

and thereafter while that person is authorised under the rules of that exchange to carry on the business of stock-broker, that person has in Lesotho, assets which exceed that person's liabilities by at least the amount determined by the Registrar and if the provisions of regulation 38(1) apply to that person, the amount referred to therein.

## PART VII - CONDUCT OF BUSINESS

### Power of Registrar to prescribe rules of conduct

37. (1) The Registrar may prescribe rules of conduct in respect of the conduct of business by a licensed person.

(2) Without affecting the generality of subregulation (1), rules made under these regulations may provide for -

- (a) standards of conduct;
- (b) communication with clients;
- (c) capital adequacy requirements;
- (d) charges, fees and penalties;
- (e) managing conflicts of interest;
- (f) transactions (client agreements, contract notes, execution of orders, segregation of funds, and property etc);
- (g) confidentiality;
- (h) prohibited activities (e.g churning, front running, insider trading, money laundering);
- (i) business continuity or disaster recovery measures; and
- (j) other matters.

(3) Rules made under these regulations may provide that a customer contract entered into by a licensed person with its customer otherwise than in

compliance with any specified rules, despite anything in the contract, is unenforceable at the option of the customer.

- (4) Rules made under these regulations may provide -
- (a) that a contravention of any specified provision thereof shall be an offence; and
  - (b) may attract penalties not exceeding a fine of one hundred thousand Maloti or imprisonment for a term not exceeding 12 months or both fine and imprisonment.

(5) In these regulations, "customer contract" means a contract or arrangement between a licensed person and a customer of the licensed person which contains terms on which the licensed person is to provide services to or effect transactions for, the customer.

(6) Where a customer contract is entered into in contravention of the rules of business conduct prescribed under these regulations, the contravention is actionable at the suit of a person who suffers a loss as a result of the contravention.

### **Capital adequacy standards**

38. (1) A stock broker, broker-dealer, dealer or investment adviser shall at all times maintain such capital adequacy standards in relation to the business to which they are licensed as may be prescribed by the Registrar by Notice published in the Gazette.

(2) The capital adequacy standards prescribed by the Registrar under subregulation (1) may -

- (a) impose standards which are absolute or which are to vary from time to time by reference to factors which are either specified in, or are to be determined in accordance with the notice;
- (b) impose standards which take account of any business carried on by the person concerned in conjunction with, or in addition to, the business in relation to which the

person is licensed; and

- (c) make provisions as to the assets, liabilities and other matters to be taken into account in determining a person's capital adequacy standards for the purposes of the notice and the extent to which, and the manner in which, they are to be taken into account for that purpose.

(3) The Registrar may, if the Registrar thinks it consistent with the public interest, exempt an investment adviser from having to comply wholly or partly with this requirement.

#### **Fidelity insurance and professional indemnity**

39. (1) A stock broker or investment adviser shall -

- (a) insure itself against a loss resulting from the negligence or dishonesty of any of its officers and other personnel to an amount which the Registrar deems adequate with a person approved by the Registrar and carrying on insurance business in Lesotho or the business of guaranteeing against any such loss; and
- (b) indemnify itself against legal liability to pay compensatory damages, including claimants and defence costs, as a result of any negligent act, negligent error or negligent omission in the conduct or execution of its professional activities and duties to an amount that the Registrar deems adequate.

#### **Appointment of compliance officer**

40. A stock broker, broker-dealer, dealer or investment adviser or manager shall designate one of its officers as a compliance officer for the purpose of ensuring compliance with these regulations, such other rules and directives as may be issued by the Registrar from time to time.

**PART VIII - ACCOUNTING, AUDIT, RECORDS KEEPING  
AND CLIENT ACCOUNTS OF STOCK BROKERS,  
BROKER-DEALER, DEALERS AND INVESTMENT ADVISERS**

**Application of this Part**

41. (1) This Part shall apply to and in relation with -
- (a) the business of a stock broker, broker-dealer or a dealer within the meaning of these regulations, whether that business is carried on in Lesotho or elsewhere; and
  - (b) an investment adviser.
- (2) The Registrar may, if the Registrar thinks it consistent with the public interest, exempt an investment adviser from having to comply wholly or partly with this Part.

