

## Foreign Companies



- |  |                      |         |
|--|----------------------|---------|
| 1. Candor Check List   | <input type="text"/> |         |
| 2. Candor Application Form   | <input type="text"/> | 2 Pages |
| 3. KYC Profile Form 2 A  | <input type="text"/> | 1 Page  |
| 4. CDS Form 2 - completed by the company in accordance with the provisions of the Articles of Association of the company   | <input type="text"/> | 1 Page  |
| 5. CDS Form 2 B  | <input type="text"/> | 1 Page  |
| 6. A Certified copy of the Certificate of incorporation of the Company or equivalent document, issued by the Registrar of Companies/applicable authority where the company is incorporated   | <input type="text"/> |         |
| 7. If the company has changed its name, a certified copy of the Certificate of Name Change issued by the Registrar of Companies/ applicable authority where the company is incorporated.   | <input type="text"/> |         |
| 8. A certified copy of the Articles of Association of the company or equivalent document   | <input type="text"/> |         |
| 9. A certified copy of the Certificate of Good Standing issued within a period of one year by the Registrar of Companies/ applicable authority where the company is incorporated.  | <input type="text"/> |         |
| 10. A certified extract of the resolution passed by the Board of Directors to open the CDS account or in the alternative the company may provide a certification in the relevant section in the account opening form itself (CDS Form 2) | <input type="text"/> |         |
| 11. Certificate to Commence Business issued by the Registrar of Companies/applicable authority where the company is incorporated – (Where applicable)  | <input type="text"/> |         |
| 12. A letter issued by the Company Secretary, within 12 months, confirming the names,addresses,occupations and passport numbers of Directors of the company.   | <input type="text"/> |         |

13. If the company is listed in a regulated Stock Exchange only the names of the directors and the name of the stock Exchange should be given
14. If the Director/s is/are also a company a letter should be furnished by the company Secretary of the applicant company confirming the following details;
- \*Name of the director company  
\*Date of Incorporation                      \*Place of Incorporation  
\* Registered Address
15. A letter issued by the company secretary, within 12 months, confirming the names, addresses, occupations and passport numbers of the shareholders owning 5% shares or more. (If the shareholder is a company, names, addresses, occupations and passport numbers of the shareholders of that company) (Not applicable if the company is listed in a Stock Exchange. In that event website reference is sufficient)
16. A certified copy of the List of shareholders issued by the Registrar of Companies/applicable authority where the company is incorporated (Not applicable if the company is listed in a Stock Exchange. In that event website reference is sufficient)
17. Where the application includes a Global Custodian and the application is forwarded through a Custodian Bank, a copy of the SWIFT message or similar document issued by the Global Custodian instructing the local Custodian Bank to open the account on behalf of the beneficiary Company should be submitted together with a declaration from the Global Custodian that a Custody arrangement or agreement exists between the Global Custodian and the beneficiary
18. Certified foreign passport copies of Directors and Authorized Signatories
19. Letter of confirmation issued by a Local or foreign Bank in Sri Lanka confirming the opening of the Inward Investment Account (IIA)
20. Beneficial Ownership Form
21. Client agreement

- Additional Requirement: The foreign corporate may appoint a power of attorney holder by a registered power of attorney agreement authorizing the signing of any documents in future (i.e. acceptance of mandatory offer, subscribe to an Initial Public Offer) to avoid the inconvenience of executing such documents in terms of its Articles.

**Certification**

All supporting documents to be submitted to the CDS should be certified or attested or authenticated for purposes of validating by persons mentioned under (a), (b) or (c) below. Such certification should state that the document certified is a true copy. a) By the Company Registry or similar authority, where the documents were originally issued, or b) By a Sri Lankan diplomatic officer or Sri Lankan consular officer in the country where the documents were originally issued, or c) By a Solicitor, Attorney-at-Law, Notary Public, practicing in the country where the applicant resides.

**PLEASE NOTIFY IN WRITING, OF ANY CHANGE OF SIGNATURE, CONTACT DETAILS, ETC. NON-DISCLOSURE OF SUCH CHANGES MAY CAUSE DELAYS AND INCONVENIENCES.**



APPLICATION FOR OPENING OF SECURITIES ACCOUNT  
(FOR COMPANIES)

1. PARTICULARS OF APPLICANT

NAME OF COMPANY

COMPANY REGISTRATION NO.

