BANGLADESH SECURITIES AND EXCHANGE COMMISSION
Securities Commission Bhaban
E-6/C Agargaon, Sher-e-Bangla Nagar
Administrative Area, Dhaka1207, Bangladesh

NOTICE

25 February 2021

The Bangladesh Securities and Exchange Commission (BSEC) hereby publishes the following draft on the amendment of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in the newspaper as per requirement of section 33(1) of the Securities and Exchange Ordinance, 1969 for eliciting public opinion, etc.

Opinion, advice or objection, if any thereon will have to be sent to the following address within two weeks from the date of publication of the draft.

Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C Agargaon
Sher-e-Bangla Nagar Administrative area
Dhaka-1207.

Draft on amendment of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

1. Two new clauses (o) and (p) may be inserted under sub-rule (2) of rule 3, namely:-

   (o) it has to obtain post-facto consent from the Commission for its existing paid-up capital under the Securities and Exchange Commission (Issue of Capital) Rules, 2001 before submitting the application for Initial Public Offer (IPO);

   (p) it shall not be eligible to apply for Initial Public Offer (IPO) if it has raised paid-up capital except issuance of bonus shares within the preceding two years from the date of such application:

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Provided that issuance of shares in exchange of valid consideration for other forms of collaborative investments are allowed within the stipulated time subject to prior approval of the Commission;

2. A new sub-rule (6) under rule 3 may be inserted, namely:

(6) **Additional conditions for IPO size under public offer.-** The issuer shall ensure the size of public offer under the fixed price method and book building method, as follows:

(i) At least 30% of the paid up capital including intended offer if the size of post-IPO paid-up capital is up to Taka 75 crore;
(ii) At least 20% of the paid up capital including intended offer if the size of post-IPO paid-up capital is above Taka 75 crore up to Taka 150 crore;
(iii) At least 10% of the paid up capital including intended offer if the size of post-IPO paid-up capital is above Taka 150 crore;

3. Two new clauses (l) and (m) may be inserted under sub-rule (1) of rule 4, namely:-

(l) The issuer upon instruction of the Commission shall collect and submit certified copies of VAT Returns from National Board of Revenue (NBR) and certified copy of bank statements from concerned bank(s) of the issuer:

Provided that the Commission may verify the authentication of the documents from the NBR or the concerned bank;

(m) The issuer may offer private placement up to 15% of the size of its Initial Public Offer (IPO) at par value under the fixed price method or at cut-off price under the book-building method, which shall be treated as a part of the said IPO;

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4. sub-rule (1) of rule 6 may be replaced by following, namely:-

(1) **Distribution of securities under fixed price method**:-

Eligible Investor (EI)		General Public (GP)	
Other EIs	Mutual Funds	NRB	Others
20%	10%	5%	65%

Provided that in case of under-subscription collectively up to 35% of a public issue, the unsubscribed portion of securities shall be taken up by the underwriter(s):

Provided further that in case of under-subscription collectively above 35%, the public issue shall be cancelled.

5. sub-rule (2) of rule 6 shall be replaced by following, namely:-

(2) **Distribution of securities under book building method: -**

Eligible Investor (EI)	General Public (GP)	
	NRB	Others
30%	5%	65%

6. A new clause (f) of rule 10 may be added, namely:-

(f) All shares held by the foreign investors and placement holders under private placement shall be subject to lock-in for a period of 01 (one) year and 02 (two) years respectively;

By Order of the Bangladesh Securities and Exchange Commission

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Chairman.

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