**Accounts required to be kept**

42. (1) A stock broker, broker-dealer, investment adviser or dealer shall keep or cause to be kept such accounting and other records as will sufficiently explain the transactions and financial position of the business and enable true and fair profit and loss accounts and balance-sheets to be prepared from time to time and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.
- (2) Without affecting the generality of subregulation (1), a stock broker, broker-dealer or dealer shall maintain such books and records and file the reports in a form and manner as may be prescribed by the Registrar.
- (3) A stock broker, broker-dealer, investment adviser or dealer who contravenes or fails to comply with the provisions of these regulations commits an offence and is liable on conviction to a fine not exceeding fifty thousand Maloti and, in the case of a continuing offence, to a further fine of ten thousand Maloti for every day or part thereof during which the offence continues.
- (4) A stock broker, broker-dealer, investment adviser or dealer shall -
- (a) keep its accounting records in accordance with the In-

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ternational Financial Reporting Standards;

- (b) preserve the accounting records required to be kept under these regulations for seven years from the date on which they are made;
- (c) submit to the Registrar of Capital Markets within three months after the end of each financial year, its auditor's report together with -
  - (i) its annual financial statements;
  - (ii) written confirmation that it has complied with these regulations and other additional requirements.

#### **Appointment of external auditor**

43. (1) A stock broker, broker-dealer, dealer or investment advisor shall appoint an external auditor and issue him with an engagement letter, that sets out his powers and duties, and is signed by both the stock broker, broker-dealer, dealer or investment advisor and the external auditor.

(2) A stock broker, broker-dealer, dealer or investment advisor shall not appoint or remove an auditor except with prior approval of the Registrar at least one month prior to such appointment or removal.

(3) An external auditor shall in addition to his opinion, state whether the annual financial statements of the market intermediary have been audited in accordance with the International Standards on Auditing.

#### **Categories of moneys or property received by stock broker to be paid into trust account**

44. (1) A stock broker and broker-dealer shall establish and maintain with a bank or banks licensed under the Financial Institutions Act of 2012, one or more trust accounts in Lesotho for its clients.

(2) A stock broker and broker-dealer shall pay or deposit moneys held by that stock broker or broker-dealer on trust for client into a trust account

not later than the next business day following the day on which the stock broker or broker-dealer has received the moneys properly.

(3) A stock broker or broker-dealer who contravenes or fails to comply with subregulation (2) commits an offence and is liable on conviction to a fine not exceeding fifty thousand Maloti and, in the case of a continuing offence, to a further fine of ten thousand Maloti for every day or part thereof during which the offence continues.

(4) Without limiting the generality of sub-regulation (2), a stock broker or broker-dealer shall pay into a trust account within the time specified in that subregulation -

- (a) the moneys, less brokerage or other proper charges, that are received -
  - (i) from or on account of the client for the purchase of securities and that are not attributable to securities delivered to the stock broker or broker-dealer;
  - (ii) for or on account of the client from the sale of securities and that are paid to the client or paid as the client directs; and
- (b) other moneys received from or on account of the client that are to be paid to the person entitled to the payment or paid as the clients direct.

(5) For the purpose of these regulations, "client", in relation to a stock broker, or broker-dealer means a person on whose behalf a stock broker or broker-dealer holds moneys but does not include a dealer.

(6) A stock broker or broker-dealer who withdraws any money from a trust account except for the purpose of making a payment -

- (a) to the person entitled thereto;
- (b) defraying brokerage and other proper charges; or

(c) that is otherwise authorised by law,

commits an offence and is liable on conviction to a fine prescribed by the Registrar in the Schedules.

(7) A stock broker or broker-dealer who, with intent to defraud, withdraws money from a trust account commits an offence and is liable on conviction to a fine prescribed by the Registrar in the Schedules.

### **Moneys held in trust account**

45. Except as otherwise provided in this Part, moneys held in a trust account shall not be available for payment of the debts of a stock broker or broker-dealer be liable to be paid or taken in execution under an order or process of any court.

### **Rights to copies and inspection of book entries of transactions and contract notes related thereto**

46. (1) A stock broker and a broker-dealer shall supply, on demand, to any client or to any person authorised by the client, copies of all entries in the books of the stock broker or broker-dealer relating to any transaction carried out on behalf of that client, and the stock broker or broker-dealer shall be entitled to levy a reasonable charge thereof.

(2) A client or a person authorised by the client shall be entitled at a time, free to charge, to inspect a contract notes and vouchers relating to a transaction in respect of that client.

### **Duty to furnish Registrar with returns and information as Registrar requires**

47. A stock broker, broker-dealer and an investment adviser shall furnish returns and provide information relating to his business as the Registrar may require.

