

SEC/Enforcement/383/2005/548
May 28, 2006

ZATL Securities Limited
Stock Broker
CSE Member No.45
Laldhighirpar
Newmarket
Sylhet

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 August 22, 2005 addressed to Mr. Jamil Akter Choudhury, Incharge, Sylhet office of Chittagong Stock Exchange Limited (DP) that Clearing Accounts of ZATL Securities Limited (CSE Stock Broker) had balance of 66 shares of Square Pharmaceuticals Limited on August 21, 2005, i.e. on record date, which means ZATL Securities Limited did not make timely payout to its clients' account depriving the clients concerned the benefits arising from the corporate action of the issuer.

The Commission's Directive No. GmBm/wmWGm/2:22/99/87 Zwi Lt 08 btf=†, 2005Bs, issued under avi v 14 of w/cwRUwi AvBb, 1999 (1999 m†bi 6bs AvBb), reads as under:

Óti KW†W†U †Kvb te†Kvi ev wWj vi wKqwi s wnmv†e (Clearing Account) ms†kó †Kv=úvbx† †Kvb wmwKDWi wJ i vL†Z cvi †eb bv|Ó

It is appeared that by doing so, ZATL Securities Limited has violated the above directive of the Commission.

The Stock Broker's aforementioned non-compliance/violation appeared deliberate attracting penal provision of avi v 14(2) of the w/cwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/383/2005/460 dated April 27, 2006 was issued to the Stock Broker under said avi v 14(2) of the w/cwRUwi AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation. The hearing was conducted on May 4, 2006.

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The Stock Broker in a written statement dated May 3, 2006 submitted at the time of hearing has mentioned that it had not paid out 66 Square Pharmaceuticals Limited's shares from its Clearing Account due to mistake. The Stock Broker has further mentioned that it has already paid out the concerned shares, including the benefit to the client concerned.

The Commission, considering your admission of default, paying out the concerned shares to the client and assurance of future compliance with the securities laws, has decided to dispose of the proceedings against the Stock Broker 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, 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