



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
Bangladesh Securities and Exchange Commission

Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000, Bangladesh

Phone (PABX): 0088-02 9568101-2, 0088-02 9561525, Fax: 0088-02 9563721, 717660

SEC/Enforcement/1005/2011/193

March 12, 2013

SIBL Securities Limited (Present Name)
Arafat Securities Limited (Former Name)
DSE's Membership No. 94
Bhuiyan Centre (7th floor)
68, Dilkusha C/A
Dhaka-1000.
Attention: Managing Director/CEO

Subject: Penalty Order: Non-compliance of Rule 11 , আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০, regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006 in connection with unusual trading in shares of Beach Hatchery Limited

Dear Sir,

Commission's penalty order No. SEC/Enforcement/1005/2011/192 dated March 12, 2013 is enclosed herewith for your kind information and necessary action.

For Bangladesh Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

P.O to Commissioner (Enforcement), BSEC
P.O to Executive Director (Surveillance), BSEC
P.O to Executive Director (MIS), BSEC
Chairman's office, BSEC



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Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), SIBL Securities Limited [Arafat Securities Limited (Former Name)] is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to SIBL Securities Limited under aviv 10(1) of the ঐমিKDiiUR I G · ‡PÄ Kigkb AvBb, 1993, read with ঐa 5 (5) of the ঐমিKDiiUR I G · ‡PÄ Kigkb (÷K-ঐWjvi, ÷K-ঐevKvi I Ab‡g‡Z c‡Zib‡a) ঐe‡agvjv, 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 Bangladesh Securities and Exchange Commission regarding steep rise in share price of Beach Hatchery Limited, a show cause-cum-hearing notice No. SEC/Enforcement/1005/2011/380 dated August 08, 2012 was issued to SIBL Securities Limited to appear at the hearing. In the show cause-cum-hearing notice among others following were mentioned:-

“Whereas as per বিধি ১১, আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;

“c‡ZK ÷K ঐWjvi, ÷K ‡evKvi Ges Ab‡g‡Z c‡Zib‡a m‡ev”P mZZv I ‡ekZvi m‡nZ Zv‡vi KvRKg c‡iPvjv K‡i‡eb Ges AvBb, Aa‡v‡k, GB ঐe‡agvjv Ges ঐZxq Zd‡m‡j ‡eaZ AvPiY ঐe‡amn ‡beÜb m‡b‡i mKj kZvejx hv_vh_fv‡e cvjb K‡i‡eb|”

“প্রত্যেক স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিকে তাহার ব্যবসা ও এতদসংক্রান্ত কার্যাদি পরিচালনার ক্ষেত্রে সুনাম, দক্ষতা, বিশ্বস্ততা ও সততা বজায় রাখিতে হইবে”

“‡bR ‡v_‡m‡xi Rb” Ac‡K‡kj c‡q‡M ‡b‡I×|- ‡Kvb ÷K ঐWjvi, ÷K ‡evKvi ev Ab‡g‡Z c‡Zib‡a ‡bR ‡v_‡m‡xi Rb” ‡Kvb Ac‡K‡kj‡i Avkq jB‡Z c‡i‡eb bv, Kv‡v‡KI VK‡b‡v ev ceÂb‡i D‡İ‡k” ‡Kvb ‡jb‡b K‡i‡Z c‡i‡eb bv ev ‡bR ‡v_‡m‡xi D‡İ‡k” A_ev evR‡i‡i f‡v‡m‡g” ‡ebó Kivi D‡İ‡k” ‡Kvb , Re QovB‡Z ev Kv‡h‡ug c‡iPvjv K‡i‡Z c‡i‡eb bv|”

Whereas, as per regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006, short sale of listed securities is prohibited.

Whereas, an enquiry has been conducted by SEC regarding steep rise in share price of Beach Hatchery Limited.

Whereas, the Enquiry committee among others has reported the following;

..... “the category of shares of the company changed to “A” category from “Z” category on July 16,2009.....”

“The enquiry officers found that some clients of Arafat Securities Limited bought a bulk quantity of Beach Hatchery Limited shares and sold some shares before maturity. The details are described below:



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ARAFAT SECURITIES LIMITED

DSE MEMBER # 94

SL NO	NAME OF CLIENT	CLIENT CODE	BUY DATE	QUANTITY	MATURITY DATE	SALE DATE	REMARKS
1	Sima Akter	126	06/10/09	7500	9/10/2009	8/10/2009	Sold 500 shares at T+2
2	Mojibur Rahman	766	28/07/09	5000	31/07/09	30/07/09	Sold 5000 shares at T+2
3	Md. Anwarul Azim	1543	20/07/09	3000	23/07/09	22/07/09	Sold 3000 shares at T+2
			27/07/09	10000	30/07/09	29/07/09	Sold 10000 shares at T+2
			29/07/09	1000	1/8/2009	29/07/09	Sold 1000 shares at T+0
4	Mohd. Anwarul Azim	72	20/07/09	4000	23/07/09	22/07/09	Sold 4000 shares at T+2
			26/07/09	10000	29/07/09	28/07/09	Sold 10000 shares at T+2
			12/10/09	27500	15/10/10	14/10/09	Sold 5000 shares at T+2
5	Md. Masum	2752	06/10/09	8000	9/10/2009	7/10/2009	Sold 4000 shares at T+1
						8/10/2009	Sold 4000 shares at T+2
			29/12/2009	5000	1/1/2010	30/12/2009	Sold 4000 shares at T+1
			10/05/10	2000	13/05/2010	10/5/2010	Sold 2000 shares at T+0

Contravention: The aforesaid activities are the violation of ÷K Wjvi, ÷K tevKvi I Abtgw`Z cZibiat`i A\pib iela 1 Ges 6 as enumerated in the second schedule of mKDiiUR I G · tPA Kigkb (÷K Wjvi ÷K tevKvi I Abtgw`Z cZibia) ielagvjv, 2000 and iela 11 of said ielagvjv and Regulation 4(1) of the “ Dhaka Stock Exchange (Short Sale) Regulations, 2006”.

Whereas, hearing has been conducted. Mr. Md. Humayun Kabir (C.O.O, SIBL securities Limited) and Mr. Md. Tajul Islam (Authorised Representative, Arafat Securities Limited) have attended the hearing on behalf of the broker. They submitted an explanation letter No. SIBL SL/HO/SEC/2012/594 dated September 03, 2012. SIBL securities Limited among others has stated that they purchased the membership from Arafat Securities in 2011 and the said violation had been committed by Arafat Securities Limited. Arafat Securities has also submitted explanation letter dated September 02, 2012 wherein they have confessed the allegation, begged apology. SIBL securities Limited requested the Commission to relieve them from the responsibility of the allegations.



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Whereas, from the enquiry report and the written statement of SIBL Securities Limited it is **proved** that the mentioned allegation of violating Article 1 and 6 of second schedule of the Securities and Exchange Ordinance, 1969 (XVII of 1969) and Regulation 4(1) of the "Dhaka Stock Exchange (Short Sale) Regulations, 2006" against SIBL Securities Limited is **correct**. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, appeared to be deliberate and clear contravention of the above mentioned Article and Regulation. Therefore the said non compliance attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969 and Article 18 of the Securities and Exchange Commission Act, 1993;

Whereas, to protect the discipline and transparency of the capital market along with its development the Commission deems it appropriate and necessary to impose penalty upon SIBL Securities Limited for the stated violations.

Now, therefore, Bangladesh 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.1.00 (Tk.One) Lac upon SIBL Securities Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Bangladesh Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Bangladesh Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

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