



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং-বিএসইসি/এনফোর্সমেন্ট/৯৭০/২০১১/১১৫

তারিখঃ ১৮ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, কমিশন, Island Securities Limited (সিএসই টিআরইসি নং-০০৫) কে তার আবেদনক্রমে, নির্ধারিত শর্তাবলীতে সিকিউরিটিজ ক্রয় বিক্রয় কর্মকাণ্ড পরিচালনা করার জন্য 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' (অতঃপর 'কমিশন' বলে উল্লিখিত) 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) এর ১০(১) এ প্রদত্ত ক্ষমতাবলে সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ৫(৫) সহ পঠিত স্টকব্রোকার/ডিলার রেজিস্ট্রেশন সার্টিফিকেট প্রদান করেছে;

যেহেতু, কমিশন এর আদেশ নং SEC/SRI/INS/CSE-MEM/2010/part-2/944 dated July 17, 2013 এর মাধ্যমে Island Securities Limited এ পরিদর্শনের জন্য একটি কমিটি গঠিত হয় এবং উক্ত পরিদর্শন কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপ:

1. After randomly checking the financial ledger of the major clients of the Island Securities Limited, the said broker extended credit facilities to the Non-margin/cash account, which is contrary to the **Margin Rules, 1999 as well as Rules 8(1)(ccc) of the Securities and Exchange Rules, 1987**. Some of which are given below:

(a) Client Name: Mr. Md. Rafiqullah Patwary, Client Code: 36348

BO ID # 1201960033919829, ACCOUNT TYPE: Direct Trading Account/Non-margin

Sl. No.	Date	Opening Ledger Balance	Closing Ledger Balance	Credit facilities extended
1	02-Sep-12	-1,319,133.48	-1,347,962.35	Yes
2	03-Sep-12	-1,347,962.35	-1,329,200.65	Yes
3	04-Sep-12	-1,329,200.65	-1,322,125.29	Yes
4	05-Sep-12	-1,322,125.29	-1,322,769.21	Yes
5	06-Sep-12	-1,322,769.21	-1,341,212.65	Yes
6	10-Sep-12	-1,341,212.65	-1,363,581.81	Yes
7	12-Sep-12	-1,363,581.81	-1,363,354.21	Yes
8	16-Sep-12	-1,363,354.21	-1,363,328.81	Yes
9	17-Sep-12	-1,363,328.81	-1,363,106.81	Yes
10	18-Sep-12	-1,363,106.81	-1,317,754.57	Yes
11	20-Sep-12	-1,317,754.57	-1,267,527.11	Yes
12	23-Sep-12	-1,267,527.11	-1,304,991.75	Yes
13	26-Sep-12	-1,304,991.75	-1,301,664.15	Yes
14	30-Sep-12	-1,301,664.15	-1,265,622.95	Yes
15	01-Oct-12	-1,265,622.95	-1,340,955.47	Yes
16	03-Oct-12	-1,340,955.47	-1,343,094.72	Yes
17	04-Oct-12	-1,343,094.72	-1,376,201.70	Yes
18	07-Oct-12	-1,376,201.70	-1,374,934.30	Yes
19	09-Oct-12	-1,374,934.30	-1,519,477.22	Yes
20	10-Oct-12	-1,519,477.22	-1,376,952.24	Yes
21	14-Oct-12	-1,376,952.24	-1,376,843.04	Yes
22	16-Oct-12	-1,376,843.04	-1,375,662.30	Yes
23	17-Oct-12	-1,375,662.30	-1,369,986.42	Yes
24	21-Oct-12	-1,369,986.42	-1,368,415.93	Yes
25	23-Oct-12	-1,368,415.93	-1,368,428.73	Yes



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26	30-Oct-12	-1,368,428.73	-1,362,726.63	Yes
27	01-Nov-12	-1,362,726.63	-1,385,167.99	Yes
28	04-Nov-12	-1,385,167.99	-1,385,621.11	Yes
29	13-Nov-12	-1,385,621.11	-1,414,134.71	Yes
30	15-Nov-12	-1,414,134.71	-1,385,300.51	Yes
31	19-Nov-12	-1,385,300.51	-1,384,838.51	Yes
32	20-Nov-12	-1,384,838.51	-1,392,508.91	Yes
33	21-Nov-12	-1,392,508.91	-1,439,728.91	Yes
34	22-Nov-12	-1,439,728.91	-1,386,044.51	Yes
35	2-Dec-12	-1,386,044.51	-1,407,597.29	Yes
36	19-Dec-12	-1,407,597.29	-1,406,900.69	Yes
37	20-Dec-12	-1,406,900.69	-1,406,564.89	Yes
38	23-Dec-12	-1,406,564.89	-1,406,643.29	Yes
39	01-Jan-13	-1,406,643.29	-1,429,066.21	Yes
40	7-Jan-13	-1,429,066.21	-1,429,091.21	Yes
41	8-Jan-13	-1,429,091.21	-1,408,609.13	Yes
42	13-Jan-13	-1,408,609.13	-1,129,571.93	Yes
43	15-Jan-13	-1,129,571.93	-1,078,099.47	Yes

