

SEC/Enforcement/383/2005/555
May 28, 2006

Gateway Equity Resources Ltd.
Depository Participant (DP No. 104)
Room No.215, DSE Building
9F Motijheel C/A
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 August 22, 2005, addressed to Mr. Rezaul Karim, Managing Director of Gateway Equity Resources 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 *avi v 14 of WcRUi 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) ti KW®tWtU tKvb WcRUi AskMhbKvix Wqwi s wmwte (Clearing Account) D³ tKvúvbi tKvb wmwKDwi wU ivLtz cvi teb bvÓ.

It is appeared that Gateway Equity Resources 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 *avi v 14(2) of the WcRUi AvBb, 1999*.

A show-cause-cum hearing notice No.SEC/Enforcement/383/2005/440 dated April 17, 2006 was issued to the DP under said *avi v 14(2) of the WcRUi AvBb, 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 4, 2006 submitted at the time of hearing has mentioned that it had not paid out 5 Square Pharmaceuticals Limited'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 benefit to the client concerned.

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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/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, Central Depository Bangladesh Limited
Executive Director (R&D), SEC
Executive Director (CDS), SEC
Executive Director (Registration), SEC
Director (MIS), SEC
Chairman's Office, SEC