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# Statement of Guidance

## Reorganisation of Structure and Variation of Capital – Securities Investment Business

### 1. Statement of Objectives

To ensure that the Authority's information about licensees is up to date.

### 2. Introduction

The application information submitted to the Authority forms a vital part of the Authority's ability to supervise licensees. It is necessary therefore that, in the event of changes or proposed changes to information submitted to the Authority, the licensee notify the Authority or seek its prior consent in order for the Authority to reassess the entity's position.

### 3. Branches and Subsidiaries

#### 3.1. Establishment and acquisition of branches and subsidiaries

A licence holder should obtain the consent in writing of the Authority before establishing or acquiring a branch or subsidiary in the Cayman Islands or elsewhere.

#### 3.2. Acquisitions

A licence holder should obtain the consent in writing of the Authority before acquiring 10% or more of the voting shares of another company.

#### 3.3. Disposal or dissolution of a subsidiary

A firm must notify the Authority in writing within seven days of the disposal or dissolution of a subsidiary specifying :

- a) the subsidiary's name; and
- b) its principal business.



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#### 4. Sale and Merger of Licensee or third parties

A licence-holder should obtain the consent in writing of the Authority before entering into any agreement to sell or to merge the whole or any part of the undertaking of the licence-holder or a third party.

#### 5. Variation of Capital

A licence-holder should obtain the consent in writing of the Authority before increasing, reducing or changing the nature of its issued capital, or the rights and obligations of shareholders.