



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

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

DIRECTIVE

Dated, 22 June 2023

No. BSEC/CMRRCD/2021-394/63 -Whereas the Bangladesh Securities and Exchange Commission (hereinafter referred to as the “Commission”) deems it to be proper that in the interest of investors in securities and for the development of the securities market, certain directions should be issued to the stock exchanges, the depository and other capital market intermediaries with regard to participation, through the platform of the stock exchange, in the primary auction of Bangladesh Government Treasury Bond, i.e. Government Securities (hereinafter also referred to as “BGTB/G-Sec”) conducted by Bangladesh Bank;

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 Dhaka Stock Exchange Limited, the Chittagong Stock Exchange PLC, Central Depository Bangladesh Limited (hereinafter referred to as “CDBL”), stock brokers, stock dealers, depository participants or other capital market intermediaries to comply with the followings, namely: -

1. The stock exchange(s) shall publish the link of auction calendar and notice of BGTB/G-Sec, as published by Bangladesh Bank at the home page of their official website on a regular basis, by creating an announcement box titled “**BGTB/G-Sec Announcement and Notice**”.
2. In order to participate in the primary auction process of BGTB/G-Sec, each stock broker shall maintain a separate bank account with Member Dealer (hereinafter referred to as “MD”) bank for the purpose of collection of the intended bid/ subscription amount for BGTB/G-Sec from its customers; and shall maintain a Business Partner Identification Number (hereinafter also referred to as “BPID”) with the MD bank in the name of each stock broker for participation in the primary auction of BGTB/G-Sec on behalf of its customers.



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3. The customer of any stock broker who is interested to make a subscription for BGTB/G-Sec through primary auction may deposit or transfer his intended bid amount along with the applicable margin to the separate bank account as mentioned at direction No.2 in any of the following two ways, namely: -
 - i) Interested customer may directly deposit the required subscription/bid amount to the bank account of the designated stock broker as mentioned at direction No. 2 and inform the broker in due course; or
 - ii) Interested customer may instruct his designated stock-broker to transfer the required subscription/bid amount from his/her balance with the Consolidated Customers' Account (CCA) to the bank account of the designated stock-broker as mentioned at direction No. 2.
4. Each broker shall open a separate BO account with CDBL via the menu option "Setup Omnibus BO Account for G-Sec Auction" of the CDS Application for the sole purpose of auction and settlement of G-sec on behalf of its customers. The stock broker's BPID related to the auction of G-Sec shall be linked to that BOID.
5. The BOID mentioned at direction No. 4 shall only be used for the purpose of the primary auction of BGTB/G-Sec on behalf of the customers of the stock broker, which shall be considered as the omnibus BOID and no stock-broker shall be allowed to make any other transaction through this omnibus BOID excepting the receive of BGTB/G-Sec through primary auction on behalf of its customers and transferring those to the respective BOIDs of its customers.
6. Any charges or transaction fees related to receive or transfer of BGTB/G-Sec shall be waived for such omnibus BOID till further order of the Commission.
7. Each stock-broker shall disclose/declare, as per the auction calendar, the eligible bid amount for subscription in BGTB/G-Sec, fees and charges, if any, and the required margin, if any, over the bid amount:

Provided that the interested investor/customer shall have the required fund balance (at least Tk 01 (one) lac or its multiple with required margin), if any, with the CCA of the stock-brokers to participate in the auction of BGTB/G-sec.



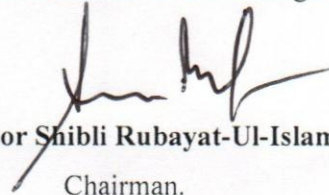
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8. Each stock-broker shall transfer the consolidated bid/subscription amount as per the customer's intention to the designated bank account as mentioned at direction No. 2.
9. No balance of customers' deposit for subscription/bid in the BGTB/G-Sec auction shall be available in the separate/designated bank account of the stock broker, or no balance of BGTB/G-Sec shall be available in the omnibus BOID of the stock broker after distribution of BGTB/G-Sec to the BOIDs of respective customers.
10. After completion of each primary auction of BGTB/G-Sec, the transfer of fund (if any) and BGTB/G-Sec mentioned at direction No. 9 shall be completed within two days of receiving BGTB/G-Sec through the primary auction to bank accounts of the respective customers and BGTB/G-Sec to BOIDs of the respective customers shall be as per instruction of the respective customers.
11. CDBL shall send BO details of customers who do not have BPID to the Bangladesh Bank. Bangladesh Bank shall fetch the data to create the BPID of the respective customer and update the BOID to CDBL through API.
12. Each stock-broker shall submit a report to the Stock Exchange(s) regarding transfer of BGTB/G-Sec and fund respectively to the individual BOIDs and linked Bank accounts of the customers after completion of settlement within T+3 day of each primary auction.
13. Provisions of the Memorandum of Understanding (MoU) dated 12 June 2022 executed among Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC and Central Depository Bangladesh Limited shall also be followed.

This shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission



Professor Shibli Rubayat-Ul-Islam
Chairman.