



GUYANA SECURITIES COUNCIL

PUBLIC ADVISORY

The Guyana Securities Council holds a primary mandate under the **Securities Industry Act 1998 and Regulations 2002**, to ensure the orderly growth and development of the securities market and a secondary mandate under the **Anti-Money Laundering and Countering the Financing of Terrorism Act 2009** as a supervisory authority.

No person shall offer or sell a security in connection with a distribution unless the offer is made by means of the following pursuant to **Sections 61-63**:

- A prospectus or block distribution circular for which a receipt has been issued by the Council; or
- An advertisement-
 - o Identifying the security to be distributed, a person from whom a document specified above may be obtained and a person through whom orders will be executed; and
 - o Containing whatever other information the Council permits or may prescribe.

An advertisement offers securities if-

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

Subject to the requisite notification to the Council, a person or entity engaged in a distribution of securities may solicit expressions of interest from prospective purchasers with respect to a proposed distribution.

Subject to the requisite notification to the Council, a distribution will be exempt from filing under **Section 67 (1)** where it is:

- a. By an issuer where the purchaser is an issuer acting as principal
- b. Where the purchaser is an underwriter of the security being distributed
- c. By an issuer of a security that is distributed to holders of its securities as a dividend
- d. By an issuer of a security to holders of its securities as incidental to a re-organization, winding up or distribution of its assets for the purpose of winding up its affairs
- e. By an issuer of a security pursuant to the exercise of a right to acquire the security, which right was previously granted by the issuer, if no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services, other than the solicitation of investors, performed by a registrant
- f. By an issuer, transferrable or otherwise, granted by it to holders of its securities to purchase additional securities of its own issuer, and of securities pursuant to the exercise of such a right-
 - a. If the issuer files with the Council a notice in the prescribed form that is to be sent to its security holders; and
 - b. The Council does not inform the issuer in writing within fourteen days of the filing that it objects to the offer, or
 - c. The issuer files with the Council and send to its security holders information relating to the securities that is satisfactory to the Council
- g. By an issuer of a security that is exchanged by or for the account of the issuer to another issuer or the security holder or another issuer pursuant to -
 - a. A statutory amalgamation or arrangement or
 - b. A statutory procedure by which one issuer takes title to the assets of another issuer that loses its existence by operation of law or by which the existing issuers merge into a new issuer
- h. By an offeror pursuant to a take-over bid
- i. By or for the issuer or owner by means of an isolated sale that is not made in the course of continued or successive sales of the same security
- j. By an issuer of securities of its own or an associate's issue to its employee if
 - a. The employees are not induced to purchase the securities by expectation of employment or continued employment with the issuer, and
 - b. No commission or other remuneration is paid or given in respect of the distribution except for professional services or for service other than the solicitation of employees, performed by an issuer

- k. Where the council makes an order declaring that the cost of providing a prospectus outweighs the resulting protection to investors, but in such circumstances the council may make the order subject to any conditions it considers appropriate, including conditions determining the standard of civil liability applicable to the offer
- l. Issued or guaranteed by the Government of Guyana, the Bank of Guyana or a municipal corporation or statutory body in Guyana
- m. By a person declared an exempt purchaser by order of the Council, who purchases as principal or as trustee for accounts fully managed by it or
- n. In such other circumstances as the Council may prescribe.

Subject to the requisite notification to the Council, a distribution will be exempt from filing under **Sections 67(2)**, if the distribution is to not more than fifty purchasers, each of whom is a sophisticated purchaser if:

- a. The distribution is previously notified in writing to the Council and is not accompanied by an advertisement other than an announcement, as prescribed by the Council, of its completion and
- b. No selling or promotional expenses are paid or incurred in connection with the distribution except for professional services or services performed by an issuer.

Subject to the requisite notification to the Council, a limited offering is exempt from filing under **Section 67(3)**, if the offer is within such time as may be prescribed by the Council to not more than fifty purchasers of the securities distributed where:

- a. The issuer or selling security holder obtains an agreement from each purchaser that is filed with the council under which each purchaser agrees to file or cause to be filed with the council a prospectus with respect to the securities if a sale of the securities purchases by him results in their being more than fifty owners of the distributed securities within two years of the completion of the distribution or such other time as the council prescribes, and
- b. No selling or promotion expenses are paid or incurred in connection with the distribution except for professional services or services other than solicitation of the investors by an issuer.

For further information, contact us at:
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