COUNTRY OF INCORPORATION

DATE OF INCORPORATION

ADDRESS

CONTACT PERSON

DESIGNATION OF CONTACT PERSON

CONTACT DETAILS BUSINESS 



 MOBILE

FACSIMILE 



 EMAIL

2. BANK ACCOUNT DETAILS

BANK NAME

BRANCH ADDRESS

ACCOUNT NO. 



 ACCOUNT TYPE

This application is made in accordance with a Resolution passed by the Board of Directors of the Company and we hereby declare that the information given above is true and correct.

AUTHORISED SIGNATORIES & COMPANY SEAL

NAME	SIGNATURE
.....	.....
.....	.....
.....	.....
.....	.....

**DECLARATION**

1. We declare that we are satisfied ourselves of the capacity of (operate as a stockbroker) to trade in securities and provide stock brokering services and we hereby request you to open a Securities Account with the Central Depository System in our name.
2. We declare that all particulars and information given in this registration form and the CDS Application form are true and correct.
3. We agree that all transactions including brokerage and statutory levies paid by us shall be subject to the rules of the Colombo Stock Exchange and other prevailing laws and regulations of Sri Lanka (as may be amended from time to time) and in particular to the authority hereinafter granted by us to Senfin Securities Limited (hereinafter referred to as the Broker).
4. We confirm and declare that we have read and clearly understood the conditions stipulated by the Colombo Stock Exchange (as may be amended from time to time) governing the share transactions, which we will be entering in to with the Broker. We hereby agree to abide by the said conditions.
5. We hereby permit and authorize the Broker at their absolute discretion and at our risk to sell and transfer not only the stocks pertaining to the Defaulted Contract but also any or all of the shares or securities in any company whatsoever from time to time registered in our securities account to be opened by us and maintained by the Broker at the Central Depository System(Pvt) Limited., in order to make good and compensate for any loss or damages incurred or sustained by the Broker as a result of our default in making any payments lawfully due to the Broker on or before the settlement date.
6. We hereby agree that the above authority i.e. the right to sell securities given to the Broker by us, is in addition to other rights, powers and remedies available to the Broker under the prevailing laws rules and regulations of Sri Lanka. The authority granted hereby shall in no way affect or exempt us from any liability towards the Broker arising from or consequent upon any such default.
7. Before every purchase order, we agree to deposit in cash/ cheque, at least equivalent to 50% (or any other amount as specified by any applicable rules and regulations) of the value of the order or in the alternative have adequate securities in our account to cover at least 50% (or any other amount as specified by any applicable rules and regulations) of the value of the purchase order.
8. We further agree and confirm that we shall be liable to the Broker for any and all loss sustained or incurred in relation to any direct/indirect transaction carried out by the Broker on our behalf (in its capacity as selling/buying broker and/or in relation to dividends, rights, bonuses and other benefits attached to the shares) and do hereby agree to indemnify the Broker against such loss or damage arising therefore.
9. We agree that the Broker shall not be liable to us or have any responsibility whatsoever, for (a) any losses arising out of or relating to a cause over which the Broker does not have direct/indirect control including but not limited to the failure of electronic or mechanical equipment or communication lines, telephone or network problems, unauthorized access or (b) any special, indirect, incidental, consequential, punitive or exemplary damages that we may incur in connection with our use of the services provided by the Broker.
10. We agree to immediately notify the Broker in writing if there is any change in the information in the Client Registration Form provided by us to the Broker at the time of opening of the account or at any time.
11. We agree that except as provided in clause 5 above, the investment decisions shall be made by the Broker on a discretionary basis only upon obtaining written or oral instructions from us.
12. We agree to pay any commission, brokerage charged by the Broker subject to the rules of the Colombo Stock Exchange and other prevailing laws and regulations of Sri Lanka (as may be amended from time to time)
13. We acknowledge that this Declaration shall be binding upon us and our heirs executors and administrators. In the event of this Declaration being executed by more than one person our liability shall then be joint and several.
14. **RISK DISCLOSURE STATEMENT: The prices of securities fluctuate, sometimes drastically. The price of a security may move up or down, and may even become valueless. It is likely that losses may be incurred rather than profits made as a result of buying and selling securities.**
15. **SALES PROCEEDS:**  
(a) We hereby agree to authorize the Broker to hold any sales proceeds due to me, to meet the settlement of future share purchases, until we make a request to the contrary via email, facsimile or telephone. Yes  No
16. I/we hereby agree that I/we enter into a credit agreement with the Broker for the purpose of obtaining credit. Yes  No
17. I/we agree that an employee of Senfin Securities Limited who introduces a client and initiates a transaction will be entitled to an introductory fee out of the brokerage commission of such transaction, based on a reward scheme.
18. I/We hereby agree to pay an interest which shall not exceed 0.1% per day, from the day after the settlement date up to the date of final settlement. In such events I/we unconditionally and irrevocably undertake to re-pay all such sums of monies together with the interest due or owing to the Broker.

