, possess or control client funds be held to the same financial responsibility i.e. net capital and aggregate indebtedness, standards as licensed brokers and dealers as specified in Rules 14, 15 and 16 of the Capital Markets Development Authority Rules, 1997."

Please contact the Capital Markets Development Authority staff on phone no. 330-4944 if you have questions or need clarification with respect to licensing requirements.

Capital Markets Development Authority
11 November 1999