

Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
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বিএসইসি/এনফোর্সমেন্ট/৩৫২৭/২০২৩/১১৪৭
তারিখ: ডিসেম্বর ২৯, ২০২৪

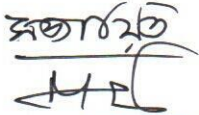
ANW Securities Ltd. (DSE TREC Holder No# 240) Nassa Heights (12th Floor),
Plot # 47, Gulshan Avenue, Circle # 01, Dhaka-1212.

বিষয়: আদেশ।

কমিশনের আদেশ নং- বিএসইসি/এনফোর্সমেন্ট/৩৫২৭/২০২৩/১১৪৬ তারিখ: ডিসেম্বর ২৯, ২০২৪ এর সত্যায়িত
অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

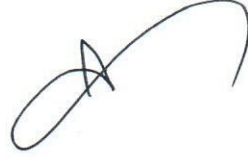
বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,


৩১.১২.২০২৪
মোঃ মাহমুদুল হাসান
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- mahmudulhasan@sec.gov.bd


৩১.১২.২০২৪
মোঃ মাহমুদুল হাসান
সহকারী পরিচালক
বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

অবগতির জন্য অনুলিপি:

- ০১। পি এস টু চেয়ারম্যান (বিএসইসি),
- ০২। পিও টু কমিশনারবৃন্দ (বিএসইসি),
- ০৩। নির্বাহী পরিচালক, এসএমএমআইডি, বিএসইসি,
- ০৪। নির্বাহী পরিচালক, আইসিটি, বিএসইসি।



Bangladesh Securities and Exchange Commission
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Enforcement Department
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নং-বিএসইসি/এনফোর্সমেন্ট/৩৫২৭/২০২৩/১১৪৬
 তারিখঃ ডিসেম্বর ২৯, ২০২৪

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 এর Section 2 (cc) মোতাবেক কমিশন অর্থ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩-এর অধীনে গঠিত;

যেহেতু, BSEC Instruction No.: BSEC/Enforcement/3527/2023/470 dated 15th May 2024 এবং DSE letter No.: DSE/MCD/Ins/T-240/HO/2024/251 dated July 04, 2024 অনুযায়ী ঢাকা স্টক এক্সচেঞ্জ পিএলসি জুলাই ০৪, ২০২৪ তারিখে ANW Securities Limited এ একটি পরিদর্শন কার্যক্রম সম্পাদন করে এবং কমিশনে এ সংক্রান্ত একটি প্রতিবেদন দাখিল করে; পরিদর্শন প্রতিবেদন থেকে অন্যান্যের মধ্যে নিম্নলিখিত বিষয়গুলি উপস্থাপিত হয়:

1. Client's payable position of the company as on 15th May 2024:

Sl	Particulars	Amount (BDT)	Amount (BDT)	Remarks
A	Payable to clients			
B	Source of Fund:		12,519,398.00	As per client ledger balance
1	Bank Balance of all Consolidated Customers' Account(s)	24,993,395.59		As per bank statement
2	Add: Cash in hand (if any)	0.00		As per clients' cash book
3	Add: Receivables from DSE	923,005.00		As-per CNS Report (Outstanding Balance Report)
4	Add: Receivables from CSE (if any)	0.00		
5	Add: Cheque in transit (Received)	6,686,850.00		Cheque received from clients and credited to bank book but not credited in Consolidated Customer's Account as on date
6	Less: Cheque in transit (Issued)	0.00		Cheque issued to clients and debited to bank book but not debited from Consolidated Customer's Account as on date.
7	Less: Payables to DSE	6,842,360.00		As per CNS Report (Outstanding Balance Report)
8	Less: Payables to CSE (if any)	0.00		
9	Less: Payable to CDBL	0.00		BO Accounts' maintenance fees debited from clients' payable but not debited from CCA and/or not paid to CDBL
10	Less: Interest Payables (if any)	13,877,425.03		With deduction of Tax and Excise duty
11	Less: Other Payables (if any)	0.00		
Net Source of Fund: (1 to 11)		11,883,465.56		
Clients' Payable Status: (B-A)			-635,932.44	Deficit

When the inspection team asked about the reason of the deficit, the company said through a letter that due to a mismatch in calculation of interest payable to customer, this deficit occurred.

Whereas as per Rule 6(1) of the Securities and Exchange Rules, 2020, "Every stock broker shall open only one consolidated customers' account in its name with any scheduled bank with intimation to the exchange(s) and the aforesaid account shall be maintained only for the deposit of the money received from and for, and payment of money to and for, the customers..."





Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section

www.sec.gov.bd

And as per Rule 6(5) of the Securities and Exchange Rules, 2020, "-----Provided further that if there is any shortage or deficit in the consolidated customers' account(s) at any time for any reason, the stock broker shall immediately report the matter to the concerned exchange(s).";

And as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর ধারা ১১, "প্রত্যেক স্টক ডিলার, স্টক ব্রোকার এবং অনুমোদিত প্রতিনিধি সর্বোচ্চ সততা ও বিশ্বস্ততার সহিত তাহার কাজকর্ম পরিচালনা করিবেন এবং আইন, অধ্যাদেশ, এই বিধিমালা এবং দ্বিতীয় তফসিলে বিধৃত আচরণ বিধিসহ নিবন্ধন সনদের সকল শর্তাবলী যথাযথভাবে পালন করিবেন।

And as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর দ্বিতীয় তফসিল এর আচরণ বিধি ১ "প্রত্যেক স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিকে তাহার ব্যবসা ও এতদসংক্রান্ত কার্যাদি পরিচালনার ক্ষেত্রে সুনাম, দক্ষতা, বিশ্বস্ততা ও সততা বজায় রাখিতে হইবে।"

Violations:

From the above, it is found that the company violated:

- Rule 6 (1) and 6(5) of the Securities and Exchange Rules, 2020;
- সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ১১;
- সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর দ্বিতীয় তফসিল এর আচরণ বিধি ১

by not maintaining sufficient fund of customers' in the Consolidated Customers' Account of the Company.

However, Dhaka Stock Exchange Limited did not impose any conditions as it had surplus balance on some later dates, summary of which is given below:

Date	Payable to Clients (BDT)	Net Sources of Fund (BDT)	CCA Balance (BDT)
25 June 2024	3,844,929.11	4,068,716.43	223,787.32
02 July 2024	4,082,921.41	4,609,221.01	526,299.60

2. Transfer of fund from CCA to Dealer Account

After scrutinizing bank statements and other necessary documents, the inspection team verified the matter that ANW Securities Limited transferred Tk. 2,100,000.00 to their dealer account on 07th July 2021 and again returned the fund to CCA on 28th July 2021 from their dealer account.

However, the reason for these transactions explained by the company didn't seem convincing to the inspection team, they stated that their own fund was in CCA as they used to provide margin facilities to clients then. They kept the fund in CCA due to margin purpose. They transferred their own fund to dealer's account for dealer's transaction and after that they returned the fund to CCA again. However, the company were not able to provide any board resolution or any other written document against this transaction.

The inspection team reconciled their consolidated customers account and found surplus. It had surplus balance of 113,250,469.94 as on 07th July 2021 and 109,933,903.43 as on 25th July 2021. It appears to the inspection team, though they had surplus in CCA account on that date they couldn't make this transaction. Also commission income amount against securities trading needed to be transferred from the CCBA to the General Account of company, not to the Dealer Account directly.

Whereas as per the Rule 6(1) of the Securities and Exchange Rules, 2020, "Every stock broker shall open only one consolidated customers' account in its name with any scheduled bank with intimation to the exchange(s) and the aforesaid account shall be maintained only for the deposit of the money received from and for, and payment of money to and for, the customers."

It appeared that the company violated:

- Rule 6(1) of the Securities and Exchange Rules, 2020;

by transferring fund from Consolidated Customers' Accounts to Dealer's Account.

3. Maintenance of buy-sale order

The inspection team scrutinized buy-sale orders of 27th June 2024 and 30th June 2024 and verified with dealer execution report. They found that few transactions were not recorded in buy sale order forms which were in the dealer execution report of that date. Transactions of clients that the inspection team didn't find in buy sale orders are mentioned below.





386

Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
www.sec.gov.bd

SL No.	Date of Transaction	Client ID
1	27 June 2024	1405
		1542
		1556
		162
		1633
		394
2	30 June 2024	1364
		1446
		159
		162
		1633

Whereas as per the Rule 3(1) of the Securities and Exchange Rules, 2020, "Stock broker shall receive all orders in writing or by Fax or E-mail or any other mode as specified by the Commission from time to time; and shall be numbered and time-stamped at the time of receipt thereof and entered in the chronological order in a register which states the name and address of the persons who placed the order, the name and number of the securities to be bought or sold, the nature of the transaction and the limit, if any, as to the price of the securities or the period for which the order is to be valid:"

It appeared that the company violated:

- Rule 3(1) of the Securities and Exchange Rules, 2020;
by not maintaining buy-sale orders accordingly.

