

**SEC/Enforcement/383/2005/549**  
**May 28, 2006**

ICB Securities Trading Co. Ltd.  
Depository Participant (DP No. 15)  
Chamber Building, Jail Road  
Sylhet.

**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. Habibur Rahman, Principal Officer of ICB Securities Trading Co. Ltd. (DP), that the DP's Clearing Account had a balance of 5 shares of Square Pharmaceuticals Limited on August 21, 2005, i.e. on record date, which means the DP did not make timely payout into DP's clients' account depriving the clients the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by *art 14 of the Securities and Exchange Act, 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) *ti KW®†W†U †Kvb Wc†RU†i AskM†h†K†v†x W†K†q†w†i s w†n†m††e (Clearing Account) D³ †K†v†ú†v†b†x†i †K†v†b†w†m††K†D†w†i†U†i†v†L††Z†c†v††e†b†v†ó.*

It is appeared that ICB Securities Trading Co. 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 *art 14(2)* of the *Securities and Exchange Act, 1999*.

A show-cause-cum hearing notice No.SEC/Enforcement/383/2005/434 dated April 17, 2006 was issued to the DP under said *art 14(2)* of the *Securities and Exchange Act, 1999* to appear for hearing for above said non-compliance/violation, along with written explanation. The hearing was conducted on May 4, 2006.

The DP in a written statement dated May 3, 2006 submitted at the time of hearing has mentioned, among others, that due to technical problem in computer the said shares were remain in the Clearing Account on record date. They also mentioned that the shares had already been transferred to the client's account and the benefit which had occurred in the Clearing Account had already been transferred to the Client's Account.

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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/contraventions 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