We hereby confirm and declare that all of the above including the aforesaid Risk Disclosure Statement was explained to us by the investment advisor. We further confirm that we have had the opportunity to discuss and obtain independent advice and this declaration has been duly read over and understood by us prior to signing this Declaration.

**Director** Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Director** Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**FOR OFFICE USE ONLY**

I hereby confirm that I have brought the content of the Risk Disclosure Statement to the notice of the applicant and made him aware of the significance of the said Risk Disclosure Statement. I further confirm that the applicant is financially stable to maintain a CDS Account.

**Investment Advisor** Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Approved by:** Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Form 2 A**

**KNOW YOUR CUSTOMER (KYC) PROFILE**  
(To be retained by the Participant)

In instances where the Securities Account will be maintained through a Custodian Bank, it is not mandatory to complete this Form 2A.

We declare that the information set out below is true and accurate and our investments will be in accordance with such information.

**1. Nature of the Business** (Product/ Service provided)

.....  
 .....

2. Expected value of Investment per annum (Please mark placing a √)		
Less than Rs. 100,000 <input type="checkbox"/>	Rs 1,000,000 to Rs 2,000,000 <input type="checkbox"/>	Rs 4,000,000 to Rs 5,000,000 <input type="checkbox"/>
Rs 100,000 to Rs 500,000 <input type="checkbox"/>	Rs 2,000,000 to Rs 3,000,000 <input type="checkbox"/>	Rs 5,000,000 to Rs 10,000,000 <input type="checkbox"/>
Rs 500,000 to Rs 1,000,000 <input type="checkbox"/>	Rs 3,000,000 to Rs 4,000,000 <input type="checkbox"/>	Over Rs 10,000,000 <input type="checkbox"/>

3. Source of funds (Please mark placing a √)		
Business Ownership <input type="checkbox"/>	Investment Proceeds/ Savings <input type="checkbox"/>	Commission Income <input type="checkbox"/>
Business Turnover <input type="checkbox"/>	Sale of Property/ Assets <input type="checkbox"/>	Export proceeds <input type="checkbox"/>
Investments <input type="checkbox"/>	Gifts <input type="checkbox"/>	Profits <input type="checkbox"/>
Contract Proceeds <input type="checkbox"/>	Donations / Charities (Local / Foreign) <input type="checkbox"/>	Others (Specify) .....

4. Are you a US Person in terms of the Foreign Account Tax Compliance Act (FATCA) of the US? (Please mark placing a √)	Yes	No
If yes, FATCA declaration has to be submitted along with application form. If No, In the event if I/We become a US person under FATCA of US, I/ We do hereby undertake to inform the said fact to the Participant immediately	<input type="checkbox"/>	<input type="checkbox"/>

5. Politically Exposed Persons (PEPs) (Please mark placing a √)	Yes	No
Do you have persons who are or have been entrusted domestically/ Internationally with a prominent public function (for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.), as members of senior management or individuals who have been entrusted with equivalent functions, i.e. directors, deputy directors and members of the board or equivalent functions.	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes" please clarify ..... .....		

6. Any other connected Businesses/ Professional activities

7. Person(s) authorized to give instructions to the Participant (Stockbroker/Custodian Bank)	
NAME/S & DESIGNATION	
TELEPHONE	
FAX	
MOBILE/S	
E-MAIL	

8. Other remarks / notes (if any)



**Form 2 B**

Authorized  
Signature and  
Stamp of  
Participant

NOTE: This application should be submitted through your Participant

To: The Central Depository Systems (Pvt.) Ltd.,  
# 04-01, West Block, World Trade Centre, Echelon Square, Colombo 01.

**DECLARATION**

We \_\_\_\_\_  
(Name of Corporate Body)

\_\_\_\_\_

incorporated / established under \_\_\_\_\_  
having its registered office at \_\_\_\_\_  
in consideration of the Central Depository Systems (Pvt.) Ltd. (CDS) agreeing to open a Securities Account, hereby declare as follows:

- 1. (i). The Securities Account to be opened by us in the CDS shall be maintained for our benefit only.  
**Or;**  
(In the event the number of beneficiaries does not exceed three persons, please complete clause 1(ii) below.)  
(ii). The Securities Account to be opened by us in the CDS shall be maintained for the benefit of the following persons in our capacity as Custodian / Trustee / Fund Manager / Unit Trust Manager.

