



# BANGLADESH SECURITIES AND EXCHANGE COMMISSION

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

## Order

18 October 2023

**No. BSEC/CMRRCD/2023-429/67:-** Whereas the Bangladesh Securities and Exchange Commission (hereinafter referred to as the “Commission”) deems it appropriate that in the interest of investors and the capital market, the role and responsibility of independent directors of the issuer of listed securities or companies need to be ascertained;

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 independent directors and the issuer companies listed with any stock exchange in Bangladesh to ensure the following, namely:-

- (1) Independent director shall act for the good governance, sustainability and overall welfare of the company within the prescribed limit or scope set by the Commission or any other regulator, as applicable;
- (2) The provision of section 30 of the Securities and Exchange Ordinance, 1969 may be applicable for an independent director who is nominated or appointed by the Commission under special circumstances;
- (3) Independent director shall not be responsible for furnishing any guarantee for the purpose of the company’s loan or any other liabilities or obligations;
- (4) Independent director shall not sign or execute any mortgage or security or charge document for the purpose of the company’s loan or any other liabilities or obligations, unless he holds such position where it is compulsory to give signature by virtue of his designation;
- (5) Independent director shall not be reported to the Credit Information Bureau (CIB) of Bangladesh Bank as obligor in connection with the company’s loan or any other liabilities or obligations with any bank/financial institution:

Provided that independent director shall be reported to the CIB for his personal loan and debt obligation;

- (6) Independent director may not be reported as a party along with other directors of the company for any criminal or civil suit brought against the company; until it is

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proved that such independent director has any personal liability on that issue beyond his role as independent director.

This Order shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission,

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