### **Claims and liens**

48. Nothing in this Part shall be construed as taking away or affecting any lawful claim or lien which a person has against or upon money held in trust ac-

count or against or upon money received for the purpose or from the sale of securities before such money is paid or deposited into the trust account.

### **Application to a competent court by the Registrar**

49. Upon application made by the Registrar, and upon good cause shown, a court may prohibit a dealer or investment adviser from operating in a way a trust account of the investment adviser or of a dealer and may appoint a *curator bonis* to control and administer the trust account with such rights, duties and powers, in relation thereto, as the court may think fit.

## **PART IX - PUBLIC OFFERS OF SECURITIES**

### **Exemptions from this Part**

50. (1) Nothing in this part shall apply in respect of securities the issuer of which is -

- (a) Government of Lesotho; or
- (b) Central Bank.

(2) This Part shall not apply to an offer of units or shares in a collective investment scheme licensed under regulations made by the Registrar in consultation with the Minister.

### **Advertisements offering securities**

51. (1) For the purposes of this Part, an advertisement offers securities if it -

- (a) invites a person to enter into an agreement for or with a view to subscribing for or otherwise acquiring or underwriting any securities; or
- (b) contains information calculated to lead directly or indirectly to a person entering into such an agreement.

(2) A person other than a stock-broker, broker-dealer, dealer or an officer or employee of a member of a securities exchange or a securities trading



facility who is so permitted in terms of these regulations, or a securities exchange, or a securities trading facility shall not, either for himself, herself or itself or for other person, directly or indirectly advertise or canvass a business relating to the buying and selling of securities.

(3) A person other than an issuer of shares, stock-broker, broker-dealer, dealer or their employees, shall not either for himself, herself or itself or for other person, directly or indirectly advertise or canvass a business relating to the buying and selling of securities.

(4) The securities exchange or a securities trading facility may in consultation with the Registrar prescribe the conditions on which advertising or canvassing may be undertaken and may take such action as it considers necessary, against a person authorised to advertise or canvass by or under subregulation (2), in the event of contravention of such conditions.

(5) Despite anything to the contrary contained in any law, the Registrar may, if he or she is of the opinion that an advertisement, brochure or other similar document relating to the business of buying and selling of securities, either published or not, is misleading or for any reason objectionable, direct such person -

- (a) not to publish the advertisement, brochure or document;
- (b) to cease the publication of the advertisement, brochure or document; or
- (c) to effect such adjustments as the Registrar may think fit.

## Prospectus

52. (1) Despite anything to the contrary contained in any law, subject to subregulation (2), a person shall not issue or cause to be issued in Lesotho an advertisement offering securities to the public unless the issuer or offeror of such securities has submitted for approval to the Registrar, and the Registrar has approved, a prospectus which complies with the requirements of this Part.

(2) A reference in this Part to offering securities to the public shall be construed as including -

- (a) offering securities to any section of the public, however selected, whether selected as clients, employees, a purchaser of goods from the offeror, or a promoter of the securities, being the holder of securities previously issued by the issuer or promoter of the securities;
  - (b) offering the securities to individual members of the public selected at random;
  - (c) offering the securities to a person if the person became known to the offeror as a result of any advertisement made by or on behalf of the offeror or that was intended or likely to result in the public seeking further information or advice about an investment opportunity or services.
- (3) The following offers shall not constitute an offer to the public if -
- (a) an offer of securities which is restricted to persons who are directors or executive officers of the corporation making the offer or are close relatives of such a director or executive officer;
  - (b) an offer of securities which is restricted to persons who are close business associates of persons who are directors or executive officers of the corporation making the offer;
  - (c) an offer of securities which is restricted to persons as referred to in subregulation (2) and to a body corporate in which an executive officer or a close relative or business partner or associate of the kind referred to in subparagraph (c) together have a controlling interest;
  - (d) an offer of securities where no consideration is paid or provided in respect of the issue or allotment of the securities;
  - (e) an offer to enter into an underwriting agreement;

- (f) an issue or allotment of securities to not more than 50 persons who are professional investors where the securities are allotted as a result of an invitation or offer made personally to such person or persons;
- (g) an offer made to acquire all of the shares in a company which provides ownership of the whole of the assets and undertaking of a business enterprise or to acquire the whole of the undertaking and assets of a partnership or trust and which offer is capable of acceptance by and restricted to not more than 10 persons and each such person has reasonably available to him the financial and other information needed by that person to make a reasonably informed investment decision.