Name	Address	Nationality
1.		
2.		
3.		

- Or;**  
(In the event there are more than three beneficiaries, please complete clause 1(iii) below.)  
(iii). We, in our capacity as Custodian / Trustee / Fund Manager / Unit Trust Manager shall maintain all information such as names, addresses and nationalities pertaining to the ultimate beneficiaries of the account and undertake to promptly release to the CDS & the # Participant such information pertaining to the beneficiaries, at any time, if required by the CDS/ # Participant.
- 2. The application and the documents attached thereto bear true and correct information and no alteration, modification or falsification was carried out to them to hide or deflect true facts.
- 3. In the event of a variation of any information given in the CDS Form, this Declaration and other information submitted by us along with the application to open the CDS Account, we undertake to inform the CDS & the #,Participant in writing within fourteen (14) days of such variation.
- 4. The funds to be invested for the purchase of securities through the Securities Account to be opened with the CDS will not be funds derived from any money laundering activity or funds generated through the financing of terrorist or any other illegal activity.
- 5. We have not been banned and/or rejected and /or suspended by any criminal/civil tribunal or administrative authority in Sri Lanka or in any other country in connection with the following offences:
  - Engaging directly or indirectly in any transaction in relation to any property which is derived or realized directly or indirectly, from any unlawful activity or from the proceeds of any unlawful activity as defined by the Financial Transactions Reporting Act No. 6 of 2006;
  - Receiving, possessing, concealing, disposing, of or bringing into Sri Lanka or into any other country, or for investing in Sri Lanka or in any other country, any property which is derived or realized, directly or indirectly, from any unlawful activity or from the proceeds of any unlawful activity referred to above; or
  - Any other offence which has been defined as an offence under the Prevention of Money Laundering Act No.5 of 2006 and any amendment thereto or any similar legislation in any other part of the world.
- 6. We hereby further declare that we are persons of good standing with no record of criminal convictions in relation to the offences stated above, in Sri Lanka or in any other country.
- 7. We or any persons(s) associated with us and/or any entity connected to us (as a partner, shareholder, director) do not have against us or persons connected and/or associated as aforesaid any convictions/pending criminal proceeding in Sri Lanka or in any other part of the world except the following (give detailed description of any pending litigation):
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
- 8. We declare that our application and other relevant documentation to open a CDS account has not been refused or any business relationship has not been declined previously by any other Participant of the CDS.
- 9. We further declare and agree that, should the CSE/CDS determine any statements made by us herein to the contrary, (or any such matter through publicly available information or otherwise) which would in the opinion of the CSE/CDS be detrimental to the CDS as an institution having to comply with the laws/regulations of Sri Lanka pertaining to transactions of its account holders or parties connected to such account holders, the CDS is hereby authorized to unilaterally terminate all depository and such other services connected to us and recover related costs or other expenses pertaining to this account.
- 10. We declare that the information set out below is true and accurate and our investments will be in accordance with such information:
- 11. By entering my data, I expressly accept the processing of my personal data as defined in the privacy policy of the CSE Group and understand that, as provided for under any regulation laying down specific provisions for the protection of persons with regard to the processing of personal data applicable to me, I am entitled to exercise my data subject rights by sending an email to the following address: **dpo@cse.lk**

We hereby confirm that;  
- contents of Form 2, along with the KYC Profile {Form 2 A} and the Declaration {Form 2 B} have been duly read over and understood by us prior to signing.  
- the information provided by us in the said Form 2, along with the KYC Profile {Form 2 A} and the Declaration {Form 2 B} is accurate.

We further agree that, we shall be bound by terms and conditions contained in Form 2, along with the KYC Profile {Form 2 A} and the Declaration {Form 2 B}.

\_\_\_\_\_  
(Place the Company Seal and signature/s of Director/s as required by the Articles of Association)

*\*Strike out whichever is inapplicable.*

This \_\_\_\_\_day of \_\_\_\_\_20\_\_

**#; Participant means your Stockbroker or Custodian Bank.**

**CLIENT AGREEMENT**

This Agreement is made and entered into on this .....day of.....Two  
Thousand and ..... (.....) at .....

