Draft Amendment

The Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 shall be amended in the following manner, namely:-

1. Clause (e) of sub-rule (1) of rule 2 shall be replaced by the following new clause (e), namely:

"(e) "eligible investor or EI" means the following institution who has business operation or investment in Bangladesh and registered with the electronic subscription system of the exchange(s):-

(i) Merchant Bankers and Portfolio Managers;
(ii) Asset Manager;
(iii) Mutual Funds and Collective Investment Scheme (CIS);
(iv) Stock-Dealers;
(v) Banks;
(vi) Financial Institutions;
(vii) Insurance Companies;
(viii) Alternative Investment Fund Managers;
(ix) Alternative Investment Funds;
(x) Foreign Investors having account with any Securities Custodian registered with the Commission;
(xi) Recognized Provident Funds, Approved Pension Funds and Approved Gratuity Funds; and
(xii) Other institutions as approved by the Commission:

Provided that EIs who have maintained minimum investment in listed securities before the intended investment as per the condition in the consent letter shall be eligible for subscription;".

2. After clause (k) of sub-rule (2) of rule 3, the following new clause (l) shall be added, namely:

"(l) it has fully utilized the fund raised through the issue of capital previously.".

3. Clause (c) of sub-rule (3) of rule 3 shall be replaced by the following new clause (c), namely:

"(c) it offers at least an amount equivalent to 10% (ten percent) of its paid-up capital or Tk. 50 (fifty) crore at par value, whichever is higher; and".

4. Clause (f) and (g) of sub-rule (4) of rule 3 shall be replaced by the following new clause (f) and (g) respectively, namely:

"(f) thirty five percent (35%) of the quota allotted for General Investors (GI) category has been underwritten on a firm commitment basis by the underwriter(s);".

(g) it intends to raise at least an amount equivalent to 10% of its paid-up capital or Tk. 100 (hundred) crore, whichever is higher, through the public offer; and".

5. Clause (f) of sub-rule (1) of rule 4 shall be deleted.

6. Clause (j) of sub-rule (1) of rule 4 shall be replaced by the following new clause (j), namely:

"(j) the exchange(s) shall submit its observation or comments, if any, on the proposed issue to the Commission mentioning specific violations of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১, if applicable, or on any other applicable securities laws and applicable financial reporting standards within 30 (thirty) days of receiving application:

Provided that if the exchange(s) fails to submit its observation or comment, if any, within the stipulated time, the Commission assumes that the respective exchange has no observation or comment on the submitted documents of the issuer;".

7. Clause (k) of sub-rule (1) of rule 4 shall be deleted.

8. Sub-clause (v), (vi), (ix) and (x) of clause (c) of sub-rule (2) of rule 4 shall be replaced by the following new sub-clause (v), (vi), (ix) and (x) respectively, namely:

"(v) The value of bid at different prices and the bidders shall not be displayed;

(vi) The bidders shall deposit full (hundred percent) of the bid amount in the designated bank account maintained by the exchange conducting the bidding;

(ix)The bidders, who are entitled to get securities, shall be allotted the securities at their own bid price as per their intended quantity on highest to lowest bid basis, in a descending order of individual bid price till exhaustion of the quota for EI category:

Provided that if for any reason, while determining the cut-off price, if the bid quantity of shares is more than the remaining quantity till exhaustion of the quota for EI, allotment shall be made on the basis of time stamping i.e. shares will be allotted to EI who submitted the bid earlier than others;

(x) The final allotment list, along with price and quantity, of the issue shall be sent through e-mail to the allottees and disseminated through posting on the websites of the issuer, issue manager and the exchange(s);".

9. After sub-clause (xii) of clause (c) of sub-rule (2) of rule 4, the following new sub-clause (xiii) shall be added, namely:

"(xiii) The refund amount in EI category shall be refunded by the Exchange within maximum 05 (five) working days from the date of closing of bidding.".

10. Clause (d) of sub-rule (2) of rule 4 shall be replaced by the following new clause (d), namely:

"(d) Subscription by the eligible investors:

After examination of the draft prospectus and relevant documents, the Commission, if satisfied, shall issue consent for raising of capital from the general public and approve the prospectus.".

11. Rule 6 shall be replaced by the following new rule 6, namely:

"6. (1) Distribution of securities under fixed priced method:-

Eligible Investor (EI)		General Public (GP)	
EI excluding mutual funds and CIS	Mutual Funds and CIS	GP excluding NRB	NRB
30%	10%	50%	10%

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

Provided further that in case of under-subscription collectively above 35%, an initial public offer shall be cancelled.

(2) Distribution of shares under book building method:-

Eligible Investor (EI)	General Public (GP)	
EI including mutual funds and CIS	GP excluding NRB	NRB
50%	40%	10%

(3) Under the book building method, in case of under-subscription in the EI category, the initial public offering shall be considered as cancelled.

(4) Under book building method, in case of under subscription upto 35% of quota allotted for the GI category, the unsubscribed portion of securities shall be taken up by the underwriter(s):

Provided that in case of under-subscription in GI category above 35% of the quota allotted for GI category, an initial public offer shall be cancelled.

12. Rule 10 shall be replaced by the following new rule 10, namely:

“10. **Lock-in.-** All shares held at the time of according consent to the public offer shall be subject to lock-in for 03 (three) years, from the first trading day in the exchange.”.

13. Clause (14) of Annexure G shall be replaced by the following new clause (14), namely:

“(14) Banker’s certificate or Auditor’s certificate, along with respective bank statement evidencing deposit of the amount of paid up capital in case of raising of capital in cash;”.

14. After clause (25) of Annexure G, the following new clause (26) and (27) shall be added, namely:

“(26) RJSC certified vendor’s agreement along with the title documents of ownership of properties or assets in case of raising of capital in kind (i.e. other than cash consideration);

(27) The issuer shall submit auditor’s certificate on utilization of the fund raised through issue of capital earlier.”.