(4) Proof of an offer of securities to one person selected as a member of the public shall be *prima facie* evidence of an offer of securities to the public.

(5) An advertisement made pursuant to subregulation (1) shall not be issued except by or with the consent of the issuer of the securities.

### Contents of prospectus

53. (1) The Registrar shall not approve a prospectus unless -
- (a) it contains all the information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of the -
    - (i) assets and liabilities, financial position, profits and losses, and prospects of the issuer of the securities;
    - (ii) rights attaching to those securities;
    - (iii) legal status of the issuer; and
    - (iv) risk factors;

- (b) it contains in addition, other information and particulars and complies with other requirements as may be prescribed by the Registrar.

(2) The requirements of subregulation (1) are additional to those in section 116 of the Companies Act of 2011 in relation to the contents of a prospectus.

### **Compensation for false or misleading particulars**

54. (1) The director of an issuer and other person who is responsible for the prospectus, shall be liable to pay compensation commensurate to the loss to a person who has acquired any of the securities in question and suffered loss in respect of them as a result of an untrue or misleading statement in the prospectus or the omission from the prospectus of a matter required to be included under regulation 53.

(2) For the purposes of subregulation (1), acquisition by a person of securities includes the contracting to acquire them or an interest in them.

### **Disclosure obligations**

55. (1) An issuer of securities which are the subject of a public offer, or which are publicly held, shall inform the Registrar, members of the issuer and other holders of its securities informed as soon as reasonably practicable of information relating to the issuer and its subsidiaries, if any, that -

- (a) is necessary to enable them and the public to appraise the financial position of the issuer and of its subsidiaries;
- (b) is necessary to avoid the establishment of a false market in its securities; or
- (c) might reasonably be expected materially to affect market activity in the price of its securities.

(2) In addition to the requirements of subregulation (1), an issuer shall also comply with -

- (a) further obligations and requirements as may be directed

by the Registrar; or

- (b) the listing requirements of a securities exchange or facility where the securities are to be listed or traded.

(3) For the avoidance of doubt, this regulation applies to the issuer of securities publicly held prior to the coming into operation of these regulations.

## PART X - INSIDER TRADING

### Inside information

56. For the purposes of this Part -

- (a) “inside information” means information which -
  - (i) relates to particular securities or to a particular issuer of securities and not to securities generally or to issuers of securities generally;
  - (ii) is specific or precise;
  - (iii) has not been made public; and
  - (iv) if it were made public would be likely to have a significant effect on the price of any securities;
- (b) securities are “price-affected securities” in relation to inside information, if and only if the information would, if made public, be likely to have a significant effect on the price including the value of the securities.

### Insider trading

57. (1) A person who has information as an insider commits the offence of insider trading if the person -

- (a) deals or trades in securities that are price-affected in relation to that information;

- (b) encourages another person to deal in securities that are, whether or not that other person knows, price-affected securities in relation to the information, knowing or having reasonable cause to believe that the dealing would take place; or
- (c) discloses the information, otherwise than in the proper performance of the functions of his employment, office or profession, to another person.

(2) A person who commits an offence under subregulation (1) shall be liable on conviction -

- (a) in the case of a person not being a company, to a fine not exceeding two hundred and five hundred thousand Maloti or to imprisonment for a term not exceeding 10 years or to both such fine and imprisonment; or
- (b) in the case of a company, to a fine not exceeding One Million Maloti.

(3) A court convicting a person under subregulation (2) may make an order imposing on the convicted person a penalty of an amount not exceeding five (5) times the amount of any profit gained or loss avoided by any person as a result of the insider trading and or dealing.

(4) A contract shall be void and unenforceable by reason of the commission of the offence of insider trading under this regulation.

### **Insiders**

58. (1) For the purposes of this Part, a person who has information is an insider if the person knows that the information is inside information, or that person knows that it is inside information from an inside source.

(2) For the purposes of subregulation (1), a person has information from an inside source if -

- (a) the person has obtained it through -

- (i) being a director, employee or shareholder of an issuer of securities; or
  - (ii) having access to the information by virtue of his or her employment, office or profession; or
- (b) the direct or indirect source of the information falls under a person referred in paragraph (a).

### **Public information**

59. (1) For the purposes of this regulation, “made public” in relation to information, shall be construed in accordance with the following provisions of this regulation, but these provisions are not exhaustive as to the meaning of that expression.