**By and Between**

..... a company duly incorporated under  
the laws of ..... bearing company registration No. .... of .....  
.....  
(hereinafter referred to as the “**Client**” which term or expression has herein used shall where the context  
requires or admits mean and include the said Client, its successors and permitted assigns) of the **One Part**

**And**

**SENFIN SECURITIES LIMITED**, a company duly incorporated under the laws of Sri Lanka bearing  
Company registration No. PB 160 and having its registered office at 04<sup>th</sup> Floor, No.180, Baudhaloka  
Mawatha, Colombo 04 (hereinafter referred to as “**the Stockbroker Firm**” which term or expression has  
herein used shall where the context requires or admits mean and include the said Stockbroker Firm, its  
successors and permitted assigns) of the **Other Part**;

**The Client/s and the Stockbroker Firm shall hereinafter be collectively referred to as “Parties” and  
each individually as “Party”.**

**WHEREAS** the Stockbroker Firm is a Member/Trading Member of the Colombo Stock Exchange  
(hereinafter referred to as the ‘**CSE**’) and is licensed by the Securities and Exchange Commission of Sri  
Lanka (hereinafter referred to as the ‘**SEC**’) to operate as a Stockbroker;

**AND WHEREAS** the Client/s is/are desirous of trading on the securities listed on the CSE through the said  
Stockbroker Firm and the Stockbroker Firm agrees to provide such services to the Client/s in accordance  
with the applicable Rules of the CSE, CDS, SEC and other applicable laws of Sri Lanka.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** and it is hereby agreed by and between the  
Parties hereto as follows:

**1.0 RIGHTS AND RESPONSIBILITIES OF THE CLIENT/S**

**1.1** Subject to clause 1.5 below;

- a) In the event of a Joint Account, the Client/s shall provide to the Stockbroker Firm, the  
name/s of the persons;
  - authorized to give trading orders and settlement instructions; and,
  - to whom payments by the Stockbroker Firm are to be made.



b) In the event of a Corporate Client Account, the Client shall provide to the Stockbroker Firm, the name/s of specific directors and officers authorized to;

- trade in securities; and,
- execute all documentation for trading and settlement in the account,

together with a copy of the Board resolution certified by the Company Secretary evidencing same.

The aforesaid person/s shall hereinafter be referred to as 'authorized person/s'.

- 1.2 The Client/s shall notify the Stockbroker Firm in writing, if there is any change in the contact and/or other information provided by the Client/s to the Stockbroker Firm, within seven (7) calendar days of such change.
- 1.3 Subject to clause 1.5 below, in the event the Client/authorized person(s) (as applicable) intends to purchase and/or sell securities, the Client/authorized person(s) (as applicable) shall give specific order instructions to the Investment Advisor (an employee of the Stockbroker Firm, who is certified by the CSE/SEC to deal with Clients) assigned to deal with the Client/s regarding same.
- 1.4 The Client/authorized person(s) (as applicable) authorize/s the Stockbroker Firm to accept order instructions given by the Client/authorized person(s) (as applicable) to the Stockbroker Firm pertaining to the CDS Account of the Client/s through electronic means and other means including telephone, Short Message Service (SMS), E-mail and Fax. The order instructions provided by the Client/authorized person(s) (as applicable) through aforesaid means shall not be revoked or withdrawn by the Client/authorized person(s) (as applicable) after the execution of the order and shall therefore be confirmed.
- 1.5 If the Client/s intends the Stockbroker Firm to use the Stockbroker Firm's own judgment, expertise and discretion to buy and/or sell securities on behalf of the Client/s, the Client/s shall provide the prior written authorization to the Stockbroker Firm for same.

The said written authorization provided by the Client/s to the Stockbroker Firm shall clearly include the following;

- Name of the Client/s and the CDS Account Number;
- Effective Date of the authorization;
- Applicable period of the authorization;
- Investment objective (short time, long term, trading in any specific industry, any other specifications); and,
- Purpose of giving discretion to the Registered Investment Advisor.

- 1.6 The Client/s shall ensure that cleared funds are made available to the Stockbroker Firm in respect of the securities purchased by the Stockbroker Firm on behalf of the Client/s, by 09.00 hours on the settlement date of such purchase transaction and if the Client/s fail/s to make payment as aforesaid, the Stockbroker Firm may, at its absolute discretion, charge an interest commencing from the day after the settlement date at a rate decided by the Stockbroker Firm,

but not exceeding 0.1% per day as specified in the Stockbroker/Stock Dealer Rules of the CSE.