(b) Client Name: Samiur Rahman. Client Code: 16745

BO ID # 1201960022283578, ACCOUNT TYPE: Direct Trading Account/Non-margin

Sl. No.	Date	Opening Ledger Balance	Closing Ledger Balance	Credit facilities extended
1	22-Mar-12	-154,365.72	-154,390.72	Yes
2	27-May-12	-123,689.72	-174,866.52	Yes
3	28-May-12	-174,866.52	-168,054.06	Yes
4	29-May-12	-168,054.06	-200,994.38	Yes
5	16-Oct-12	-113,483.33	-120,152.59	Yes
6	18-Oct-12	-120,152.59	-123,785.19	Yes
7	22-Oct-12	-123,785.19	-280,704.56	Yes
8	30-Oct-12	-280,704.56	-388,573.96	Yes
9	31-Oct-12	-388,573.96	-269,535.82	Yes
10	01-Nov-12	-269,535.82	-356,558.93	Yes
11	07-Nov-12	-356,558.93	-449,237.49	Yes
12	13-Nov-12	-449,237.49	-481,751.83	Yes
13	15-Nov-12	-481,751.83	-572,413.78	Yes
14	18-Nov-12	-572,413.78	-584,915.07	Yes
15	21-Nov-12	-584,915.07	-581,866.16	Yes
16	22-Nov-12	-581,866.16	-166,468.19	Yes
17	26-Nov-12	-166,468.19	-167,430.00	Yes
18	27-Nov-12	-167,430.00	-149,732.30	Yes
19	19-Dec-12	-149,732.30	-374,692.13	Yes



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21	23-Dec-12	-395,492.81	-398,202.28	Yes
22	24-Dec-12	-398,202.28	-152,850.67	Yes
23	26-Dec-12	-152,850.67	-80,774.67	Yes
24	27-Dec-12	-80,774.67	-376,692.32	Yes
25	30-Dec-12	-376,692.32	-402,038.33	Yes

(c) Client Name: Zakia Parveen Rahman, Client Code: 17442

BO ID # 1201960026471401, ACCOUNT TYPE: Direct Trading Account/Non-margin

Sl. No.	Date	Opening Ledger Balance	Closing Ledger Balance	Credit facilities extended
1	13-Jun-12	-133,993.41	-202,509.97	Yes
2	14-Jun-12	-202,509.97	-234,342.11	Yes
3	17-Jun-12	-234,342.11	-401,923.92	Yes
4	18-Jun-12	-401,923.92	-345,003.99	Yes
5	25-Jun-12	-345,003.99	-345,037.62	Yes
6	02-Jul-12	-345,037.62	-348,273.18	Yes
7	04-Jul-12	-348,273.18	-145,108.30	Yes
8	30-Oct-12	-123,094.49	-355,324.01	Yes
9	31-Oct-12	-355,324.01	-476,028.85	Yes
10	01-Nov-12	-476,028.85	-404,737.96	Yes
11	04-Nov-12	-404,737.96	-414,383.14	Yes
12	11-Nov-12	-414,383.14	-507,171.22	Yes
13	12-Nov-12	-507,171.22	-529,581.59	Yes
14	13-Nov-12	-529,581.59	-528,732.39	Yes
15	15-Nov-12	-528,732.39	-562,411.84	Yes
16	18-Nov-12	-562,411.84	-698,380.52	Yes
17	19-Nov-12	-698,380.52	-685,735.38	Yes
18	21-Nov-12	-685,735.38	-671,484.81	Yes
19	22-Nov-12	-671,484.81	-371,691.75	Yes
20	26-Nov-12	-371,691.75	-366,402.43	Yes
21	27-Nov-12	-366,402.43	-376,667.58	Yes
22	28-Nov-12	-376,667.58	-349,464.06	Yes
23	23-Jun-13	-288,982.56	-423,269.10	Yes
24	26-Jun-13	-423,269.10	-402,627.90	Yes
25	27-Jun-13	-402,627.90	-273,572.22	Yes

(d) Client Name: Md. Mokbul Ahmed, Client Code: 7759

BO ID # 1201960016951544, ACCOUNT TYPE: Direct Trading Account/Non-margin

Sl. No.	Date	Opening Ledger Balance	Closing Ledger Balance	Credit facilities extended
1	01-Jan-12	512,035.10	-571,386.94	Yes
2	02-Jan-12	-571,386.94	-601,812.12	Yes
3	03-Jan-12	-601,812.12	-538,947.00	Yes



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Contravention: Through the aforesaid activities, Island Securities Limited violated the **rule 3 of Margin Rules, 1999 as well as Rules 8(1) (ccc) of the Securities and Exchange Rules, 1987** by utilizing credit facilities to Non-margin accounts.