- (2) Information is made public if it -
- (a) is published in accordance with the rules of a securities exchange or a securities trading facility for the purpose of informing investors and their professional advisers;
  - (b) is contained in records which by virtue of an enactment are open to inspection by the public;
  - (c) may be readily acquired by those likely to deal in any securities -
    - (i) to which the information relates; or
    - (ii) of an issuer to which the information relates; or
  - (d) is derived from information which has been made public.
- (3) Information may be treated as made public even though it -
- (a) can be acquired only by persons exercising diligence or expertise;
  - (b) is communicated to a section of the public and not to the

public at large;

- (c) can be acquired only by observation;
- (d) is communicated only on payment of a fee; or
- (e) is published only outside Lesotho.

## PART XI - IMPROPER TRADING PRACTICES

### False trading and manipulation of the Securities Exchange

60. (1) A person shall not create or cause to be created, or do anything with the intention of creating a false or misleading appearance -

- (a) of the volume of trading in any securities on any securities exchange in Lesotho; or
- (b) with respect to the market for, or the price of securities.

(2) A person shall not by means of the purchase or sale of any securities that does not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress or cause fluctuations in the market price of, any securities.

(3) A purchase or sale of securities does not, for the purposes of sub-regulation (2), involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with that person in relation to those securities, holds an interest in the securities after the purchase or sale.

### Use of deceptive statements

61. A person shall not induce or attempt to induce another person to deal in securities by -

- (a) making or publishing a statement, promise or forecast that the person knows to be misleading, false or deceptive;



- (b) the dishonest concealment of material facts; or
- (c) recklessly or dishonestly making or publishing any statement, promise forecast that is false or misleading.

### **Fraudulent transactions**

62. A person shall not, directly or indirectly, in connection with a transaction with other person involving the purchase, sale or exchange of securities -

- (a) employ a device, scheme or artifice to defraud that other person; or
- (b) engage in an act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, on that other person.

### **False or misleading statement in connection with sale of securities**

63. A person shall not, directly or indirectly, for the purpose of inducing the sale or purchase of the securities of a company, make with respect to those securities, or with respect to the operations or the past or future performance of the company, make a statement which is -

- (a) at the time in light of the circumstances in which it is made, false or misleading with respect to a material fact and which that person knows or has reasonable grounds to believe to be false or misleading; or
- (b) by reason of the omission of a material fact, rendered false or misleading and which that person knows, or has reasonable grounds to believe, is rendered false or misleading by reason of omission of that fact.

### **Selling of securities limitations**

64. A person shall not sell securities which that person does not hold at, or through a securities exchange or a securities trading facility, unless at the time that person sells them -

- (a) that person has or, where that person is selling as agent, the principal has; or
- (b) that person reasonably and honestly believes that he or she has or, where that person is selling as agent, that the principal has, a presently exercisable and unconditional right to vest the securities in the purchaser of them.

### **Stock market manipulation**

65. (1) A person shall not effect, take part in, be concerned in or carry out, either directly or indirectly, two or more transactions in securities of an issuer being transactions that have, or are likely to have, the effect of raising the price of securities of the issuer on a securities exchange in Lesotho, with intent to induce other persons to purchase or subscribe for securities of the issuer or of a related issuer.

(2) A person shall not effect, take part in, be concerned in or carry out, either directly or indirectly, two or more transactions in securities of an issuer, being transactions that have, or are likely to have, the effect of lowering the price of securities of the issuer on a securities exchange in Lesotho, with intent to induce other persons to sell securities of the issuer or of a related issuer.

(3) A person shall not effect, take part in, be concerned in or carry out, either directly or indirectly, two or more transactions in securities of an issuer, being transactions that have or are likely to have, the effect of maintaining or stabilizing the price of securities of the issuer on a securities exchange in Lesotho with intent to induce other persons to sell, purchase or subscribe for securities of the issuer or of a related issuer.

### **Offences and penalties**

66. A person who contravenes a provision of this Part commits an offence and is liable on conviction -

- (a) in the case of a person not being a company, to a fine not exceeding five hundred thousand Maloti or to imprisonment for a term not exceeding three years or to both such fine and imprisonment; and

- (b) in the case of a company, to a fine not exceeding one million Maloti.

### **Convicted person liable to pay damages**

67. (1) A person who is convicted of an offence under this Part, shall, in addition to criminal liability for the offence, be liable, at the suit of any person who has sustained pecuniary loss as a result of having purchased or sold securities at a price affected by the act or transaction which comprises or is the subject of the offence, to an action for damages in respect of the loss occurred.