4. Non-disbursement of the interest of Consolidated Customers' Accounts to Clients

As per the calculation of Inspection team, total interest to be disbursed for the company is BDT 13,877,425.03 till date. According to BSEC Letter No. BSEC/SMMID/Policy/2021/343 dated 20th August 2023 the Commission has extended the deadline to disburse interest up to 31st December 2023.

Whereas as per the Rule 6(1) of the Securities and Exchange Rules, 2020, "Provided further that interest earned from bank accounts opened for consolidated customers' account shall not be accounted for as the income of the stock broker or stock dealer concerned and such net interest income after adjusting bank charges, if any, shall be distributed to the customers proportionately, and if there left any undistributed interest income that shall be transferred to the Investors' Protection Fund of the exchange(s), within 30(thirty) days of end of each financial year."

It appeared that the company violated:

- Rule 6(1) of the Securities and Exchange Rules, 2020;
by not disbursing the interest of Consolidated Customers' Accounts.

5. Margin Loan to Cash Clients

The company informed the Inspection Team that they don't have any margin agreement with any clients which means all clients are cash client. After randomly scrutinizing relevant documents, it was found that some cash clients' had negative balances in their ledgers. Therefore, it is assumed that the Company provided credit facilities to their cash clients without margin agreement, some of which are shown below:





Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
www.sec.gov.bd

Client Codes	Clients' Name	Date	Day-end Balance (BDT)	Remarks
159	DR. A.N.M. ILIAS	7-Nov-23	-21,553.16	Cash Client
		20-Nov-23	-1,843.48	
		21-Nov-23	-4,142.64	
		22-Nov-23	-15,789.04	
		30-Nov-23	-36,958.66	
		14-Dec-23	-13,369.39	
		17-Apr-24	-42,930.50	
		18-Apr-24	-102,412.61	
44	MD. AKTAR HOSSAIN	8-May-24	-6,782.98	
		18-Mar-24	-4,094.42	
		24-Apr-24	-30,268.07	
124	RAZAUL KABEER	15-May-24	-145,801.80	
		14-May-24	-399,476.79	

Whereas, as per the Rule 3(1) of Margin Rules, 1999, "A member may extend credit facilities to his approved client for securities transactions subject to the margin account requirements of these rules.";

As per the Rule 3(2) of Margin Rules, 1999 "Margin account arrangements must be evidenced in the form of a written agreement executed between the member and the client."

And as per the Section 16(a) of the Securities and Exchange Ordinance, 1969, "No member or associate shall, in contravention of any rules made under this Ordinance, directly or indirectly, (a) extend or maintain credit, or arrange for the extension or maintenance of credit, to or for any person for the purpose of purchasing or carrying any security;"

It appeared that the company violated:

- Rule 3(1) of Margin Rules, 1999;
- Rule 3(2) of Margin Rules, 1999.
- Section 16(a) of the Securities and Exchange Ordinance, 1969;

by providing credit facilities to the aforesaid clients in their cash accounts without having margin agreement.

যেহেতু, উপর্যুক্ত আলোচ্য বিষয়ে আইন ভঙ্গের কারণে কমিশন এর এনফোর্সমেন্ট বিভাগ কর্তৃক অক্টোবর ২৩, ২০২৪ তারিখ বিএসইসি/এনফোর্সমেন্ট/৩৫২৭/২০২৩/৮২৫ স্মারকমূলে ANW Securities Limited কে- নভেম্বর ০৪, ২০২৪ তারিখে কারণ প্রদর্শন সহ শুনানীতে উপস্থিত হতে বলা হয়। শুনানীতে উপস্থিত হয়ে কোম্পানি এবং সংশ্লিষ্ট কর্মচারীদের পক্ষে Mr. Abul Kalam Azad (Assistant Manager of ANW Securities Ltd.) and Mr. Sydur Rahman Khan (Senior Executive of ANW Securities Ltd.) অক্টোবর ৩০, ২০২৪ তারিখের পত্রের মাধ্যমে নিম্নলিখিত বক্তব্য দাখিল করেন;

"With reference to your letter no BSEC/ Enforcement /3527/2023/825 dated 23 October 2024, we would like to provide our reply of show cause cum hearing notice as under:

01. Client's payable position of the company as on 15 May 2024

We would like to inform you that our consolidates customer's account Client's payable status balance is surplus but Dhaka Stock Exchange calculation of Client's payable status negative balance. Mismatch balance region of CCA interest calculation, DSE interest calculation date on 25th February 2021 and our calculation date on 1 July 2021. In this case our calculation sheet is enclosed, where we calculated the payable status is surplus Tk. 19,06,699.20.

