

Client complaints against stockbroker firms

- If you wish to make a complaint against a Stockbroker Firm in respect of dealing in securities, you must first refer the complaint in writing to the Compliance Officer of the stockbroker firm as soon as possible after detecting the disputed transaction/s.
- If you are not satisfied with the decision given by the stockbroker firm regarding your complaint or the stockbroker firm delays giving a decision, refer the complaint to the Secretariat of the CSE in any written form (post, e-mail or facsimile) addressed to the Chief Executive Officer of the CSE.
- A party who is dissatisfied with the decisions arrived at by the CSE Secretariat can appeal to an Independent Panel of the CSE.

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INVEST IN THE STOCK MARKET

know your Agreements and Statements

How to Invest in the COLOMBO STOCK EXCHANGE



To buy shares through an Initial Public Offering or through the secondary market an investor is required to open a securities account in the Central Depository Systems (Pvt) Ltd (CDS).

Opening a CDS Account can now be done within 24 hours without having to walk into your stockbroker firm's office by downloading the CSE mobile application from the Google Play store or Apple app store and by submitting the online application.

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HRS



Read & Understand the contents before completing the documentation



CLIENT AGREEMENT

Stockbroker firms enter into a written agreement (Client Agreement) with each client before services are provided to them. Stockbroker firms are required to provide a copy of the Client Agreement to the client and draw the client's specific attention to the risks that are described in the appropriate risk disclosure statements. The Client Agreement should include a written 'risk acknowledgement statement' to the effect that the client is aware of the risks associated with trading of securities.

BOUGHT/SOLD NOTES

The stockbroker firm sends to the client Bought/Sold Notes (Trade confirmations) pertaining to the purchase or sale of securities by the end of the trade day by electronic means. If you do not receive the Trade confirmation in a timely manner/observe discrepancies, you should inform your stockbroker firm immediately. If you have subscribed to the CDS SMS alert service, you will receive a SMS when you purchase or sell shares.

STATEMENT OF ACCOUNTS

A Stockbroker firm is required to send a Statement of Accounts to all clients who owe money to the Stockbroker firm, i.e, who are debtors over Trade Day + 3 days (T+3) or creditors over T+3, on a monthly basis by the 7th day of the following month by electronic means. This statement enables clients to monitor their payments, receipts and monitor the interest charged on the outstanding (debt).

CDS STATEMENT

The CDS account statement, which includes information on all listed securities held by the client, is forwarded to the Account Holder directly by the CDS in electronic form to an e-mail address, unless the Account Holder has requested for a printed copy. A CDS Statement is an ideal way to verify details given in Bought/Sold Notes. Make sure to notify changes to your contact information promptly.

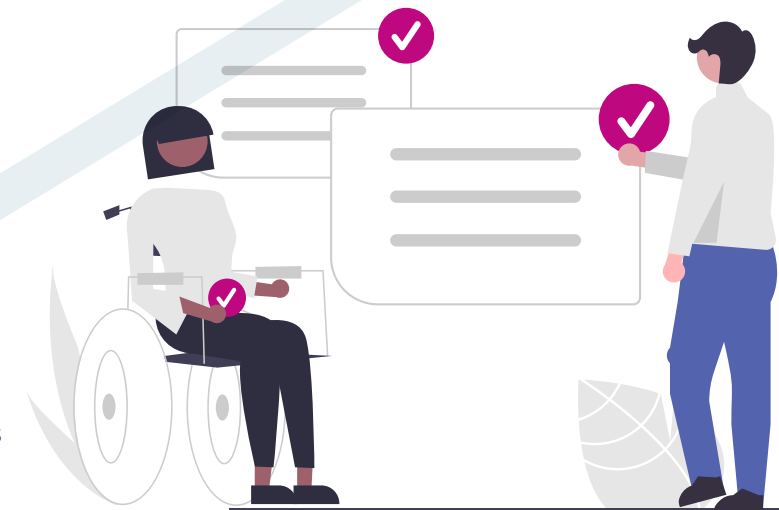
DISCRETIONARY ACCOUNTS

If you sign the discretionary account, you will authorize your stockbroker firm to effect transactions on your behalf without your specific instructions prior to executing a transaction. Such discretion can only be granted to a Stockbroker firm in compliance with certain specific requirements which are set out in the Stockbroker Rules. Once such discretion is granted to the Stockbroker firm in compliance with the applicable rules, you cannot question any investments made or trades executed by the Stockbroker firm in your CDS account within the parameters of the rules.

Unauthorized trading is a serious offense. Therefore, you should regularly monitor your account activity as shown on your account statements and trade confirmations.

CREDIT AGREEMENT

A stockbroker firm may extend credit facilities to its clients for the sole purpose of purchasing securities traded on the CSE. For this purpose, the stockbroker firm must enter into a written agreement with each client to whom credit is given, which clearly sets out the terms and conditions entered into between the parties. Before you obtain credit to invest, you must carefully read the terms and conditions and decide whether obtaining such credit facility for investments in securities on the CSE makes sense.



Good Practices for a prudent investor

- Read the agreements/documents at least twice prior to completing them
- Do not place your signature on blank documents/agreements
- Pay special attention to text in small writing
- Some agreements have clauses referring to "other terms and conditions". Request the stockbroker firm to brief you on such "terms and conditions"
- Make sure that the stockbroker firm clearly draws your specific attention to the risks that are described in the appropriate risk disclosure statements
- If you do not understand the documentation always request for clarifications
- In the event of any changes to personal information notify the stockbroker firm promptly
- If you see any evidence of unauthorized trading or errors, notify the Compliance Officer in the stockbroker firm immediately
- Obtain credit facilities from the stockbroker firm only if you understand how such credit mechanism works
- Think carefully before you grant discretionary power to your stockbroker firm