

- (b) to facilitate the disclosure of information relating to unlisted securities to local and overseas investors through a recognised market operator in a transparent manner.

CHAPTER 1

ESTABLISHMENT OF A RECOGNISED MARKET OPERATOR

Establishment of a market operator **117.** A person shall not act as a market operator under this Part unless such person is registered with the Commission or exempted from such registration by the Commission.

Requirement to register a market operator **118.** (1) For the purposes of section 117, the Commission may upon application made by a person, register the person as a recognised market operator or exempt from such registration subject to any terms and conditions as the Commission considers necessary.

(2) The Commission may exempt a market operator from registration under section 117 having regard to the criteria specified under section 119 subject to such terms and conditions as may be specified by the Commission.

(3) The Commission may, from time to time, vary, amend or revoke any terms and conditions imposed under subsection (1).

(4) The Commission may notwithstanding the exemption granted under subsection (2), withdraw such exemption and may require such person to be registered if the Commission deems it necessary in the interests of investors.

Application for registration **119.** (1) An application to be registered as a recognised market operator shall be accompanied by such documents and information and in such form as the Commission may specify by rules.

(2) An application by such person for registration under this section shall provide documents to prove that such person has experience in trades executed on a platform to the satisfaction of the Commission.

(3) An application by such person for registration under this Chapter shall provide documents to prove that the arrangements are made by such platform for the clearance and settlement of the trades executed on the platform to the satisfaction of the Commission.

CHAPTER 2

ROLE OF A RECOGNISED MARKET OPERATOR

120. The functions and duties of a recognised market operator shall be-

Functions and duties of a recognised market operator

- (a) to provide a platform for the sale and purchase of unlisted securities in Sri Lanka;
- (b) to provide information relating to unlisted securities in Sri Lanka to the local and international financial community;
- (c) to provide criteria for admission and regulatory standards of its trading members;
- (d) to comply with any directive issued by the Commission, whether of a general or specific nature; and
- (e) to provide such assistance to the Commission, or to a person acting on behalf of or with the authority of the Commission, as the Commission or such person reasonably requires.

121. Any person buying and selling securities on a platform shall execute their orders through trading members admitted by the platform.

Trading on a platform

122. The Commission may make rules or require the market operator to make rules subject to the approval of the Commission -

Rules to be made by the Commission or the market operator