2. Surveillance department provided a list of short sale generated by automated surveillance system of BSEC. Inspection Team collected relevant documents from Island Securities Limited to examine whether short sale genuinely took place in those account or not. After examination, it is found that Island Securities Limited was involved in short selling to the following BO accounts:

Client Code: 41114, Client Name: Sultan Mahmud, BO ID: 1201960036965089

Instrument	Sale Date	Sale Qty (As Per Instant Watch of Market Surveillance System) & Time	Sale Qty (As Per Transaction Ledger)	Sale Qty (As Per DP49)	Short Sell Quantity (As Per Instant Watch of Market Surveillance System)	Short Sell Quantity (As Per Transaction Ledger)
ACI	04/07/13	100 (14:21:07) 200 (14:25:50) Total-300	200	100	200	100

Contravention: Through the aforesaid activities, Island Securities Limited violated **regulation 4(1) of the Chittagong Stock Exchange (Short-Sale) Regulations, 2005 & regulation 4(1) of the Dhaka Stock Exchange (Short-Sale) Regulations, 2006** and **বিধি ১১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, ষ্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০** by allowing short sale facilities to the clients without complying the regulation and **Section 18 of the Securities and Exchange Ordinance, 1969** by providing incorrect documents to the inspecting officers.

3. After randomly checking relevant documents collected from Island Securities Limited, It was found that in respect of the following clients bought non-margin securities (as the PE ratio is over 40) using margin loan as shown below:-

Client Name & Code	Buy Date	Script name, Qty. & Rate	Transaction type	Amount used to buy	Matured Fund (Opening balance)	Deposits	Ledger balance at the end of day
Adv Jamal Uddin Clode-1357	21.07.13	NBL 5600 @ 13.70	Buy	76,720.00	-68,191.92	nil	-215,290.40
Md. Anamul Haque Code-70208	24.04.13	CVOPRI 200 @ 171.00	Buy	34,353.90	-73,693.17	nil	-108,047.07
	25.04.13	CVOPRI 400 @ 190.96	Buy	76,385.00	-108,047.07	nil	-127,435.00
Year Mohammed Code-41484	29.05.13	FASFIN 3500 @ 17.40	Buy	60,900.00	-125,432.33	nil	-130,832.25
	30.05.13	FASFIN 1500 @ 17.30	Buy	25,900.00	-130,832.25	nil	-177,426.37
	05.06.13	FASFIN 500 @ 18.00	Buy	9,000.00	-70,882.02	nil	-180,217.94

Sum



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	11.06.13	FASEIN 1000@18.10	Buy	18,100.00	-174,589.02	nil	-180,610.22
	20.06.13	BDFINANCE 2000@25.10	Buy	50,200.00	-190,487.10	nil	-189,535.70
Abu Taher Code-29278	20.06.13	ONEBANKLTD 2000@17.15	Buy	34,300.00	-130,613.03	nil	-130,617.42
	10.07.13	ONEBANKLTD 5000@15.80	Buy	79,355.50	-130,800.49	1,600.00	-130,771.14
Md. Abul Karim Code-35500	19.05.13	ONEBANKLTD 3000@15.40	Buy	46,200.00	-384,859.40	nil	-387,659.48
Md. Ahasan Uddin Code-39474	26.06.13	JUSTITINS 1000@55.00	Buy	65,000.00	-905,025.59	nil	-903,964.19
Mohammad Mamun Rashid Code-29386	09.07.13	CVOPRI 500@430.00	Buy	215,000.00	-75,642.27	nil	-72,458.09
	17.07.13	CVOPRI 200@490.50	Buy	98,100.00	-67,416.30	nil	-66,029.46
Samiur Rahman Code-16745	27.01.13	ACT 800@148.13	Buy	118,500.00	2,318.75	25,000	1,328.77
	28.01.13	ACT 600@145.90	Buy	87,540.00	1,328.77	nil	5,233.86
	24.02.13	ACT 800@141.80	Buy	113,440.00	1,714.34	nil	1,577.56
	19.03.13	ACT 1000@134.00	Buy	134,000.00	1,581.69	18,000	1,527.49
	14.05.13	PRIMEBANK 6000@28.13	Buy	168,800.00	-219,822.51	nil	-273,686.03

Contraventions: Through the aforesaid activity Island Securities Limited has violated **SEC Directive No. SEC/CMRRCD/2001-43/42 dated June 15, 2010** by extending credit facilities to purchase shares of non-margin securities (as the PE ratio is over 40).



