

SEC/Enforcement/354/2005/
May 10, 2006

By Special Messenger

ARC Securities Limited(Stock-broker)
(DSE Member No. 100)
Room # 513, DSE Annex Building (4th Floor)
9/E Motijheel C/A, Dhaka-1000

Attention: The Managing Director

Sub: Non Compliance with securities related laws: Warning

This refers to Commission's show cause cum hearing notice No. SEC/Enforcement/354/2005/28 dated January 8, 2000 and the hearing conducted on January 26, 2006.

Pursuant to the enquiry report vide Commission's Order No. SEC/Surveillance/2003-029/048 dated 21st May 2005 it is revealed that the stock broker has contravened the following provisions of securities laws:

1. Maintaining two separate bank accounts instead of a consolidated bank account ARC Securities Limited (rule 8A of the Securities and Exchange Rules, 1987).
2. “ওক ওয়জি বি, ওক তেইকবি ই অভগ্বি জ চিইনবিা† ই আপিই নৈা 1, 2(2), 6 Ges 7 as enumerated in the Second Schedule of িনিকডিই িই R I G. †পাঁ কুগকব (ওক ওয়জি বি, ওক তেইকবি ই অভগ্বি জ চিইনবিা) িইগজি ব, 2000 and নৈা 11 of said িইগজি ব।
3. Rule 4 (1) of Securities and Exchange Rules, 1987.

The dealer was requested to explain the alleged contraventions and also provided an opportunity of being heard by the Commission by the above show cause cum hearing notice.

Mr. Abdur Rahman, Managing Director of ARC Securities Limited.appeared at the hearing and submitted a written explanation vide letter dated January 26, 2006, mentioning, among others, that they maintained two bank accounts to facilitate the business and that, due to unintentional mistake in some cases, order had been made beyond the buy sale touch line.

The Commission, after considering the submissions made by the broker, has decided to dispose of the proceedings against it by placing on record the Commission's dissatisfaction with the stated defaults committed by the broker, with a warning to ensure full compliance of the securities related laws in future.

Please note that this does not absolve you from lawful responsibilities/obligations to any person, if affected by your aforesaid defaults.

For the Securities and Exchange Commission

(Mansur Alam)
Executive Director

Copy to:

Chief Executive Officer, Dhaka Stock Exchange Ltd., 9/F Motijheel C/A, Dhaka

Executive Director (R&D), SEC

Executive Director (Registration), SEC

Director (MIS), SEC

Chairman's Office, SEC