SEC/Enforcement/387/2005/546 May 28, 2006

CMSL Securities Ltd.

Depository Participant (DP No. 35)

DSE Member No.113, CSE Member No.61

28 Dilkusha (7th Floor)

Dhaka-1000

Attention: Chief Executive Officer

Subject: Non-compliance of securities laws - WARNING

It is appeared from the copy of letter of Central Depository Bangladesh Limited dated September

28, 2005, addressed to the Chairman of CMSL Securities Ltd. (DP), that the DP's Clearing

Account had a balance of 5 shares of United Commercial Bank Ltd. on September 25, 2005, i.e.

on record date, which means the DP did not make timely payout into DP's clients' account

depriving the client the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by aviv 14 of WWCmRUwi AvBb, 1999, has issued a

directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004, to all concerned to ensure, among

others, to the effect "P) † i KWetWtU † Kvb WcwRUwi AskMhbKvi x wKqwi s wnmvte (Clearing Account) D3

†Kv¤úvbxi †Kvb wmwKDwiwU ivL‡Z cvi‡eb bvÓ.

It is appeared that CMSL Securities Ltd. (DP) has violated the above directive of the

Commission.

The Depository Participant's aforementioned non-compliance/violation appeared to be deliberate

attracting penal provision of aviv 14(2) of the WCwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/387/2005/423 dated April 16, 2006 was

issued to the DP under said aviv 14(2) of the WCWRUwi AvBb, 1999 to appear for hearing for above

said non-compliance/violation, along with written explanation. The hearing was conducted on

May 7, 2006.

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The DP in a written statement dated May 7, 2006 submitted at the time of hearing has mentioned

that it had not paid out 5 United Commercial Bank Ltd.'s shares from its Clearing Account due to

mistake. The DP has further mentioned that it has already paid out the concerned shares,

including the benefits to the client concerned.

The Commission, considering the admission of default, paying out the concerned shares along

with the benefits to the client and assurance for future compliance with the securities laws, has

decided to dispose of the proceedings against the DP by placing on record the Commission's

dissatisfaction on the defaults/violation made by it, with a warning to ensure compliance of all

securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations

to any person, if affected as a result of your above said defaults.

For Securities and Exchange Commission

Mansur Alam

Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.

Chief Executive Officer, Central Depository Bangladesh Limited

Executive Director (R&D), SEC

Executive Director (CDS), SEC

Executive Director (Registration), SEC

Director (MIS), SEC

Chairman's Office, SEC