

IMPOSITION OF ADMINISTRATIVE PENALTIES BY THE FSC

As from 1st January 2014, the FSC will impose an administrative penalty of USD 10 per day on licensees who fail to comply with a specific legal obligation and when accounts and statistical information are not submitted within the required timeframe.

The administrative penalties levied under the FSC Rules will apply automatically in cases of non-compliance with specific sections of the relevant Acts. The rationale for imposing 'automatic' administrative penalties is to encourage licensees to comply with their obligations on time and diligently.

Among the legal obligations which have to be adhered to are the following:

- An obligation to furnish the Commission with such statistical information required to be furnished pursuant to Section 7 (2) of the Act, within such time as may be required.
- An obligation pursuant to Section 30 of the Act, to file with the Commission audited financial statements or financial summaries, within such time as may be required.
- An obligation pursuant to Sections 51 and 72 of the Insurance Act 2005, to file any account, balance sheet, certificate, report, return or statement within the Commission, within such time as may be required.
- An obligation pursuant to Sections 20, 55, 88 and 106 of the Securities Act 2005, to file any annual report or financial statements with the Commission within such time as may be required.
- An obligation pursuant to Regulation 29 of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, to file quarterly and audited annual financial statements with the Commission, within such time as may be required.

No administrative penalty shall be levied in respect of an instance of non-compliance which occurred before the commencement of the FSC Rules.