(2) Nothing in this regulation limits or diminishes any civil liability which any person may incur under any other law.

## **PART XII -TAKEOVERS**

### **Application**

68. This Part applies to issuers of shares.

### **Takeover offers**

69. (1) In this Part, a "takeover offer", which includes a merger, means an offer to acquire by or on behalf of a company -

- (a) all shares, or all the shares of any class, in another company, other than the shares which at the date of the offer are already held by the offeror; or
- (b) any shares in the offeree company which results in the offeror acquiring effective control of the offeree company.

(2) For the purposes of subregulation (1), "acquiring effective control" means the acquiring of shares in an offeree company which together with shares, if any, already held by the offeror or by any other company that is deemed by virtue of regulation 65 be related to the offeror, carry the right to exercise, or control the exercise of, not less than fifty percent of the rights attached to the voting shares of the offeree company.

**Related companies**

70. Where a company is -

- (a) the holding company of another company;
- (b) the subsidiary of another company; or
- (c) a subsidiary of the holding company of another company,

the first-mentioned company and the other company shall for the purposes of this Part be deemed to be related to each other.

**Conduct of takeovers**

71. (1) The conduct of takeover shall be in accordance with the Schedules made by the Registrar under these regulations.

(2) A person shall not make or pursue a takeover offer except under and in accordance with Schedules made by the Registrar under subregulation (1).

**PART XIII - MISCELLANEOUS PROVISIONS****Exemption from liability**

72. (1) A liability shall not attach to members of -

- (a) capital markets committee;
- (b) the committee of a securities exchange; or
- (c) a central securities depository,

for a loss or damage sustained by a person as a result of the bona fide exercise or performance by the Registrar, the Board, the committee or members of a central securities depository of a power or duty conferred or imposed by these regulations.

(2) Subregulation (1) shall not be construed so as to prevent a person from recovering, by action in a competent court, compensation for loss or damage sustained by that person, which was caused by negligence or breach of contract.

### **Prohibition of misleading names**

73. (1) A person who is not a licensed person, its agent, or representative shall not, without the consent of the Registrar, use the word "stock exchange", "securities exchange", "stockbroker", "investment adviser", or any of their derivatives in any language, or any other word indicating the transaction of securities business, in the name, description or title under which such person is transacting business in Lesotho, or make or continue to make any other representation to such effect in any bill-head, letter-paper, notice, advertisement or in any manner whatsoever for the purpose of transacting securities business in Lesotho.

(2) A person who contravenes subregulation (1) commits an offence and is liable on conviction to a fine of hundred thousand Maloti or to a term of imprisonment not exceeding two years or to both such fine and imprisonment.

### **Restrictions on administration and custody of investments in listed securities on behalf of other persons**

74. (1) A person shall not, as a regular feature of his or her business, administer or hold in safe custody on behalf of other person investments in listed securities or any investments of which listed securities form part unless he is -

- (a) a stock-broker;
- (b) a banking institution registered under the Financial Institutions Act of 2012;
- (c) an attorney practicing as such on his own account or in partnership or as a member of a professional company;
- (d) an accountant or auditor registered with the Lesotho Institute of Accounts as an accountant and auditor and engaged in public practice as such, or

- (e) a person approved by the Registrar or a person who is a member of a category of persons approved by the Registrar.

(2) For the purposes of subregulation (1), it shall be deemed that the administration or safe custody of listed securities is not a regular feature of the business of any person -

- (a) unless he or she -

- (i) either for himself or for any other person, directly or indirectly, canvasses or advertises or touts for any work being the administration or safe custody of such securities; or
- (ii) receives any valuable consideration other than fees normally charged by an attorney or an accountant or auditor.

### **Right of appeal to Financial Institutions Tribunal**

75. (1) A person aggrieved by a decision taken by the Registrar under these regulations, may, within 30 days from the date on which the decision is intimated to the person in writing, appeal against the decision by a petition, in writing to the Financial Institutions Tribunal established in terms of section 76 of the Financial Institutions Act of 2012, which may, subject to the limitations of this regulations, uphold, reverse, revoke or vary that decision.

(2) The decision taken under subsection (1) shall be final and shall within 30 days of its taking, be transmitted in writing to the applicant.

**RETŠELISITSOE MATLANYANE  
GOVERNOR - CENTRAL BANK OF LESOTHO**

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**NOTE**

1. Act No. 2 of 2000
2. Act No. 18 of 2011
3. Act No. 21 of 2012
4. Act No. 12 of 2014