The Client/s shall accept the liabilities arising from all authorized transactions executed in the CDS Account of the Client/authorized person(s) (as applicable) by the Investment Advisor.

- 1.7** If the Client/s has/have a complaint against the Stockbroker Firm relating to a particular transaction/s, the Client/s shall first refer such complaint to the Compliance Officer of the Stockbroker Firm, in writing, within a period of three (3) months from the date of the transaction/s.

Where the Client/s is/are not satisfied with the decision given by the Stockbroker Firm or the manner in which the complaint was dealt with by the Stockbroker Firm, the Client/s may refer the complaint to the CSE, in writing, in accordance with the Procedure set out by the CSE (which is available on the CSE website, [www.cse.lk](http://www.cse.lk)).

- 1.8** The Client/s agree/s that the Stockbroker Firm may, at its absolute discretion, sell not only the securities in respect of which payment has been defaulted by the Client/s, but also any other securities lying in the CDS Account of the Client/s in respect of which payment has been made by the Client/s, in full or part, in order to enable the Stockbroker Firm to recover the monies due to the Stockbroker Firm from the Client/s including interest and other applicable charges.
- 1.9** The Client/s shall not;
- a. use any funds derived through illegal activity for the purpose of settling purchases of securities to the Client's CDS Account.
  - b. enter into any verbal or written agreement/s with the employee/s of the Stockbroker Firm to share profits arising from the transactions carried out on behalf of the Client/s by the Stockbroker Firm.

## **2.0 RIGHTS AND RESPONSIBILITIES OF THE STOCKBROKER FIRM**

- 2.1** Subject to clause 2.3 below;
- a) In the event of a Joint Account, the Stockbroker Firm shall obtain from the Client/s, the name/s of the persons;
    - authorized to give trading orders and settlement instructions; and,
    - to whom payments by the Stockbroker Firm are to be made.
  - b) In the event of a Corporate Client Account, the Stockbroker Firm shall obtain from the Client/s, the name/s of specific directors and officers authorized to;
    - trade in securities; and,
    - execute all documentation for trading and settlement in the account,
 together with a copy of the Board resolution certified by the Company Secretary evidencing same.

- c) the Stockbroker Firm shall carry out all transactions based on the specific order instructions provided by the Client/authorized person(s) (as applicable) through the communications channels specified in clause 1.4 of this Agreement.
- 2.2** Prior to accepting any orders from a third party on behalf of the Client/s, the Stockbroker Firm shall first obtain the written authorization of the Client/s empowering the third party to trade on behalf of the Client/s through the Client's CDS Account.
- 2.3** The Stockbroker Firm shall not exercise the discretion to buy or sell securities on behalf of the Client/s, unless the Client/s has/have given prior written authorization to the Stockbroker Firm to effect transactions for the Client/s without his/their specific order instructions as set out in clause 1.5 of this Agreement.
- 2.4** The Stockbroker Firm shall send to the Client/s a note confirming the purchase and/or sale of securities (bought/sold note) by the end of the trade day (T).  
Upon obtaining the prior consent of the Client/s, the Stockbroker Firm may send the bought/sold notes to the Client/s in electronic form to the e-mail address provided by the Client/s for such purpose.
- 2.5** The Stockbroker Firm shall send a Statement of Accounts to the Client/s who is/are debtor/s over Trade Day + 3 (T+3), on a monthly basis by the 7<sup>th</sup> day of the following month. This should apply when the client/s has/have had transactions during the month and the "interest charged on delayed payment" should also be considered as a transaction for this purpose. Such Statement of Accounts shall specify the transactions in the account including receipts and payments during the month under reference.
- 2.6** In the event the Statements of Accounts are issued electronically, the Stockbroker Firm shall obtain the consent of the Client/s and retain evidence of such consent.
- 2.7** The Stockbroker Firm shall provide a copy of its latest Audited Financial Statements filed with the CSE to a Client/s, upon request by such Client/s.
- 2.8** The Stockbroker Firm shall communicate in writing, directly with its Client/s in respect of statements, bought/sold notes or any other information unless the Client/s has/have authorized the Stockbroker Firm otherwise in writing.
- 2.9** The Stockbroker Firm shall ensure that 'cleared funds' are made available to the Client(s) /authorized person(s) (as applicable) on the settlement date, unless the Client/s has/have expressly permitted the Stockbroker Firm, in writing, to hold the sales proceeds for future purchases.
- 2.10** Upon the request of the Client/s, the Stockbroker Firm may:
- a) extend credit facilities to the Client/s solely for the purpose of purchasing securities on the CSE and in accordance with the applicable Rules set out in the CSE Stockbroker Rules and terms and condition mutually agreed to between the Client/s and the Stockbroker Firm by way of a written agreement for extension of such facilities.

b) provide internet trading facilities to such Client/s based on a written agreement mutually agreed between the Client/s and the Stockbroker Firm, in accordance with the requirements applicable to Internet Trading published by the CSE from time to time.

