

Securities and Exchange Commission (Over-the-Counter) Rules, 2001



বাংলাদেশ
গেজেট
অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, জানুয়ারী ০৩, ২০০২

[৮ম খন্ড-- বেসরকারী ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ]

SECURITIES AND EXCHANGE COMMISSION (OVER-THE-COUNTER) RULES, 2001

NOTIFICATION

Dated the 12th December, 2001

No. SEC/CMRRCD/2001-16/31/Admin.-03/04-In exercise of the power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission makes, with prior publication, the following Rules, namely:-

1. Short title.- (1) These rules may be called the Securities and Exchange Commission (Over-the-Counter) Rules, 2001.

¹[(2) These Rules shall be applicable for the unlisted and delisted or listed securities deemed to have been delisted by the order of Securities and Exchange Commission and shall come into force with immediate effect.]

¹. Inserted by Notification No. SEC/CMRRCD/2001-16/33/Admin/03-42 dated Dhaka, the 6th April 2010, Published in the Bangladesh Gazette on May 10, 2010.

2. Definitions.- (1) In these rules, unless the context otherwise requires,-

- (a) “Commission” means the Securities and Exchange Commission (or in short ‘SEC’) established by সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন);
- (b) “delisted security” means a listed security subsequently delisted for any reason whatsoever;
- (c) “exchange” means a stock exchange established under the Securities and Exchange Ordinance, 1969 (XVII of 1969);
- (d) “listed security” means a security listed with any exchange under its listing regulations;
- (e) “over-the-counter” (or in short ‘OTC’) means the facilities provided by an exchange for the purpose of buying or selling of unlisted or delisted securities under these rules;
- (f) “prescribed” means prescribed under these rules with prior approval of the Commission;
- (g) “stock-dealer/stock-broker” means a stock-dealer or stock-broker of an exchange who is registered with the Securities and Exchange Commission under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;
- ¹[(h) “unlisted security” means a security issued or to be issued by a company, but not listed with any stock exchange under the listing regulations.]

- (2) Words and expressions used herein and not defined, but defined in the Securities and Exchange Ordinance, 1969 (XVII of 1969), সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), the Rules and Regulations made under the said Ordinance and আইন, and the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) shall have the same meanings respectively assigned to them in the said Ordinance, আইন, Rules and Regulations.

¹ Replaced by Notification No. SEC/CMRRCD/2001-16/44/Admin/03-46 dated June 16, 2010, Published in the Bangladesh Gazette on July 15, 2010.

3. Application for availing OTC facilities.- (1) The issuer of an unlisted or delisted security shall apply to the exchange, as designated by the Commission, through a stock-dealer/stock-broker in the form prescribed by the exchange for availing the OTC facilities for buying or selling of such security on payment of prescribed fee, etc. to the exchange.

(2) The companies who have not offered securities for public subscription but have issued securities with the consent of, or deemed to have obtained consent from, the Commission shall be eligible for availing OTC facilities subject to the following conditions:-

¹[(a) the paid-up capital of the companies shall be at least taka 5 (five) crore;]

(b) they are regular in holding annual general meetings; and

(c) there are no accumulated losses.

(3) ²[The Exchange shall also provide OTC facilities to any issuer of security as directed by the Commission.]

4. Discontinuation, haltage, suspension, etc. of OTC facilities.- (1) The exchange shall discontinue the OTC facilities for any security at OTC with effect from the date of listing or relisting of the concerned security with any exchange; or at the request of the issuer company concerned - if there remains no public shareholder other than the sponsor-shareholders in the company.

(2) The exchange, or the Commission, as the case may be, may discontinue, halt or suspend any time, the buy or sale of any security at OTC, if it is deemed to be proper in the interest of the investors and the capital market, after giving an opportunity of being heard to the issuer company concerned.

¹. Inserted by Notification No. SEC/CMRRCD/2001-16/33/ Admin/ 03-42 dated Dhaka, the 6th April 2010, Published in the Bangladesh Gazette on May 10, 2010.

². Inserted by Notification No. SEC/CMRRCD/2001-16/33/ Admin/ 03-42 dated Dhaka, the 6th April 2010, Published in the Bangladesh Gazette on May 10, 2010.

5. Buy or sale of securities at OTC.-(1) Buy or sale of securities at OTC shall be conducted by or through a stock-dealer/stock-broker of an exchange.

(2) The exchange shall prominently display the following in front of its designated counter, or in its computerized system, as the case may be, on each working day:

(a) A full list of the securities available at OTC;

(b) Quantity of each security available for sale and the unit price offered by the seller for disposal along with the last traded unit price thereof, if applicable.

(3) ¹[(a) The selling stock dealer/stock broker shall deposit the securities with the Exchange at the time of placing the sale order mentioning details of such securities, including the selling price, duration of the order, commission and charges separately.

