

# Eligibility

## Main Market<sup>1</sup>

### Dealers, Brokers, Securities Companies

- A Member who wishes to trade on the Exchange as a Dealer and/or Broker in securities as those activities are defined in the Act, must:
  1. be registered as such under the Act;
  2. lodge with the Exchange an application in the form prescribed by these Rules (Form 1).
- The Exchange shall grant to such Member whose application has been approved a licence to trade for such time period as the Exchange shall in its discretion determine.
- The Exchange may revoke the licence of a Member, or the Member's Approved Trader for contravention of these Rules.
- A Member must notify the Exchange of the termination of employment of its Approved Trader and/or the cessation of the Member's trading activities as a Dealer and/or broker, forthwith of the date of termination or date of cessation of the Member's trading activities as a Dealer and/or Broker and the Member continues to be responsible for all trades processed under its name on the Trading System, despite the termination of its Approved Trader.
- A reasonable fee to defray the costs of licensing may be charged to the Member for each activity for which he is licensed.

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<sup>1</sup> <http://bse.com.bb/wp-content/uploads/2017/10/rules-of-the-barbados-stock-exchange-inc-version2-2.pdf>



- The Exchange shall revoke the licence of a Member:
  1. Upon receipt of the notice under Rule 2.01.0 (4); on cessation of the Member's brokerage business;
  2. on withdrawal or cancellation of the person's license under the Act; or
  3. as otherwise provided for under these Rules.
  
- A Member must supervise its Approved Trader, employee and authorised representative.

## **Licensing of Approved Traders**

- Where the Member licensed is a company offering Dealer/ and or Broker services, it must apply to have at least two individuals licensed with the Exchange as the Trading Member's Approved Traders and; those persons shall be responsible for the discharge of the Trading Member's obligations in relation to its operations as a Dealer and/or Broker in accordance with the Act.
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# International Securities Market

## Trading Members

Though explained in detail in the [ISM Trading Rules](#), outlined below are some important considerations:

- Trading members from within Barbados must comply with the rules and regulations of the Barbados Stock Exchange (BSE) and the Barbados Central Securities Depository Inc. (BCSDI). Regulatory oversight for the capital market falls within the purview of the Financial Services Commission (FSC).
- Trading members outside of Barbados must ensure that their respective exchange meets the FSC's standards for quality administration. Specifically, the foreign securities exchange:
  - must be regulated by an IOSCO member or signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU), and
  - must have rules that have been approved by its regulator to govern its members
- In addition, the regulator of the foreign securities exchange and jurisdiction should be:
  - a member of IOSCO and
  - a signatory of the MMoU
- Finally, as a trading member from outside the local Barbados' market, you must:
  - satisfy the Exchange that you are duly registered with the FSC as a market actor;
  - satisfy the Exchange that you, including your directors, officers and substantial shareholders holding more than 10% of the equity, are fit and proper to be an ISM trading participant;
  - satisfy the Exchange that you have in place:



- adequate internal procedures and controls;
  - adequate systems for the execution, recording and reporting of transactions;
  - systems and controls which satisfactorily address the identification and management of risk;
  - adequate insurance for the type of business you undertake;
  - satisfactory systems or arrangements for the clearing and settlement of transactions whereby either you will be a BCSDI participant or use the facilities of a clearing agent.
- comply with the rules of the ISM and such other requirements for trading membership as the Exchange may from time to time prescribe.

## Listing Sponsors

Though explained in detail in the [ISM Listing Sponsor Rules](#), outlined below are some important considerations:

- To be approved by the Exchange as a listing sponsor, an applicant must:
  - be a fit and proper person to be a listing sponsor;
  - have an adequate financial position, in the opinion of the Exchange;
  - have adequate directors and officers insurance;
  - have adequate errors and omissions insurance;
  - have an independent auditor to audit its financial accounts annually;
  - possess sufficient knowledge, skill and experience in public offerings of securities products or listing on securities exchanges; and
  - employ or contract for professional staff who are suitably qualified to perform the functions performed by a listing sponsor.

**Please note:** Listing Sponsors are not required to be licensed with the FSC.



- In assessing whether an applicant, including its directors, officers and substantial shareholders holding more than 10% of the equity, is a fit and proper person, the Exchange shall consider whether the applicant:
  - is of sound reputation and character;
  - is a member in good standing of any professional association, securities exchange, self-regulatory organization or similar body that the applicant is or was a member of;
  - has ever been found in violation of any law, rule, regulation or code of conduct that it is or has been subject to; and
  - has the ability to effectively perform the responsibilities of a listing sponsor under the ISM rules.

## Clearing Agents

Though explained in detail in the [ISM Clearing and Settlement Rules](#), outlined below are some important considerations:

- The following are eligible to become BCSDI participants:
  1. ISM Trading Participants<sup>2</sup>;
  2. Banks regulated by the Central Bank of Barbados (CBB) who act as clearing agents for ISM trading participants, subject to authorisation from the CBB;
  3. Foreign central depositories regulated by an overseas regulator acceptable to the BCSDI.

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<sup>2</sup> \*Only ISM trading participants and banks approved under Rule 3101.1(2) may act as clearing agents for other ISM trading participants.

- Clearing Agents should be advised of the following requirements in deciding the method of clearing & settlement on the ISM:
  - Applicants must demonstrate to BCSDI that they are able to enter instructions into and receive output from the BCSDI system in an efficient manner.
  - Applicants must demonstrate to BCSDI that they are able to make payments to and receive payments from CBB foreign currency accounts.
  - Applicants must provide BCSDI with details of the bank to which funds, due to the ISM trading participant, should be remitted.
  - Clearing Agents which are not existing BCSDI Participants must apply in the form set out in [Appendix 3A](#).
  - Entities which are BCSDI participants prior to the implementation of the ISM must submit the undertaking set out in [Appendix 3B](#) in respect of ISM listed securities.