

## Bangladesh Securities and Exchange Commission

### DIRECTIVE

Dated, 13 September 2021

No. BSEC/CMRRCD/2009-193/28- Whereas the Bangladesh Securities and Exchange Commission (hereinafter referred to as the ‘Commission’) deems it to be appropriate that in the interest of investors and development of securities market, certain directions should be issued to ensure effective governance of the trustee of any debt securities or islamic shari’ah based securities including Sukuk (hereinafter referred to as the ‘ISBS’);

Now, therefore, in exercise of the powers conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Commission hereby directs the trustee of any debt securities or ISBS (hereinafter referred to as the trustee) to comply with the following requirements in addition to requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, namely:-

#### 1. Professional team of a trustee.-

- (a) The trustee shall have sufficient manpower including a legal adviser:  
Provided that the trustee shall have a shari’ah adviser if it is a trustee for any islamic shari’ah based securities including Sukuk (ISBS).
- (b) The legal adviser shall have knowledge in corporate and securities law with at least five years’ experience in the relevant field;
- (c) The shari’ah adviser shall be a professional in islamic fiqh having at least five years’ experience in Fiqh-e-Muamalah or islamic finance;
- (d) No official of a trustee shall act as a compliance officer for more than 10(ten) debt securities or ISBS simultaneously;
- (e) The compliance officer (s) shall have at least five years’ experience in credit or investment management or issue management and legal documentation of long term credit or financing or investment or trustee operation; and
- (f) A compliance officer shall not be below the top five ranked or grade employee of the trustee.

#### 2. Exposure limit of a trustee.-

- (a) A company or entity shall not act as a trustee for managing more than 40 (forty) debt securities or ISBS simultaneously;

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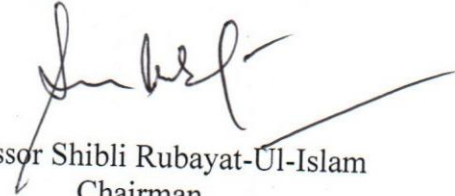
- (b) The trustee shall not maintain its total exposure to trusteeship of debt securities or ISBS exceeding 100 (hundred) times of its paid up capital or net-worth:

Provided that in case the net-worth of a trustee is less than its paid capital, ratio of total exposure to trusteeship shall not exceed 75 (seventy five) times of its net-worth;

- (c) Exposure limit of a trustee as mentioned in clause (a) and (b) above shall be applicable henceforth for the trustee who will get registration on issuance of this directive;
- (d) The trustee shall submit a statement of its total exposure to trusteeship of debt securities or ISBS **in Annexure-A** to the Commission at the time of application for further registration as a trustee.
3. No company or entity shall act as a trustee if its object clause of memorandum and articles does not expressly permit it to act as a trustee.
4. A company or entity shall submit the detailed features of the debt securities or ISBS which will be managed, draft trust deed and bio-data of the members or officials of the trustee team at the time of application for registration as a trustee.
5. The directors of the trustee shall not be bank defaulter.

This shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission

  
Professor Shibli Rubayat-Ul-Islam  
Chairman.



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### Annexure-A: Statement of trustee exposure

|  |  |
|--|--|
| Name of the applicant  |  |
| Year ended on  |  |
| Paid up capital of the applicant (as per last audited financial statements)  |  |
| Net worth of the applicant (as per last audited financial statements)  |  |
| Number of debt securities/ISBS for which are acting as a trustee (fully redemption should be excluded)   |  |
| Currently acting as a trustee of total amount in BDT   |  |
| Ratio of paid up capital to total trusteeship (in times)   |  |
| Ratio of net worth to total trusteeship (in times)   |  |
| Whether the legal adviser has knowledge in corporate and securities law with at least five years' experience in the relevant field (specify Yes/ No; if yes, attach supporting documents)                    |  |
| Whether the Shari'ah adviser (if any) is a professional in islamic fiqh having at least five years' experience in Fiqh-e-Muamalath or islamic finance (specify Yes/ No; if yes, attach supporting documents) |  |
| Whether the Compliance Officer(s) have at least five years' experience in the relevant field (specify Yes/ No; if yes, attach supporting documents)  |  |

Signature, name and seal of  
Compliance Officer of the Trustee

Signature, name and seal of  
Managing Director of the Trustee