

রেজিস্টার্ড নং ডি এ-১ “জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের
জন্মশতবার্ষিকী উদযাপন সফল হোক”

বাংলাদেশ



গেজেট



অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

সোমবার, ফেব্রুয়ারি ১৫, ২০২১

[বেসরকারি ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ]

BANGLADESH SECURITIES AND EXCHANGE COMMISSION
Securities Commission Bhaban
E-6/C Agargaon, Sher-e-Bangla Nagar
Administrative Area, Dhaka-1207, Bangladesh.

Directive

Dated, 31 December 2020

No. BSEC/CMRRCD/2001-80/19/Admin/116—Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as “the Commission”) made the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 which is already notified through Notification No.BSEC/CMRRCD/2017-357/221/Admin/89 dated 22 May 2019 and Gazette on May 29, 2019,

And whereas, as per provisions of sub-rule (3) of rule 1 of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019, the registered entities including stock brokers or stock dealers are required to comply with the provisions of the said rules along with existing provisions under different rules regarding capital adequacy, in parallel;

And whereas, in the interest of investors and the capital market, the Commission deems it appropriate to issue certain directions to the stock-dealers, stock-brokers and the exchange(s) regarding maintenance of net capital and capital adequacy requirements, in parallel, to the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019;

(৫৩১৭)

মূল্য : টাকা ৮.০০

Now, therefore, in exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby directs Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and all the stock brokers or stock dealers to maintain net capital balance and risk based capital adequacy in line with following manners, in parallel to the provisions of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 until or unless the Commission issues further order, namely:—

(1) Maintenance of net capital by a stock broker or stock dealer.—

- (a) Every stock broker or stock dealer of the exchange(s) shall at all times maintain a net capital balance in the capital account of an amount which is not less than Taka 100,000.00 (one hundred thousand).
- (b) The operation of a stock broker or stock dealer shall stand suspended as soon as the net capital balance falls short of the amount specified in sub-clause (a) and shall remain so suspended until the net capital balance is increased so as not to fall short of that amount.
- (c) Every stock broker or stock dealer shall report to the exchange(s) monthly within three working days after the end of the month at all times during the month to which the report relates, a net capital balance of an amount not less than that specified in sub-clause (a) and shall forthwith inform the exchange(s) if, at any time, such balance falls short of that amount.
- (d) The exchange(s) shall submit to the Commission within seven working days after the end of each month all reports received by it under sub-clause (c), together with a list of the stock broker or stock dealer who failed to report to it under the said sub-clause (c) showing the action, if any, taken against them by it under sub-clause (b).

(2) Risk based capital adequacy requirements:

- (a) A stock broker or stock dealer shall at all times maintain a net capital balance as required under sub-clause (a) of clause (1) for the purpose of its business and the aggregate indebtedness ratio between its net capital and aggregate liabilities shall, at no time, exceed the ratio of 1:20 (aggregate liabilities not exceeding twenty times of net capital balance).

- (b) If a stock broker or stock dealer fails to maintain the aggregate indebtedness ratio as specified in sub-clause (a) above, it shall forthwith cease to carry on its securities business, otherwise than for the purpose of giving effect to any agreement or arrangement entered into before such failure, and inform the exchange(s) and the Commission about such failure.
- (c) Where the exchange(s) become(s) aware of such failure, it shall suspend the trading of its stock broker or stock dealer till such time as the requirement of the direction is met under immediate intimation to the Commission.
- (d) The stock broker or stock dealer who has ceased to carry on its business under sub-clause (b) above may resume its business if it becomes capable to meet the requirement, provided the exchange is satisfied about that and permits it to do so under immediate intimation to the Commission.

Explanation: For the purpose of this directive,

- (A) **“Designated liabilities”** means—
 - (i) amount payable in the ordinary course of dealing in securities;
 - (ii) overdrafts and loans from banks;
 - (iii) accrued expenses;
 - (iv) tax payable; and
 - (v) all other liabilities that are regarded as liabilities under International Financial Reporting Standards (IFRS) which are payable within thirty days.
- (B) **“Liquid assets”** means the aggregate amount of the components of the current assets, which is realizable or liquidable within thirty (30) days of claim unless otherwise mentioned; which includes the following but not limited to:
 - (i) cash in hand or at bank;
 - (ii) cash surrender value of life insurance policy;
 - (iii) customers’ debit balances receivable within three days;

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- (iv) interest, dividend or commission receivable;
 - (v) clearing house deposits excluding the mandatory part of deposit;
 - (vi) amounts receivable in the ordinary course of business, but excluding amounts which are due to be settled against delivery of security and remain outstanding for more than five banking days;
 - (vii) investment in treasury bills, treasury bonds or certificates issued by the Government of Bangladesh ;
 - (viii) market value of investment in securities traded in an exchange;
 - (ix) market value of investment in mutual fund;
 - (x) market value of investment in collective investment scheme with a haircut of 15%;
 - (xi) Value of investment in securities not traded in the exchange with haircut of 30% of its face value; and
 - (xii) any other assets as may be decided by the Commission from time to time.
- (C) “**Net capital**” means liquid assets minus designated liabilities of a stock broker or stock dealer in relation to its trading in the exchange.
- (D) “**Aggregate liabilities**” means all liabilities, including the designated liabilities, as shown in the books of accounts of the stock broker or stock dealer.

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-UI-Islam
Chairman.