SEC/Enforcement/874/2011/ **August , 2011**

Order

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

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to NCC Bank 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‡gvw`Z cÖwZwbwa) wewagvjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the enquiry report of Securities and Exchange Commission a show cause-cum-hearing notice No SEC/Enforcement/874/2011/110 dated February 24, 2011 was issued to NCC Bank Limited to appear at the hearing on the March 13, 2011. In the show cause-cum-hearing notice among others following were mentioned;-

"Whereas, as per স্টক †evKvi wbeÜb mb` bs- wbeÜb- wbeÜb-3.1/wWGmB-234/2008/312, ZvwiLt 17/11/2008 Bs I স্টক †evKvi wbeÜb mb` bs- wbeÜb-3.2/ wmGmB-139/2010/220, ZvwiLt 09/06/2010 Bs (issued to NCC Bank Limited) Gi শর্ত নং- ২ "mb` cvcK Securities and Exchange Ordinance, 1969 (XVII of 1969), wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993 (1993 m‡bi 15 bs AvBb), Ges wmwKDwiwUR I G·‡PÄ Kwgkb (÷K-wWjvi, ÷K-†evKvi I Ab‡gvw`Z cÖwZwbwa) wewagvjv, 2000 Gi Aaxb Kwgkb KZK mgq mgq c`Ë ev RvixKZ Av‡`k ev wb‡`k Ges GB mb‡`i mKj kZ gvwbqv Pwj‡Z eva¨ _wK‡eb|"

Whereas, as per AvPiY wewa ১, ২ ও ৭ of দ্বিতীয় তফসিল and wewa 11 of wmwKDwiwUR I G·‡PÄ Kwgkb (óK wWjvi, óK †evKvi I Ab‡gvw`Z cÖwZwbwa) wewagvjv, 2000;

"c‡Z¨K ÷K wWjvi, ÷K ‡evKvi I Ab‡gvw`Z cÖwZwbwa‡K Zvnvi e¨emv I GZ`msµvš— Kvhvw` cwiPvjbvi †¶‡Î mbvg, `¶Zv, wek¯—Zv I mZZv eRvq ivwL‡Z nB‡e|"

"c‡Z¨K ÷K wWjvi, ÷K ‡evKvi I Ab‡gvw`Z cÖwZwbwa Zvnvi g‡°‡ji mwnZ Kvq-Kvievi‡ii mgq wek¯—Zvi mwnZ Zvnv‡`i d¨igv‡qm †gvZv‡eK g‡°‡ji Rb¨ m‡evËg evRvi `‡i wmwKDwiwU µq ev weµq Kwi‡eb|"

" †Kvb ÷K wWjvi, ÷K ‡evKvi ev Ab‡gvw`Z cÖwZwbwa GKKfv‡e A_ev Ab¨vb¨‡`i mwnZ mw¤§wjZfv‡e ‡Kvb KwÎg evRvi mwó Kwi‡Z cwi‡eb bv hvnv mvaviY wewb‡qvMKvix‡`i Rb¨ ¶wZKi nB‡e A_ev evRv‡ii mô I Aeva KvhKwiZv evavM¯— Kwi‡e|"

"c‡Z¨K ÷K wWjvi, ÷K ‡evKvi Ges Ab‡gvw`Z cÖwZwbwa m‡ev"P mZZv I wek¯—Zvi mwnZ Zvnvi KvRKg cwiPvjbv Kwi‡eb Ges AvBb, Aa¨v‡`k, GB wewagvjv Ges wØZxq Zdwm†j weaZ AvPiY wewamn wbeÜb mb‡`i mKj kZvejx hv_vh_fv‡e cvjb Kwi‡eb|"

Whereas, an enquiry was conducted by Securities and Exchange Commission. Enquiry committee among others reported the following:

"On January 20, 2011, NCC Bank Limited sold a number of shares on behalf of their clients aggressively not following the available buy order of those securities. As per the trade execution documents and soft data provided by DSE, the inquiry officers found that the aforesaid stock-broker submitted sale order of different securities at a lower rate than available buy rate at that time; as well as lower than actual trade execution rate. The detail transaction of the aforesaid stock-broker is delineated below:

TRADING REPORT OF NCC BANK LTD. ON JANUARY 20, 2011

Customer Code: 02638 **Customer Name: Abdullah Hill Karim**

Instrument	Customer	Buy/ Sale	Price	Quantity	Drip Qty	Time	Order Suffix
ABBANK	Submitted	S	1276.50	10		13:01:38:226	200159
ABBANK	Modified	S	1260.00	10		13:01:45:370	200159
ABBANK	FullExec		1276.00	10		13:01:45:401	200159

