



NOTIFICATION

Dated, 22 March 2021

No. BSEC/CMRRCD/2009-193/10/Admin/118 -Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as the Commission) deems it fit that the consent already accorded by the Commission, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or to the public offer of securities for sale, or the issuer companies listed with any stock exchange in Bangladesh shall be subject to certain further conditions in the interest of investors and the capital market;

Now, therefore, in exercise of the powers conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby imposes the following further conditions to the consent already accorded by it, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or to the public offer of securities for sale, or to the issuer companies listed with any stock exchange in Bangladesh, namely:-

- (1) No issuer company shall, except with the approval of the general meeting of its shareholders with majority vote excluding the vote of the concerned or connected shareholders or directors or related party (i.e., such connected shareholders or directors or related party shall not be eligible to vote with regard to the particular agenda or transaction), enter into any contract in value based on fair price or otherwise: (a) for the sale or purchase of assets of 1% (one percent) or above of the total tangible assets as shown in the statement of financial position as of end of the immediate preceding financial year or (b) for the sale or purchase of goods, materials or services amounting to 10% (ten percent) or above of the total revenue or turnover as shown in the statement of profit or loss and comprehensive income for the immediate preceding financial year, with-
 - (i) Any director of the issuer; or
 - (ii) Any firm in which any director of the issuer is a partner; or



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- (iii) Any private company of which any director of the issuer is a director or member; or
 - (iv) Any public company of which any director of the issuer is a director or member; or
 - (v) Any public company, the managing agent, manager or director who is accustomed to act in accordance with the directions or instructions of any director of the issuer; or
 - (vi) Any other related party as defined in the International Financial Reporting Standards (IFRS).
- (2) No issuer company shall, except with the approval of the general meeting of its shareholders with majority vote excluding the vote of the concerned or connected shareholders or directors or related party, if any (i.e., such connected shareholders or directors or related party shall not be eligible to vote with regard to the particular agenda or transaction), enter into any contract in value based on fair price or otherwise for the sale or purchase of more than 50% (fifty percent) of the total tangible assets as shown in the statement of financial position as of end of the immediate preceding financial year whether such sale or purchase occurs in a single transaction or several transactions taking place within one year from the date of first transaction;
- (3) The issuer company shall, within 30 (thirty) minutes from the decision of the board of directors meeting to execute such contract or entering into such contract as above, disclose the nature and amount of the contract including description of the assets, goods, materials or services and must declare any conflict of interest [e.g., conflict of interest due to significant control or influence, or due to any person mentioned in clause (1)(i)-(vii) above], to the Commission and the stock exchange(s) through email, fax and special messenger and publish the same in two widely circulated national dailies one in Bengali and another in English.

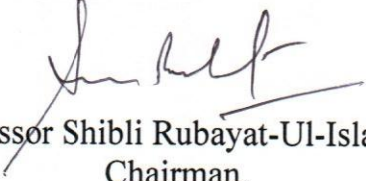


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- (4) The issuer company shall, after obtaining information from its directors and shareholders who hold 10% (ten percent) or more shares of the company, excluding those shares held by the mutual funds, alternative investment funds, portfolio managers and stock dealers, furnish the information of such borrowing (cumulatively) of the said directors or shareholders who have availed any loan or credit facility by lien or pledge of their shares to the lender(s) at the time of borrowing or information of margin loan of such directors or shareholders availed from the stock broker or portfolio manager, to the Commission and the stock exchange(s), within 15(fifteen) days of end of each quarter of the financial year as well as disclose such information in the annual report.
- (5) This supersedes the Commission's Notification No. BSEC/CMRRCD/2009-193/2/ Admin/103 dated 5 February 2020 and shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission


Professor Shibli Rubayat-Ul-Islam
Chairman.