

THE CAPITAL MARKETS DEVELOPMENT AUTHORITY ACT, 1996

STATEMENT RELATING TO ACCOUNTS OF A BROKER OR DEALER

Name of Company:
Address:
Registered Office:
Date of Incorporation:
Number of Company:

OR

Name of Individual Applicant:
Address:
Date of Birth:
Occupation:

- 1. The attached balance sheet, profit and loss account and notes are a true copy of the audited accounts of for the year ended, 20..... and the attached auditor's report is a true copy of the auditor's report thereon.
2. The attached accounts referred to above have been drawn up in accordance with generally accepted accounting principles.
3. The following, supplemental information is submitted in support of the attached balance sheet and profit and loss account.
4. Profit and loss account:

Table with 3 columns: Description, Last Year 20....., This Year 20...... Rows include Revenue, Brokerage, Profits/(losses) from trading in securities, Underwriting commission, Interest, Other revenue (specify if significant), Total Revenue.

FOR OFFICIAL USE ONLY
Application received on...../...../.....
Remarks:

Less Expenses:		
Amount provided for doubtful debts	.....	.....
Diminution in the value securities	.....	.....
Interest expenses	.....	.....
Directors' remuneration	.....	.....
Salaries and other employment costs (including directors' remuneration)	.....	.....
Other expenses	.....	.....
 Total expenses	.....	.....
Net profit before tax and extraordinary items	.....	.....
Less taxation		
Net profit after tax but before extraordinary items	.....	.....
 Extraordinary items	.....	.....
Net profit after tax and extraordinary items for the year	.....	.....
 5. Contingent liabilities and commitments		
(a) Contingent liabilities	.....	.....
Underwriting	.....	.....
Subunderwriting	.....	.....
Amounts less covered by subunderwriting with other persons	.....	.....
Other (specify if significant)	.....	.....
TOTAL	<u>.....</u>	<u>.....</u>
(b) Capital commitments (specify significant)	.....	.....
TOTAL	<u>.....</u>	<u>.....</u>
 6. Information relating to net capital as defined in the Capital Markets Development Authority Act, 1996 and the Regulations and Rules made thereunder.		
 7. Information relating to aggregate indebtedness, as defined in the Capital Markets Development Authority Act, 1996 and the Regulations and Rules made thereunder.		
Attach statements of assets and liabilities, net capital and aggregate indebtedness as at the balance sheet date.		
(a) Clients' accounts:		
(i) Cash accounts-		
(a) purchase contracts	.....	.....
(b) sale contracts	.....	.....
(ii) Margin accounts-		
accounts above margin	.....	.....
accounts below margin	.....	.....

- (iii) interest receivable due
 - 14 days, or less
 - more than 14 days

- (b) Broker or dealer's own inventory in securities quoted on securities exchanges
- (c) Broker or dealer's own inventory in securities not quoted on a securities exchange
- (d) Details of unsecured loans or advances granted to any director of the applicant exceeding one thousand dollars (if there is none, state "NIL", otherwise give full details)
- (e) Details of deficits incurred by a single client exceeding 30 per cent of the broker's or dealer's net capital (if there is none state "NIL"; otherwise give full details).
- (f) Detail of exposure to a single security exceeding 300 per cent of the broker's or dealer's net capital (if there is none, state "NIL", otherwise give full details).
- (g) Details of broker or dealer's investment in securities exceeding 150 per cent of its net capital (if there is none state "NIL" otherwise give full details).

STATEMENT

I/We*certify that the above information is to the best of my/our*knowledge and belief true and correct.

Dated this _____ day of _____ 20_____

Signature of Director:

Name:

Signature of Director:

Name:

Signature of Secretary:

Name:

OR

.....
(Individual Applicant)

AUDITOR'S REPORT

I/We* report that in my/our* opinion the above statement relating to the accounts of (name of broker/dealer) has been properly drawn up to as to provide the information required by the Capital Markets Development Authority Act, 1996 and the Regulations and Rules made thereunder.

In my/our* opinion, the attached broker's/dealer's accounts referred to above present/do not present* a true and fair view of the broker's/dealer's* position as at, 20..... and of the profit/loss* of the company/individual* for the year.

Dated this _____ day of _____ 20_____

Signature(s) of Auditor(s)

Name:

Note - If the auditor is not satisfied as to any matters his reasons should be stated.

AUDITOR'S REPORT - FOR A BROKER OR DEALER

Name of Company:

Name of Auditor:

FINANCIAL YEAR ENDED, 20.....

- 1. I/We* have inspected the broker's/dealer's licence and noted any conditions or restrictions thereon.
2. I/We* conducted a check or test examination of-
(a) the internal control procedures for recording transactions relating to securities;
(b) the internal control procedures relating to securities held for sale and for safe custody;
(c) the balancing of scrip accounts;
(d) operation and control of trust account procedures;
(e) securities on hand and outstanding transactions holding scrip;
(f) clients ledger-including the reconciliation of the trust account, the market value of security held for unpaid accounts and the incidence of doubtful debts;
(g) operation and control of margin account procedures;
(h) computation of net capital and aggregate indebtedness;
(i) such other ledgers or records as I/we* considered it necessary to examine.
3. After conducting, in accordance with paragraph 2 above, a check or test examination and after making sufficient enquiries, I am/we are* of the opinion that-
(a) the accounting and other records kept by the broker/dealer* comply/do not comply* with the Capital Markets Development Authority Act, 1996 and the Rules and Regulations made thereunder and the rules of the relevant securities exchange;
(b) the internal control procedures of the broker/dealer* are/are not* adequate having regard to the nature and size of the business;
(c) clients' securities have/ have not* been pledged or hypothecated by the broker/dealer* otherwise than in accordance with the Capital Markets Development Authority Act, 1996 and with the Regulations and Rules made thereunder;

* Delete or amend whichever is inapplicable.

FIRST SCHEDULE

- (d) securities for sale or for safe custody (or any other purpose) or purchased for clients and fully paid for by them have/have not* been held unencumbered by the broker/dealer*;
 - (e) the trust account has/has not* been maintained at all times during the year and the accounting thereof is adequate/inadequate*;
 - (f) the broker/dealer* has/has not* properly held or disposed of all securities received by it;
 - (g) the internal control procedures designed to ensure compliance with all the conditions or restriction applicable to the broker's/dealer's* licence are adequate/inadequate*;
 - (h) no matter/other matter* has arisen during the year which would have required me/us* to report to the Authority pursuant to the Act;
 - (i) all conditions or restrictions of a financial nature applicable to the broker's/dealer's* licence have/have not* been complied with;
 - (j) margin requirements have/have not* been maintained at all times during the year; and
 - (k) all financial requirements prescribed by regulations under the Act have/have not* been complied.
4. The checks and test examination referred to in this report, the audit of the accompanying balance sheet of the broker/dealer* as at, 20..... the profit and loss account for the year ended on that date and notes have/have not* been carried out in accordance with generally accepted auditing standards and included/did not include* such tests of the accounting records and such other auditing procedures as I/we* considered necessary.
5. The client placed restriction/no restriction* on the scope of the audit and all the information and explanations required were/were not. received.

Dated this _____ day of _____ 20_____

Signature(s) of Auditor(s):

Note: If any part of this report is qualified, attach a separate detailed report.

* Delete or amend whichever is inapplicable.