(b) The buying stock dealer/stock broker shall make full payment to the Exchange through bank cheque/pay order/demand draft including the commission or charges at the time of placing buy order of the securities. The buy order shall include the details of such securities, buying price and duration of the order.]

6. ²[Payment and delivery by the Exchange in case of paper securities.]-(1) The exchange shall receive, in advance, the securities at OTC from the selling stock-dealer/stock-broker against issuance of an official receipt to him mentioning details of such security, including the selling price, commission or charges separately, for subsequent payment to the selling stock-dealer/stock-broker after sale of the concerned securities by the exchange.

(2) The buying stock-dealer/stock-broker shall make full payment, including the commission or charges, to the exchange through

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bank pay order/demand draft ¹[/cheque/cash deposit with the designated bank account of the Exchange] on the day of buy of securities at OTC.

- (3) The exchange shall deliver the concerned securities to the buying stock-dealer/stock-broker on the working day following the day of crediting the amount of the pay order/demand draft ²[/cheque/cash deposit with the designated bank account of the Exchange] in the exchange's bank account maintained for the purpose.
- (4) The buying stock-dealer/stock-broker shall, within three working days of taking delivery of the concerned securities from the exchange, deposit the securities with the issuer company for registering the securities in his name, or in the name of his customer, as the case may be, and submit a copy of the deposit receipt thereof issued by the issuer company to the exchange within the next two working days of issuance of such receipt.
- (5) The issuer company shall effect necessary transfer of the deposited securities in the applicant's name and keep ready for delivery of the securities to the depositor within five working days of its receiving the securities under intimation in writing simultaneously to the exchange, the stock-dealer/stock-broker and the applicant concerned.
- (6) The exchange shall make payment of the due amount to the selling stock-dealer/stock-broker by cheque on the first working day following the receipt of confirmation of transfer of shares from the issuer company after the sale unless written objection, if any, along with the acceptable evidence, is received by the exchange either from the buying stock-dealer/stock-broker or the issuer company about any defect in the concerned securities.
- (7) The selling stock-dealer/stock-broker of the defective securities shall be liable to make good the losses, if any, sustained by the buyer in this respect, as determined by the exchange, along with the interest calculated at 1.5% per month on the value of trade and the

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² Inserted by Notification No. SEC/CMRRCD/2001-16/33/ Admin/ 03-42 dated Dhaka, the 6th April 2010, published in the Bangladesh Gazette on May 10, 2010

exchange's commission or charges, within seven working days of serving a written notice by the exchange upon the selling stock-dealer/stock-broker concerned, failure of which the selling stock-dealer/stock-broker concerned shall be barred from any trading activities in the exchange under simultaneous intimation to the Commission.

¹[6A. Payment and Delivery by the Exchange in case of dematerialized securities.

- (1) The selling stock-dealer/stock broker shall send the securities at OTC Exchange DP through selling DP clearing account from the selling customer's BO account, in advance, against issuance of an official receipt to the said seller mentioning details of such security, including the selling price, commission, or charges separately, for subsequent payment to the selling stock-dealer/stock broker after sale of the concerned securities by the Exchange.
- (2) The buying stock-dealer/stock broker shall make full payment, including the commission or charges, to the Exchange through bank pay order/demand draft/cheque /cash deposit with the designated bank account of the Exchange on the day of buy of securities at OTC.
- (3) The Exchange shall deliver the concerned securities to the buying stock-dealer/stock broker's clearing account on the working day following the day of crediting the amount of the bank pay order/demand draft/cheque/cash in the Exchange's bank account maintained for the purpose.
- (4) The buying stock-dealer/stock broker shall, within one working day of taking delivery of the concerned securities from the Exchange, deliver the securities to the buyer's BO account under intimation to the Exchange.

¹ Inserted by Notification No. SEC/CMRRCD/2001-16/33/ Admin/ 03-42 dated Dhaka, the 6th April 2010, published in the Bangladesh Gazette on May 10, 2010

(5) The Exchange shall make payment of the due amount to the selling stock-dealer/stock broker by cheque on the first working day following the date of transfer of shares from the buying stock-dealer/stock broker's clearing account to the BO account of the buyer.]

7. **Submission of reports, etc.-** All rules, regulations, orders and directives issued in respect of reports, periodicals, price sensitive information, etc. by the Commission and the exchange shall also be applicable for the security issuer companies at OTC.
8. **Modus operandi for OTC.-** The exchange may, with prior written approval of the Commission, prescribe, from time to time, the modus operandi for OTC.
9. **Penalty for contravention.-** Without prejudice to other penal measures available under any law, contravention of any provision of these rules shall attract penal provisions under the Securities and Exchange Ordinance, 1969.

By order of the Securities and Exchange Commission

MANIR UDDIN AHMAD
Chairman.