

SECTION 11

RIGHT TO INSPECTION

11.1 Right to Inspection

- (1) The CDS may conduct an inspection on a Depository Participant at any time on any matter relating to the observance or application of these Rules or the Depository Participant's relevant internal policies and procedures, or any other applicable laws.
- (2) Depository Participants and/or its Authorized Persons shall:
 - (a) provide or procure for the CDS all information, documents, books and records relating to Depository Participant at the request of the CDS and / or permit the CDS to take copies and extracts thereof; and
 - (b) give the CDS full access to the premises of the Depository Participant to conduct its inspection in terms of these Rules.
 - (c) be liable to disciplinary action in terms of Section 12 of these Rules in the event such Depository Participant provides any information or documents which is/are false or misleading in any material particular.
- (3) Notwithstanding any provision herein the CDS may require any Depository Participant to submit reports relating to their compliance with any of the provisions of these Rules if deemed to be required by the CDS.
- (4) Depository Participants and Authorized Persons shall:
 - (a) not hinder or obstruct the CDS during the inspection; and
 - (b) give the CDS all assistance as it would reasonably require to conduct the inspection.

11.2 Notification of Findings

- (1) Upon the CDS notifying the Depository Participant concerned of the findings of any inspection carried out in terms of Rule 11.1 above, the Depository Participant shall promptly bring such findings to its Board of Directors.
- (2) The Depository Participant shall within the timeline specified by the CDS:
 - a. take corrective measures and confirm the implementation thereof in writing to the CDS, or;
 - b. notify the CDS in writing of the corrective course of action decided by its Board of Directors together with the timelines for completing the same.

11.3 Investigations

- (a) If the CDS is of the view that any conduct, act and/or omission of any Depository Participant needs to be investigated for ascertaining whether disciplinary proceedings should be commenced against such Depository Participant, it may direct the Depository Participant to *inter alia*:
 - (i) provide information/explanations as required by the CDS; and / or
 - (ii) cause any officer or employee of the Depository Participant to appear before the CDS with necessary documents and to provide any information/explanations as may be deemed necessary by the CDS.

- (b) Any failure by a Depository Participant to comply with such direction of the CDS including any concealment of, or furnishing of false or inaccurate, information, documents or records, shall be deemed to be a breach of these Rules. Further, such failure may, *inter alia*, result in the CDS, at its sole discretion, imposing any immediate interim measures as referred to in Section 12.