SEC/Enforcement/912/2011/ **August , 2011**

Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Ibrahim Securities Limited is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to Ibrahim Securities Limited under aviv 10(1) of the wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993, read with wewa 5 (5) of the wmwKDwiwUR I G·‡PÄ Kwgkb (÷K-wWjvi, ÷K-‡evKvi I Ab‡gw`Z cwZwbwa) wewagvjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the investigation report of Dhaka Stock Exchange Limited, a show cause-cum-hearing notice No. SEC/Enforcement/912/2011/179 dated March 22, 2011 was issued to Ibrahim Securities Limited to appear at the hearing on the April 07, 2011. In the show cause-cum-hearing notice among others following were mentioned;-

“Whereas, as per Order No. SEC/SRMID/94-231/1640 dated January 31, 2008, money adjustment facility will be applicable in respect of A, B, N and G category securities. Therefore, money adjustment facility will not be applicable in respect of Z category securities.

Whereas, an investigation was conducted by Dhaka Stock Exchange Limited regarding ‘Share Trading of Z category shares by Ibrahim Securities Limited’. Investigation Team reported that “ in respect of client named Mozibur Rahman (Client code# 05393), Ibrahim Securities Limited allowed money adjustment facility to buy “ALLTEX” (which is a “Z” category scrip), as shown below:

Client code	05393					
Name	Mozibur Rahman					
Buy Date	Instrument	Buy Quantity	Ledger Balance of previous day	Cash/Cheque received	Amount used to buy ALLTEX	Ledger Balance at the end of the day
27.07.10	ALLTEX	1000	4,429.80	-	117,685.48	27,937.87

Contravention: Ibrahim Securities Limited Violated SEC’s Order No. SEC/SRMID/94-231/1640 dated January 31, 2008 by allowing money adjustment facilities in purchasing shares of ALLTEX which is a Z category company.””

Whereas, hearing was conducted as per schedule. Mr. Junaid Ibrahim (CEO) and Mr.Md.Jakir Hossain (Senior Manager-compliance) attended the hearing on behalf of Ibrahim Securities Limited and submitted a reply letter No. ISL/Netting/2010 dated April 06, 2011. In the letter among others they stated the following:

“….this is to state the fact that some times situation and circumstances cannot be avoided. Such position arises during the share-trading period one authorized has to handle about 15 to 20 client’s call for buy and sale of different company’s share and look after the clients ledger position to execute the directives the of clients and modify some orders. At that moment mistake this unwanted.

On 27.07.10 client (Code No. 05393) bought three shares (Alltex-1000, Atlasbang-200 and Bxpharma-500) and sold (Gp-1000 at spot & Sp ceramics –1000) for adjustment of purchase. Here our client assumed that spot sale of GP is as like as cash sale and adjusted. Generally buying of share money goes out from our bank account and spot share sale money enter in our bank account next day means same day in consideration of the above fact client bought and sold shares.

IBRAHIM Securities Ltd. always tries to uphold the securities law and non-violation of its directives but this case of buying "Z" Group shares against spot sale of Gp is a misconception of client and thus happened on the above situation. It is not an intentional violation but simple misconception and unknown of legal interpretation.

In the light of above circumstances, the client bought and sold his shares with misconception and advised him to avoid this type of buying in future may kindly be realized by your good self and thus the charge of deliberate and clear contravention of order as referred may kindly be waved and withdrawn this time."

Whereas, the above mentioned written statement proves that the mentioned allegation against Ibrahim Securities Limited is correct. Their written explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the stated order. The said violation attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

Whereas, to protect the discipline and transparency of the capital market along with it's development the Commission deems it appropriate and necessary to impose penalty upon Ibrahim Securities Limited for the stated violation.

Now, therefore, Securities and Exchange Commission, in exercise of the power conferred by section 22 (amended by the Securities and Exchange (Amendment) Act, 2000) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) hereby imposes penalty for Tk.5 (Tk. Five) Lac upon Ibrahim Securities Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Securities and Exchange Commission' within 30 days from the date of issuance of this order.

By order of the Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

Distribution:

Ibrahim Securities Limited
Ibrahim Mansion (3rd floor)
11,Purana Paltan
Dhaka-1000.