**2.11** The Stockbroker Firm shall assign a Registered Investment Advisor to deal with the Client/s and shall inform such Client/s regarding the name and contact details of the Registered investment Advisor assigned to such Client/s. Further, the Stockbroker Firm shall inform the Client in writing regarding any change to the Registered Investment Advisor within seven (7) Calendar Days of such change.

**2.12** The Stockbroker Firm shall forthwith notify the Client/s in writing, if there is any material change in contact or other information provided to the Client/s by the Stockbroker Firm.

**2.13** The Stockbroker Firm undertakes to maintain all information of the Client/s in complete confidence and the Stockbroker Firm shall not disclose such information to any person except in accordance with the Stockbroker Rules of the CSE.

**2.14** The Stockbroker Firm shall disclose to the Client/s, the existence of any incentive scheme applicable for employees of the Stockbroker Firm, which is based on turnover generated from the transactions carried out by the employees for the Client/s.

**2.15** The Stockbroker Firm may recover any outstanding balance arising from the purchase of securities of the Client/s from the sales proceeds due to the buyer only in the circumstances set out in the Stockbroker Rules of the CSE.

**2.16** The Stockbroker Firm shall provide services to the Client/s in compliance with the applicable Rules of the CSE, CDS, SEC and other applicable laws of Sri Lanka.

### **3.0 RISK DISCLOSURE STATEMENT**

**3.1** The Stockbroker Firm agrees that a member of its staff who is authorized by the Board of Directors of the Stockbroker Firm to make declarations on behalf of the Stockbroker Firm has explained the applicable Risk Disclosures to the Client/s and has executed the declaration set out in Schedule 1 hereto in proof of same and such Schedule 1 shall form part and parcel of this Agreement.

**3.2** The Client/s agree/s and acknowledge/s that he/she/it has understood the Risk Disclosures explained by the Stockbroker Firm and executed the Acknowledgement set out in Schedule 2 hereto and such Schedule 2 shall form part and parcel of this Agreement.

### **4.0 INDEMNITY AND LIMITATION OF LIABILITY**

**4.1** Each Party hereto, agrees to indemnify, defend and hold harmless the other Party against any loss, liability, damages, claims and costs, which each such Party may sustain by reason of

negligence and/or breach of the terms and conditions hereof committed by the other Party hereto or its representatives. The aggrieved Party shall be entitled to enforce its/his/her indemnity rights by injunction or other equitable relief in any competent court of law in Sri Lanka.

- 4.2 The Client/s agrees/s that the Stockbroker Firm will not be liable for any losses arising out of or relating to any cause which is beyond the control of the Stockbroker Firm.

## 5.0 **TERMINATION**

- 5.1 This Agreement shall forthwith terminate, if the Stockbroker Firm for any reason ceases to be a Member/Trading Member of the CSE or if the license issued to the Stockbroker Firm by the SEC is cancelled.
- 5.2 The Parties shall be entitled to terminate this Agreement upon giving notice in writing of not less than fourteen (14) calendar days to the other Party.
- 5.3 Notwithstanding any such termination, all rights, liabilities and obligations of the Parties arising out of or in respect of the transactions entered into prior to the termination of this Agreement shall continue to be in force.

## 6.0 **GENERAL**

- 6.1 Words and expressions which are used in this Agreement, but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules of the CSE, SEC and other applicable laws of Sri Lanka.
- 6.2 The terms and conditions contained in this Agreement shall be subject to the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE and other applicable laws of Sri Lanka..

In the event of any contradiction between the terms and conditions hereof and the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE or other applicable laws of Sri Lanka, the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE or other applicable laws of Sri Lanka (as applicable) shall prevail.

**IN WITNESS WHEREOF** the Parties to the Agreement have set their respective hands hereto and to one (01) other of the same tenor and date as herein above mentioned.

