Bangladesh Securities and Exchange Commission

Law Division
CMRRC Department
Regulatory Section
www.sec.gov.bd

Directive

Dated 13 July 2025

No. BSEC/CMRRCD/2009-193 (part-07)/91 - In exercise of the powers conferred by section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission hereby issues the following amendment to Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, namely:

The existing direction 3(i) shall be substituted by the following:

"3 (i)(a) In the event of declaration of annual or final cash dividend in a financial year, the Board of Directors (BOD) of an issuer or the Board of Trustees (BOT) of a mutual fund, as applicable, shall ensure that the total amount declared as cash dividend (declared amount) is transferred and kept in a separate bank account (dividend account), maintained solely for the purpose of payment/disbursement of dividend. This transfer must be completed at least 01 (one) day prior to the date of the Annual General Meeting (AGM) or immediately after 01 (one) day of record date as declared by BOT in its meeting:

Provided that if the dividend amount subsequently approved (approved amount) at the AGM is less than the declared amount, the issuer may withdraw the difference between the declared amount and the approved amount from the dividend account and transfer the amount so withdrawn to other accounts of the issuer maintained in accordance with applicable laws and internal financial controls:

Provided further that the issuer shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concerned bank. The said certificate shall be attested by the Managing Director, Chief Financial Officer and Company Secretary of the issuer, presented at the AGM and submitted to the relevant stock exchange(s):

Provided further that the mutual fund shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concerned bank. The said certificate shall be attested by the Fund Manager and submitted, in case of close-end

R

mutual fund, to the relevant stock exchange(s) and, in case of open-end mutual fund, to the Commission.

The following direction 3(i)(b) shall be inserted after direction 3(i)(a), namely:

"3 (i)(b) In the event of declaration of interim cash dividend, the BOD of the issuer shall ensure that the amount declared as interim cash dividend is transferred and kept in the dividend account. Such transfer shall be made within 15 (fifteen) days from the record date of the interim cash dividend as declared by the BOD of the issuer."

The following direction 3(i)(c) shall be inserted after direction 3(i)(b), namely:

"3(i)(c) In cases where the issuer is a banking company, the dividend account shall be maintained with a different bank, distinct from the issuer itself."

The following direction 3(i)(d) shall be inserted after direction 3(i)(c), namely:

"3(i)(d) The issuer shall not maintain the dividend account with any bank wherein a common director exists between the issuer and the said bank."

This directive shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission

Khondoker Rashed Maqsood
Chairman.