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# Statement of Guidance

## Cessation and Non-Commencement of Business – Securities Investment Business

### 1. Statement of Objectives

The business plan forms a vital part of an entity's application for licensing. In the event of a change to the business plan submitted originally or subsequently the Authority must be made aware in order to reassess the entity's position.

### 2. Cessation of business

- 2.1. Where a licence holder decides to withdraw from providing any investment business or related custody services to private clients, the licence holder must ensure that any such business that is outstanding is properly completed or is transferred to another licence holder. The licence holder must also provide the Authority with the Auditor report stating that there has been a proper winding down or alternatively a Resolution from the Directors not to wind down in a manner prejudicial to creditors, clients etc. as well as a return of the licence certificate.
- 2.2. Where the interests of clients of a firm in connection with the investment business would be significantly affected by the death or incapacity of an individual with the firm, the firm must:
  - a) make arrangements to protect the interests of those clients in that event; and
  - b) on applying for an investment business licence and thereafter, provide the name and address, and such other details as may reasonably be requested, of a licence holder with whom arrangements have been made for the protection of its clients.
- 2.3. Special provisions for cessation of business
  - 2.3.1 A firm must notify the Authority immediately of any change in the



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person responsible for protecting the interests of the firm's clients in the event of the firm ceasing to carry on investment business.

2.3.2 A firm must notify the Authority in writing of the date on which it will cease to carry on investment business and the reasons for the cessation not less than 28 days in advance or, if this is not possible, immediately on becoming aware of the fact.

### 3. Non-commencement of Business

The firm should commence business within 6 months of the date of the licence unless the Authority agrees otherwise in writing.