02. Transfer of fund form CCA to Dealer Account

The balance of Tk.84,08,80,519.08 was supposed to be available in the bank on account of customer's name (sheet attached), but there was balance in the customer's account Tk.95,53,30967.75 (Account statements are enclosed). From the above facts, it reveals that there was excess balance of Tk. 7,61.47,051.17 which were from our income and loan from other sources. We may also mention here that from the account we have made the transaction for Tk.21,00,000/- through cheque on 07.07.2021 and also adjusted the same amount on 28.07.2021 (IFIC Bank statement is enclosed). Except this we never did such transaction earlier and we are very cautious and careful not to do such transaction in future.

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Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
www.sec.gov.bd

03. Maintenance of buy-sell order.

On 27 June 2024 & 30 June 2024 all clients buy & sell orders are in record, but few clients transactions were not recorded in buy & sell order because there are transactions by phone call and DSE mobile apps, Telephone call code are: 1405,1542,1556,1633,394 DSE mobile apps sell & buy code: 159 162,1364. (Record copies are enclosed)

04. Non-Disbursement of the interest of consolidate customer's Accounts to Clients

We could not disburse the interest to the clients, but the amount is kept for future disbursement upon updating our back-office software, which till now is under process.

05. Margin Loan to Cash Clients.

We don't provide any credit facilities to any client without margin agreement. But sometimes it was happened at the last moment of Trading period and for reluctances of our Authorized Representatives. We will be more careful so that such a contravention will never be happened. We already adjusted their all-debit balance and they are committed, they will never do this again. Enclosed herewith the ledger copy as ready reference.

We, therefore, request you to consider our above explanations on the contraventions mentioned in your letter. In this connection we assure you that we shall be very vigilant and cautious in future, so that we may avoid all types of mistakes and do the business complying all terms and condition of BSEC and other regulatory authorities. We apologize unreservedly for the above mistake. Your best co-operation is always appreciated."

যেহেতু, ANW Securities Limited -এর উপর্যুক্ত বক্তব্য থেকে প্রতীয়মান হয় যে, উপস্থাপিত অভিযোগসমূহ সঠিক সেহেতু এক্ষেত্রে ANW Securities Limited -এর ব্যাখ্যা কমিশনের নিকট গ্রহণযোগ্য হিসেবে বিবেচিত হয়নি;

যেহেতু, ANW Securities Limited -এর উপর্যুক্ত কর্মকান্ডের ফলে Rule 6 (1) and 6(5) of the Securities and Exchange Rules, 2020, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ১১, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর দ্বিতীয় তফসিল এর আচরণ বিধি ১, Rule 3(1) of the Securities and Exchange Rules, 2020, Rule 3(1) of Margin Rules, 1999, Rule 3(2) of Margin Rules, 1999, Section 16(a) of the Securities and Exchange Ordinance, 1969 লঙ্ঘিত হয়েছে;

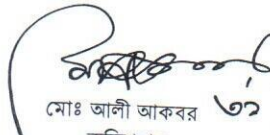
যেহেতু, ANW Securities Limited -এর উপর্যুক্ত কর্মকান্ড Securities and Exchange Ordinance, 1969 এর Section 22 এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ এর ধারা ১৮ অনুযায়ী শাস্তিযোগ্য অপরাধ;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন ও বিধি-বিধান পরিপালনে আলোচ্য ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে আলোচ্য ANW Securities Limited -কে অর্থদণ্ডে দণ্ডিত করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর Section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত]; এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ এর ধারা-১৮ এ প্রদত্ত ক্ষমতাবলে-

ANW Securities Limited -কে ৫.০০ (পাঁচ) লক্ষ টাকা অর্থদণ্ডে দণ্ডিত করল যা অত্র আদেশের ৩০ (ত্রিশ) দিনের মধ্যে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে জমা প্রদান করতে হবে। অন্যথায় সিকিউরিটিজ আইন মোতাবেক পরবর্তী ব্যবস্থা গ্রহণ করা হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,


মোঃ আলী আকবর
কমিশনার
৩০/৬/২০২৪

বিতরণ:

ANW Securities Ltd.
(DSE TREC Holder No# 240)
Nassa Heights (12th Floor), Plot # 47,
Gulshan Avenue, Circle # 01, Dhaka-1212.

