

# Bangladesh Securities and Exchange Commission

Law Division  
CMRRC Department  
Regulatory Section  
[www.sec.gov.bd](http://www.sec.gov.bd)

No. BSEC/CMRRC/2009-193/79

12 June 2024

## Directive

Whereas the Bangladesh Securities and Exchange Commission (hereinafter referred to as the "Commission") considers it to be appropriate that in order to increase the reliability, trustworthiness and transparency of the annual financial statements of stock-exchange, stock-broker & stock-dealer, clearing & settlement company, merchant banker, portfolio manager, asset manager, fund manager, custodian, credit rating company, mutual fund, alternative investment fund of the Commission, and for the development of the securities market as well as in the interest of investors, certain directions should be issued;

Now, therefore, in exercise of the powers conferred by section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby directs the stock-exchange, stock-broker & stock-dealer, clearing & settlement company, merchant banker, portfolio manager, asset manager, fund manager, custodian, credit rating company, mutual fund, alternative investment fund registered with the Commission (hereinafter referred to as "registered entity") to comply with the following, namely:

1. The financial statements of any registered entity except stock exchange, stock-broker or stock-dealer and alternative investment fund shall be audited by an audit firm of chartered accountants duly appointed from the panel of auditors as declared by the Commission from time to time:

Provided that the financial statements of any stock exchange shall be audited by appointing an audit firm of chartered accountants as per sub-rule (4) of rule 10 of the Securities and Exchange Rules, 2020:



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Provided further that the financial statements of any stock-broker or stock-dealer shall be audited by appointing an audit firm of chartered accountants as per sub-rule (2) rule 4 of the Securities and Exchange Rules, 2020:

Provided further that the financial statements of any alternative investment fund shall be audited by appointing an audit firm of chartered accountants as per sub-rule (15) of rule 6 of the Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015.

2. All registered entities shall submit the financial statements as per their respective governing Rules or within 90 days of end of the financial year, whichever comes later.
  
3. Where the Commission, on examination of the audited financial statements of any registered entity, finds that the audit has not been conducted or the audit report has not been prepared, in accordance with the provisions of respective Rules or this Directive; or

Where, in the opinion of the Commission, the audited financial statements do not reflect the true and fair view of the financial position as well as the financial performance of the audited entity and the financial statements are deficient in form or contents for which the concerned partnership firm of chartered accountants or its partners are jointly and separately liable;

The Commission may, by order in writing giving reasons therefor, declare the firm of chartered accountants, or the auditor who conducted the audit, ineligible for acting as an auditor of any registered entity of the Commission for a period not exceeding five years:

Provided that before making any such order, the Commission shall refer the matter to the Financial Reporting Council (hereinafter referred to as 'the Council') constituted under the Financial Reporting Act, 2015, with a request to take



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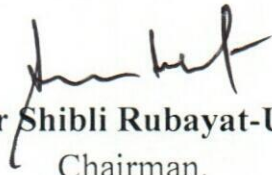
appropriate disciplinary action against the firm of chartered accountants and the partners concerned within a period of 60 (sixty) days from the date of such reference, and the Commission may make the said order after the expiry of the said period if no action is taken by the Council or if, in its opinion, action taken by the Council is not satisfactory:

Provided further that no such order shall be made without giving the firm of chartered accountants or auditor(s) concerned a reasonable opportunity of being heard.

4. No registered entity shall appoint any audit firm of chartered accountants as its statutory auditors for a consecutive period exceeding 03 (three) years.

This shall have immediate effect.

By Order of the Bangladesh Securities and Exchange Commission

  
**Professor Shibli Rubayat-Ul-Islam**  
Chairman.