

No. BSEC/IEID/BRMPCL/Enquiry/2024/354/376

Date: 04 July 2024

Order

Whereas with reference to the Enquiry order no. *BSEC/IEID/BRMPCL/Enquiry/2024/354* dated 06 June 2024, the enquiry committee observed by reviewing the information from the instant watch Market Surveillance System that Bangladesh Race Management PCL has conducted huge number of block transactions between and among the funds under its management and also with Bangladesh Fixed Income Investment Special Purpose Vehicle, which is also under control/management of Bangladesh Race Management PCL; and most of such block transactions conducted through Multi Securities & Services Limited; although investment between mutual funds or scheme under same asset manager are prohibited as per দফা # ৭ [পঞ্চম তফসীল] [বিধি ৫৬ দ্রষ্টব্য] [বিনিয়োগ বাধা নিষেধ] of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১:

And whereas the securities under mutual funds are supposed to be kept in safe custody with approved custodian under the guardianship or trusteeship of a registered trustee and managed by an asset manager; and to review & to protect the interest of the unitholders, it is urgently required to review the role of the asset manager along with the concerned parties of the mutual funds e.g. trustee, custodian and stock broker for such contravention of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and also finding the intention and impact of block market transaction between and among the funds and Special Purpose Vehicle under same management; and finding whether the asset manager and concerned parties of the mutual funds are in negligence to ensure safe custody of securities of mutual funds or intentionally involved in block market transactions for transferring securities at lower price or laundering of funds by layering or transferring of securities of the mutual funds under management of Bangladesh Race Management PCL from transferring & trading of securities from the BOIDs maintained with the stock broker namely, Multi Securities & Services Limited in lieu of the account maintained with the respective custodian of the mutual fund;

In view of the above, to ensure safe custody of securities of the mutual funds and to protect the interests of the unitholders of the mutual funds under the management of Bangladesh Race Management PCL, the Commission, with the powers conferred under Section 20A of the Securities and Exchange Ordinance, 1969, instructs the depository, the exchanges, the trustees, the custodians, and the asset manager of the funds under the management of Bangladesh Race Management PCL the following:

1. Any type of transactions including block market transactions for or in the name of 'Bangladesh Fixed Income Investment Special Purpose Vehicle' or 'Bangladesh Fixed Income Special Purpose Vehicle' or Project BFISPV or any name along with word 'SPV' under management or control of Bangladesh Race Management PCL at Multi Securities & Services Limited or in any stock broker shall be suspended from any stock broker till further instruction of the Commission;

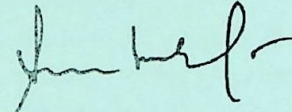


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Market Intelligence and Investigation Division
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2. Any type of block market transactions through *Multi Securities & Services Limited* shall be suspended till further instruction of the Commission;
3. Each concerned party of the mutual funds under the management of Bangladesh Race Management PCL shall report to the Commission in detail about their steps and compliance status under this order within next 03 (three) working days from the issuance of this order.

This order shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission



Professor Shibli Rubayat-Ul-Islam
Chairman.