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4. The said stock-broker provided loan facilities to purchase shares of new listed securities in between 1st to 30th trading day after listing of the said security.

Name & Client's code	Buy Date	Script name, Qty. & Rate	Transaction type	Amount used to buy	Matured Fund(Opening balance)	Deposits	First Trading Date after listing
Jakia Asmin Code- 5200	15.04.12	GSPFINANCE 10000 @49.79	Buy	497,850.00	-188,640.46	nil	09.04.12
Saleha Begum Code-11444	18.04.12	PADMALIFE 3000 @167.00	Buy	501,000.00	8,821.42	nil	09.04.12
Abu Taher Code-29278	02.07.12	BSCCL 1700 @58.06	Buy	98,700.00	-57.38	nil	14.06.12
	04.07.12	BSCCL 200 @59.05	Buy	11,810.00	6,561.50	nil	14.06.12
	05.07.12	GBBPPOWER 1600 @38.99	Buy	62,380.00	2,662.36	nil	13.06.12
	08.07.12	GBBPPOWER 400 @39.10	Buy	15,640.00	1,858.36	nil	13.06.12
	09.07.12	GBBPPOWER 400 @36.70	Buy	14,680.00	1,934.11	nil	13.06.12
	26.07.12	SAIHAMCOT 2000 @18.66	Buy	37,325.00	6,204.83	nil	24.06.12

Contravention: Through the aforesaid activities Island Securities Limited violated **Section 2(a) of SEC Directive No. SEC/CMRRCD/2001-43/169 dated October 01, 2009** by providing loan facilities to purchase any newly listed security in between 1st to 30th trading day after listing of the said security.

5. In case of the following clients, the said stock-broker extended credit facilities to purchase shares of the listed "Z" category companies (Non-Marginable Securities):

Name & Client's code	Buy Date	Script name, Qty. & Rate	Transaction type	Amount used to buy	Matured Fund(Opening balance)	Deposits
Md. Mokbul Ahmed Code-7759	18.04.12	LAFSURCEML 2000 @39.40	Buy	79,099.44	-100,374.35	nil
Alan Mutsuddi Code- 37577	17.06.12	LAFSURCEML 6000 @40.72	Buy	244,300.00	-11,790.82	nil



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Jannatul Ferdous Code- 44422	14.03.12	LAFSURCEML 1500 @27.33	Buy	41,000.00	11,342.00	nil
	18.03.12	LAFSURCEML 1500 @27.57	Buy	41,350.00	8,683.35	nil
	19.03.12	LAFSURCEML 1500 @27.70	Buy	41,550.00	6,668.63	nil
Year Mohammed Code-41484	25.01.12	LAFSURCEML 1000 @25.90	Buy	25,900.00	-19,577.74	nil

Contravention: Through the aforesaid activities Island Securities Limited violated SEC Directive No. SEC/CMRRCD/2001-43/169 dated October 01, 2009 by providing credit facilities to purchase shares of the listed "Z" category companies (Non-Marginable Securities).

6. It appears that the said stock-broker did not maintain telephone register properly and not comply with the rule 4 of the Securities and Exchange Rules, 1987 related to telephonic order register. For example, there is no signature of the respective Authorized Representative in the telephone register book.

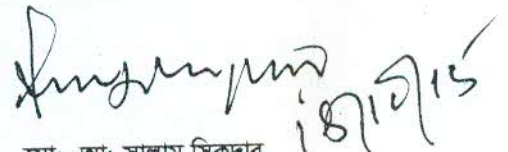
Contravention: Through the aforesaid activities Island Securities Limited violated rule 4 of the Securities and Exchange Rules, 1987 related to telephonic order register."

Island Securities Limited এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি, যা সিকিউরিটিজ আইন পরিপালনে ব্যর্থতা বিধায় section 22 of the Securities and Exchange Ordinance, 1969 অনুযায়ী শাস্তিযোগ্য অপরাধ এবং যা ক্ষমার অযোগ্য;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, তথা পুঁজিবাজারের উন্নয়নের পাশাপাশি বাজারের শৃংখলা ও স্বচ্ছতা রক্ষার স্বার্থে উক্ত ব্রোকার/ডিলার কে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 22 (যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত) এ প্রদত্ত ক্ষমতাবলে Island Securities Limited এর উপর ২ (দুই) লক্ষ টাকা জরিমানা ধার্য করল যা অত্র আদেশের তারিখ হতে ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,


মো: আ: সালাম সিকদার
কমিশনার

বিতরণঃ

আইল্যান্ড সিকিউরিটিজ লিমিটেড

ফারুক চেম্বার ৭ম তলা

১৪০৩, শেখ মুজিব রোড

আগ্রাবাদ, চট্টগ্রাম