



**ECSE**

EASTERN CARIBBEAN SECURITIES EXCHANGE

**ECCSD Requirements  
And  
Application Instructions**

# REQUIREMENTS FOR BECOMING A PARTICIPANT OF THE EASTERN CARIBBEAN CENTRAL SECURITIES DEPOSITORY (ECCSD)

(As set out in Rules 2&3 of ECCSD Rules)

## A. To be considered for participation, the applicant must qualify as at least one of the following:

- a) a licensed broker/dealer or limited service broker in good standing with the ECSE;
- b) a bank or any subsidiary which is subject to supervision or regulation by the Eastern Caribbean Central Bank;
- c) an insurance company which is subject to supervision or regulation pursuant to the provisions of insurance laws;
- d) a licensed investment company, a closed end mutual fund;
- e) a regulated financial institution, which demonstrates to the Board of Directors of the ECCSD that it could reasonably expect material benefit from direct access to the Depository's services.

## B. Minimum Paid Up Capital Requirement

- ❖ Members of the ECSE
  - Broker Dealer \$1,000,000 EC
  - Limited Service Broker \$ 250,000 EC

For all other participants, the paid up capital requirement is directly proportional to the volume of securities activity (or securities) held at the ECCSD.

## C. Adequate Personnel

- ❖ Minimum of two (2) employees with at least one employee possessing two (2) years operational experience in the financial services industry. If no employee has two years operational experience, the organisation must have at least 2 employees with professional qualifications in the financial industry.
- ❖ CVs for employees in Senior Management positions, which should attest to their experience and capability.

## D. Adequate physical facilities, books and records and procedures

- ❖ Minimum technology requirements as outlined below to enable connection to the ECCSD communications network.

### ***External Client Workstation Configuration***

All client workstations should be of the following **minimum** configuration:

- Pentium III Processor 500 MHz
  - 128Mb RAM
  - 4 Gb disk space
  - SVGA video card w/ 8Mb VRAM
  - 17" SVGA monitor (resolution of 1024\*768, 75 Hz vertical sweep, non-interlaced)
  - CD-ROM Drive
  - 3.5" Floppy Drive
  - Standard Keyboard and Mouse
  - Ethernet 10/100-Mb/sec interface, RJ-45, twisted-pair.
  - 2 RS-232 serial ports.
  - 1 parallel port.
  - WinNT 4.0 Workstation operating system, Service pack 5.0
  - (Microsoft Office97 Professional Suite, Service pack Sr2b)
  - Antivirus software (e.g. Norton AntiVirus ).
  - 56Kb V.90 modem for a dial-up networking connection directly into the ECSE site or through a telecom provider, depending on the facilities and services available.
- Participants are required to have some form of backup/recovery facilities to protect their critical data.
- Each remote workstation should have access to a matrix or inkjet printer, able to print A4 and letter forms, IBM-Proprinter compatible. The printer could be local with Centronics interface, or could be a network printer with an Ethernet interface.

- ❖ Books and records systems certified by the applicant's external auditor as adequate for maintaining current customer account information and customer securities segregation, as well as supporting required daily activity and position balancing with the Company,
- ❖ A fax machine to support backup procedures.
- ❖ Access to email capabilities would be desirable.
- ❖ Written procedures for daily operations including receiving daily reports from the ECCSD regarding the applicant's activities and positions with the ECCSD and for verifying their completeness and accuracy promptly upon receipt. Applicant must notify the Company immediately of any errors or omissions on the ECCSD's reports.
- ❖ A permanent and physical office address.

**EASTERN CARIBBEAN CENTRAL SECURITIES DEPOSITORY (ECCSD)**  
**APPLICATION INSTRUCTIONS FOR BECOMING A PARTICIPANT**

The applicant may call or write to the office of the ECCSD and request a New Participant Application Package, which will be mailed to the applicant within three working days after receipt of request.

The applicant must read, understand and agree to be bound by the Rules and Procedures of the ECCSD, with particular attention to Rules 2 and 3, which define and set qualifications for participants. This Agreement to be bound by the Rules is represented by submitting to the ECCSD two executed copies of the Participant Agreement and other required documents.

**A. The Participant Application Package** contains the following:

- 1) One (1) copy of ECCSD Requirements and Application Instructions
- 2) One (1) copy of the ECCSD Rules
- 3) One (1) copy of the ECCSD Application Form
- 4) One (1) copy of the ECCSD Participant Agreement
- 5) One (1) copy of the ECCSD/Participant/Clearing Bank Agreement
- 6) One (1) copy of the ECCSD Fee Schedule

**B. Each participant must submit** the following documents to the ECCSD:

- 1) Two (2) completed and signed copies of the ECCSD Application Form.
- 2) Two (2) signed copies of the Participant Agreement.
- 3) Three (3) signed copies of the ECCSD/Participant/Clearing Bank Agreement.
- 4) Two (2) copies of the most recent annual unaudited financial statements as filed with the ECSRC.
- 5) Two (2) copies of the most recent quarterly financial statement as filed with the ECSRC.
- 6) Two (2) copies of the decision by the Board of Directors giving approval to become a Participant. (Only applicable for companies with a Board of Directors).

*\* Item B. (4) above is not applicable to companies that have been in operation for less than one year. Companies in operation for less than one quarter should submit a Business Plan in place of the financial reports specified in (4) and (5) above.*

**C. Each applicant must pay an application fee upon submission of the forms and documents.** (See ECCSD Fee schedule).

The applicant must deliver to the ECCSD at its principal office, the prescribed documents and application fee. By way of signature on the Participant Agreement, the applicant attests to having read, understood and agrees to be bound by the Rules and Procedures of the ECCSD. The returning documents must be addressed to:

The General Manager  
Eastern Caribbean Central Securities Depository  
P.O. Box 94  
Bird Rock  
Basseterre  
St Kitts & Nevis

**Upon approval by the ECCSD, each participant is required to:**

- pay an annual account maintenance fee (refer to fee schedule);
- make operational staff available for training on the ECCSD's software applications prior to start-up of operations;
- pay the training fees prior to commencement of staff training.

All the necessary membership material, including procedures and relevant tools will be given to the successful applicant during the training period.