

APPENDIX 8

**Investment Provider Name**

Liquidity Analysis

Date .....

(Expressed in U.S. dollars)

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**Calculation of the Expenditure Based Requirement**

The calculation is based on the financial results of the preceding fiscal year (e.g., an investment provider with a December fiscal year-end will use the December annual results to calculate quarterly requirements for the next fiscal year).

<b>Revenue</b> (comprised of the following):	<b>X</b>
i) Revenues derived from investment activities;	
ii) Interest and dividend revenue; and	
iii) Gains/(losses) on sale of investments.	
<b>Less:</b>	
<b>Costs of Revenue</b> (non-fixed or variable costs directly attributable to the generating of revenue (i.e., commissions or transaction fees)	<b>(X)</b>
<b>Net Revenue</b>	<b>X</b>
<b>Less Net Profit (or Add Net Loss)</b> on ordinary activities before appropriations (Examples of appropriation include dividends, discretionary profit-sharing plans)	<b>(X)</b>
<b>Annual Expenditure</b>	<b>X</b>

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**Expenditure Based Requirement** (to be prorated if not for 12 months) calculated as:

Annual Expenditure X (1/4 or 1/12 as appropriate, refer to [Investment Business \(Prudential Standards\) \(Standard Licences, Test Licences and Class A Registered Persons\) \(Capital, Net Assets and Liquidity\) Rules 2022 \(bermudalaws.bm\)](#) (SR Rules)

**Liquidity Measure**

<b>Liquid Assets</b> (pursuant to the SR Rules)	<b>X</b>
<b>Expenditure Based Requirement</b> as calculated above	<b>(X)</b>
Surplus/(Shortfall) of Liquid Assets	<b>X</b>

**Note: Pursuant to section 9 of the SR Rules**, the Authority is to be notified where an investment provider breaches or expects to breach the liquidity requirement.