INSTRUMENT	BROKER	CUSTOMER	Buy/Sale	TIME	PRICE	QUANTITY	DRIP_QTY
ABBANK	ISTBROKER	ICB1	B	13:01:23:855	1276.00	500	100
ABBANK	ISTBROKER	ICB1	*	13:01:45:401	1276.00	10	

Customer Code: 06741 **Customer Name: Abdul Jalil**

Instrument	Customer	Buy/ Sale	Price	Quantity	Drip Qty	Time	Order Suffix
BEXIMCO	Submitted	S	250.00	2000	1000	13:04:29:603	23000446
BEXIMCO	PartExec		260.00	400		13:04:29:613	23000446
BEXIMCO	PartExec		256.30	500		13:04:29:633	23000446
BEXIMCO	PartExec		255.50	200		13:04:29:646	23000446
BEXIMCO	PartExec		255.50	100		13:04:29:653	23000446
BEXIMCO	PartExec		255.50	500		13:04:29:661	23000446
BEXIMCO	FullExec		255.50	300		13:04:29:670	23000446

INSTRUMENT	BROKER	CUSTOMER	Buy/Sale	TIME	PRICE	QUANTITY	DRIP_QTY
BEXIMCO	CBLBROKER	M114	B	13:04:28:455	256.30	500	0
BEXIMCO	MELBROKER	R0106	B	13:04:28:512	260.00	500	0
BEXIMCO	FICBROKER	546	B	13:04:29:306	255.50	100	0
BEXIMCO	MELBROKER	R0106	*	13:04:29:613	260.00	400	
BEXIMCO	CBLBROKER	M114	*	13:04:29:633	256.30	500	
BEXIMCO	BLIBROKER	B64	*	13:04:29:646	255.50	200	

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Customer Code: 06741 **Customer Name: Abdul Jalil**

Instrument	Customer	Buy/ Sale	Price	Quantity	Drip Qty	Time	Order Suffix
BEXIMCO	Submitted	S	250.00	2000	1000	13:04:59:952	23000489
BEXIMCO	PartExec		255.80	100		13:04:59:959	23000489
BEXIMCO	PartExec		255.50	400		13:04:59:973	23000489
BEXIMCO	PartExec		255.50	700		13:04:59:982	23000489
BEXIMCO	PartExec		255.50	100		13:05:00:002	23000489
BEXIMCO	PartExec		255.50	500		13:05:00:011	23000489
BEXIMCO	FullExec		255.50	200		13:05:00:020	23000489

INSTRUMENT	BROKER	CUSTOMER	Buy/Sale	TIME	PRICE	QUANTITY	DRIP_QTY
BEXIMCO	SHYBROKER	S4776	B	13:04:51:299	255.80	100	0
BEXIMCO	SHYBROKER	S4776	*	13:04:59:959	255.80	100	

Contravention: Through the aforesaid activities NCC Bank Limited (DSE Membership No.61, CSE Membership No.132) has violated শর্ত নং- ২ of কমিশন কর্তৃক ইস্যুকৃত স্টক †evKvi wbeÜb mb` bs- wbeÜb-3.1/wWGmB-234/2008/312, ZvwiLt 17/11/2008 Bs I স্টক †evKvi wbeÜb mb` bs- wbeÜb-3.2/ wmGmB-139/2010/220, ZvwiLt 09/06/2010 Bs , AvPiY wewa ১, ২ ও ৭ of দ্বিতীয় তফসিল and wewa 11 of wmwKDwiwUR I G·‡PÄ Kwgkb (óK wWjvi, óK †evKvi I Ab‡gvw`Z cÖwZwbwa) wewagvjv, 2000 |""

Whereas, hearing was conducted as per schedule. Mr. Mohammed Nurul Amin (Managing Director and CEO) and Mr. Md.Manjum Ali (SVP) attended the hearing on behalf of NCC Bank Limited and submitted a reply letter No. No.NCCB/ CMS/SEC/2011/171 dated March 02, 2011. In the letter among others they stated the following:

"GLv‡b D‡jL¨ †h, Avgiv weMZ w`b¸‡jv‡Z wbqšK ms¯'vmg‡ni wb‡`kbvejx c•Lvbc•Li‡c cwicvjb K‡iwQ| wKš `tLRbK n‡jI mZ¨ †h, mviv †`ke¨vcx †kqvi evRv‡i A¯'vfvweK `icZ‡b Mvn‡Ki g‡b fxwZ mÂvwiZ n‡q‡Q| Avgv‡`i KZe¨iZ Ab‡gvw`Z cÖwZwbwae›` MvnK‡`i GB AbvKvw•LZ fxwZ wbeËKi‡bi m`v civgk w`‡jI KwZcq MvnK Zv‡`i K_vq KYcvZ bv K‡i eis Zvi AvaKvi †Rvi‡jv fv‡e c‡qvM K‡i ‡kqvi weµi Rb¨ eva¨ K‡i| hvi djk"wZ‡Z Ab‡gvw`Z cÖwZwbwaiv w`‡knviv n‡q g‡°‡ji c‡¶ †kqvi weµ‡q eva¨ nq| AvaKš, weMZ 20/01/2011 Zvwi‡L †UwWs Kvhµg m¤úwY`Z n‡qwQj LeB ¯'vfvweK fv‡e Ges TWS Gi c`vq cwZ †m‡K‡Ûi mnmvs‡k µq I weµ‡qi Av‡`k h_vh_ fv‡e c`wkZ nIqvq ev bR‡i Avmvi m‡hvM bv _vKvq Ab‡gvw`Z cÖwZwbwaiv nq‡Zvev AvBb Kvbb I wewawbavb †g‡b Zv‡`i †UwWs Kvhµg cwiPvjbv Ki‡Z e¨_ nq| cieZx‡Z Avgiv welqwU AewnZ nIqvi ci msiwkó Ab‡gvw`Z cÖwZwbwai wei"‡× kw¯ gjK e¨e¯'v wnmv‡e fwel¨‡Z hvnv‡Z D³ NUbvi cbivewË bv N‡U †mB wel‡q mZKxKiY Kiv nq|

Av‡iv D‡jL¨ †h, Kwgk‡bi †bqv ¯wMZ Av‡`‡ki wecix‡Z Avgiv Zvr¶wbK fv‡e †Kvb ai‡bi AcZrciZvq Ges AvBbx cwµqvq RwoZ bv n‡q eis Kwgk‡bi mwe‡ewPZ wm×v‡šÍi cÖwZ AwePj Av¯'v ceK Avgiv me`v m‡Pó _vKvq cqvm Pvwj‡q hvq|

BwZg‡a¨, Avgv‡`i mKj Ab‡gvw`Z cÖwZwbwa‡`i †K wb‡q Securities Rules and Regulation wk‡ivbv‡g mviw`b e¨wc GKwU Kgkvjv cwiPvjbv Kwi, hvi gva¨‡g Ab‡gvw`Z cÖwZwbwa‡`i ‡K Av‡iv mg¨K Ávb c`vb Kivi c‡Póv †bIqv n‡e|

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Dc‡iv³ welqvi jx mwe‡ePbvq I ¶gv mjf `wó‡Z †`‡L AÎ cwZôv‡bi mbvg I Mvn‡Ki Av¯v, eRvq ivLvi ¯v‡_ Avgv‡`i ‡evKv‡iR nvDRwUi wecix‡Z Av‡iwcZ wewagvjv f‡½i Awf‡hvM n‡Z Ae¨vnwZ c`vb Kivi Rb¨ mweb‡q Av‡e`b KiwQ| GZØms‡M, fwel¨‡Z G ai‡bi Kvhµg †_‡K weiZ _vKvi Aw½Kvi KiwQ|"

Whereas, NCC Bank Limited has submitted sale order of different securities at a lower rate than the actual trade execution rate (available buy rate at that time), therefore the mentioned allegation of violating শর্ত নং- ২ of কমিশন কর্তৃক ইস্যুকৃত স্টক †evKvi wbeÜb mb` bs- wbeÜb-3.1/wWGmB-234/2008/312, ZwiLt 17/11/2008 Bs I স্টক †evKvi wbeÜb mb` bs- wbeÜb-3.2/ wmGmB-139/2010/220, ZwiLt 09/06/2010 Bs and AvPiY wewa ১, ২ ও ৭ of দ্বিতীয় তফসিল of wmwKDwiwUR I G·‡PÄ Kwgkb (óK wWjvi, óK †evKvi I Ab‡gw`Z cwZwbwa) wewagvjv, 2000 against NCC Bank Limited is proved as 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 শর্ত and AvPiY wewa. The said violations attract penal provision of aviv 18 of wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993.

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 NCC Bank Limited for the stated violations.

Now, therefore, Securities and Exchange Commission, in exercise of the power conferred by aviv 18 of wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993 hereby imposes penalty for Tk.20 (Tk. Twenty) Lac upon NCC Bank 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:

NCC Bank Limited
6,Motijheel C/A(1st floor)
Dhaka-1000.