**Signature of the Client(s)/Authorized Signatory of the Client(s)**

**Authorized Signatory of the Stockbroker Firm**

1. ....

.....

2. ....

**Witness:**

**Witness:**

.....

.....

**DECLARATION**

I, ....., an employee of SENFIN SECURITIES LIMITED ('Stockbroker Firm'), who is duly authorized by the Board of Directors of the Stockbroker Firm to make declarations on its behalf hereby confirm that the following risks involved in investing/trading in securities listed on the Colombo Stock Exchange ('Risk Disclosure Statements') were clearly explained by me to .....('the Client/s') and invited the Client/s to read the below mentioned Risk Disclosure Statements, ask questions and take independent advice if the Client/s wish/es to:

- a) The prices of securities fluctuate, sometimes drastically and the price of a security may depreciate in value and may even become valueless.
- b) It is possible that losses may be incurred rather than profits made as a result of transacting in securities.
- c) It is advisable to invest funds that are not required in the short term to reduce the risk of investing.

Signed on behalf of the Stockbroker Firm by .....

Signature :  
Name :  
Designation : Investment Advisor  
Date :  
NIC No. :

**SCHEDULE 2**

**ACKNOWLEDGEMENT**

We,..... Company registration  
No. .... of .....  
agree and acknowledge that the following risks involved in investing/trading in securities listed on the  
Colombo Stock Exchange ('Risk Disclosure Statements') were explained to me/us by  
....., an employee of SENFIN SECURITIES LIMITED  
(‘Stockbroker Firm’), and I/we was/were invited to read the below mentioned Risk Disclosure Statements,  
ask questions and take independent advice if I/we wish to.

Additionally, I/we acknowledge that I/we understood the following Risk Disclosure Statements;

- a) The prices of securities fluctuate, sometimes drastically and the price of a security may depreciate in value and may even become valueless.
- b) It is possible that losses may be incurred rather than profits made as a result of transacting in securities.
- c) It is advisable to invest funds that are not required in the short term to reduce the risk of investing.

(1)..... (2)..... (3).....  
Signature/s of the Client/s

.....  
Date



**APPENDIX I – Beneficial Ownership Form**

<b>Declaration of Beneficial Ownership</b>	
<i>This form has been issued under the Customer Due Diligence Rule No 1 of 2016 issued in terms of the Section 2(3) of the Financial Transactions Reporting Act of 2006. This form, or an approved equivalent, is required to be completed by all customers of financial institutions designated under the Acts to the best of their knowledge. The original completed and signed and witnessed version of this form must be retained by the financial institution and available to the competent authorities upon request.</i>	
<b>Customer Identification:</b>	
Name and Designation of Natural Person Opening Account	
Name, Reg. No. and Address of Legal person for Which the Account is Being Opened	
Name, Deed No., Trustee and Address of Legal arrangement for Which the Account is Being Opened	
I declare that I:	
<input type="checkbox"/>	am the beneficial owner <sup>2</sup> of the customer for this account.
<input type="checkbox"/>	am not the beneficial owner <sup>*</sup> of the customer of this account. Complete identifying information for all beneficial owners that own or control 10% or more of the customer’s equity, beneficial owners on whose behalf the account is being operated, and at least one person who exercises effective control of the legal entity regardless of whether such person is already listed.

<sup>2</sup> beneficial owner as “a natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes the person who exercises ultimate effective control over a person or a legal arrangement.”

Name	NIC or Passport # /Country of Issue/Country of Citizenship	DOB	Current Address	Source of Beneficial Ownership (1=Equity (indicate %), 2=Effective Control, 3=Person on Whose Behalf Account is Operated)	Check if Politically Exposed Person (PEP) <sup>3</sup>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

**Details of the Customer Authorized to Act on Behalf of Entity**

Name :

NIC/Passport :

Date of Birth :

Signature :

(By signing you attest to the veracity of all information contained herein and you acknowledge and understand the above warning)

**Verification of Beneficial Ownership**

**Authorized Financial Institution Official**

Name :

Title :

Date :

Signature and Seal:

(by signing, you attest that you have identified the Customer whose signature is on this form and have witnessed said signature)

<sup>3</sup> politically exposed person" means an individual who is entrusted with prominent public functions either domestically or by a foreign country, or in an international organization and includes a Head of a State or a Government, a politician, a senior government officer, judicial officer or military officer, a senior executive of a State owned Corporation, Government or autonomous body but does not include middle rank or junior rank individuals