

(3) A person who fails to comply with a requirement under subsection (2) by the Authority commits an offence and is liable on summary conviction to a fine of \$50,000 or to imprisonment for a term of 2 years or to both.

Criteria of prudent management

40. (1) For the purpose of section 39(1)(b), the criteria of prudent management are as follows—

- (a) maintenance of—
 - (i) adequate reserves and other capital resources in amounts which may be prescribed by the Minister,
 - (ii) adequate assets in liquid form in amounts which may be prescribed by the Minister,
 - (iii) a system for managing and containing risks to the net worth of the licensee's business and risks to its net income, whether arising from fluctuations in interest or exchange rates or from other factors,
 - (iv) the requisite accounting records,
 - (v) systems of internal control and record keeping, and
 - (vi) systems for inspection and report;
- (b) management conducted with prudence and integrity by a sufficient number of persons, having regard to the range and scale of the business, who are fit and proper to be directors or, as the case may be, officers of the licensee in accordance with the criteria established under section 5(5); and
- (c) conduct of the licensee's business with adequate professional skills.

Management's duty of compliance with the Act

41. A director, manager, secretary or other officer concerned in the management of a licensee who fails to take all reasonable steps to secure compliance by the licensee with this Act commits an offence and is liable on summary conviction to a fine of \$50,000 or to imprisonment for a term of 2 years or to both.

False or misleading information

42. A licensee, director or an officer of a licensee who knowingly or wilfully supplies false or misleading information to the Authority commits an offence and is liable on summary conviction to a fine of \$50,000 or to imprisonment for a term of 2 years or to both.

Removal and disqualification of officers

43. (1) Any person who is a director, manager or other officer concerned with the management of a licensee shall cease to hold office upon—