SEC | SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA

# EXPRESSION OF INTEREST

## Invitation for Expression of Interest and Proposals for the establishment and operation of a Multi-Asset class Derivatives Exchange

### Introduction

The Securities and Exchange Commission of Sri Lanka ("SEC") is the capital market regulator in Sri Lanka. At present the country enjoys a vibrant market for equity and debt trading. With the enactment of the Securities and Exchange Commission Act No.19 of 2021, the SEC is empowered to license and regulate a derivatives exchange for futures and options trade.

Sri Lanka is strategically located as a trading hub for both physical and futures trade. The strategic position of the country provides ideal opportunities for off-shore, near-shore and on-shore trade of multi-asset classes within the regulatory framework. The Colombo Port City offers lucrative incentives and scope for international entities who are in the trading space of derivatives to Sri Lanka with global trading asset classes wherein on-shore business clusters namely, tea, latex rubber, coconut based products, spices, minerals and gems-precious stones will facilitate the options trading of derivatives.

### The Exchange

Having recognized the necessity for derivatives trading in the country from a risk management and price discovery perspective, the SEC invites Expression of Interest ("EOI") from interested entities **for the establishment and operation of a Multi-Asset class Derivatives Exchange ("the Exchange")**.

The Exchange should facilitate futures and options trading of multi-asset class derivatives and should be incorporated as a limited liability entity. It should adhere to global standards, best practices and accommodate all necessary components of a derivatives exchange including mechanisms for central counter party (CCP) clearing and settlement of the instruments traded.

### Eligibility Criteria for EOI

The prospective entity must be currently in operation in its own jurisdiction and have a proven track record in establishing and operating exchanges of this nature. The entities could express their interest directly or in partnership with Sri Lankan entities.

### Procedure for Submitting EOI

- The EOI with a detailed proposal must be delivered to the SEC at the address given below on or before **16:00hrs local time on 26th June 2024**.
- Short listed applicants will be invited to demonstrate their business and technical capabilities to operate the Exchange.
- For any clarification contact us via **ederivatives@sec.gov.lk** or **(+94 11) 2143803**.

**Director General**
**Securities and Exchange Commission of Sri Lanka**
**Level 29, East Tower, World Trade Centre**
**Echelon Square, Colombo 01**
**Sri Lanka**
**Tel: (+94 11) 2143843, Fax:(+94 11) 2439149, Website:www.sec.gov.lk**

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