Bangladesh SEC Quarterly Review

March 2017

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban
E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207
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The Bangladesh Securities and Exchange Commission (BSEC) was established on 8th June, 1993 as the regulator of the country's capital market through enactment of the Bangladesh Securities and Exchange Commission Act, 1993, with the objectives of protecting the interest of investors in securities, developing the securities market and making rules for matters connected therewith or ancillary thereto. The Commission consists of the Chairman and four Commissioners who are appointed for fulltime by the Government for a period of four years. The Chairman acts as the Chief Executive of the Commission. The Commission has overall responsibility to formulate securities related rules and regulate the market accordingly. The Commission is a statutory body and attached to the Ministry of Finance.

At present Dr. M. Khairul Hossain is serving as the Chairman and Prof. Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain and Dr. Swapan Kumar Bala are serving as Commissioner of the Commission. The Chairman and first two Commissioners have been serving since May, 2011, and they were re-appointed for further four years on May 2014 for the second tenure. Dr. Swapan Kumar Bala is serving as a Commissioner since 19 April 2016. Commissioner Mr. Md. A. Salam Sikder retired on January 28, 2017.

Bangladesh Securities and Exchange Commission (BSEC) has been elevated to 'A' category member of IOSCO on 22 December 2013 for achieving international standard through capital market reforms.

Bangladesh Securities and Exchange Commission

Dr. M. Khairul Hossain
Chairman

Professor Md. Helal Uddin Nizami
Commissioner

Mr. Md. Amzad Hossain
Commissioner

Mr. Md. A. Salam Sikder
Commissioner

Dr. Swapan Kumar Bala FCMA
Commissioner

2. Executive Directors of the Commission

1. Mr. Farhad Ahmed (Working at IOSCO as Enforcement and Co-operation Advisor on Secondment position)
2. Mrs. Ruksana Chowdhury
3. Mr. A.T.M. Tariquzzaman (On study leave in New Zealand)
4. Mr. Md. Anowarul Islam
5. Mr. Md. Saifur Rahman
6. Mr. Md. Ashraful Islam
7. Mr. M. Hasan Mahmud
8. Mr. Mahbubul Alam
9. Mr. Mahbuber Rahman Chowdury

3. Head of the Departments of the Commission

1. Mrs. Ruksana Chowdhury	ED	(Enforcement, Office of the Chief Accountant, Internal Audit, AML/CFT Wing)
2. Mr. Md. Anowarul Islam	ED	(SRMIC, Admin and Finance)
3. Mr. Md. Saifur Rahman	ED	(SRI, Surveillance)
4. Mr. Md. Ashraful Islam	ED	(MIS, R&D, CDS)
5. Mr. M. Hasan Mahmud	ED	(MF&SPV, Corporate Finance)
6. Mr. Mahbubul Alam	ED	(Capital Issue, Registration, International Affairs, Financial Literacy)
7. Mr. Mahbuber Rahman Chowdury	ED	(CMRRC, Law)

4. Directors of the Commission

1.	Mr. Kamrul Anam Khan	Director (Capital Issue)
2.	Mr. Mohammad Rezaul Karim	Director (Capital Issue)
3.	Mr. Shafiul Azam	Director (SRI)
4.	Mr. Ripan Kumar Debnath	Director (CMRRC)
5.	Mr. Mir Mosharraf Hossain	Director (Enforcement)
6.	Mr. Mohammad Jahangir Alam	Director (Registration)
7.	Mr. Mahmoodul Hoque	Director (MF and SPV)
8.	Mr. Prodip Kumar Basak	Director (Capital Issue, Corporate Finance)
9.	Mr. Rajib Ahmed	Director (MIS)
10.	Mr. Abul Kalam	Director (Finance)
11.	Mr. Mansur Rahman	Director (SRMIC)
12.	Mr. Mohammad Abul Hasan	Director (Admin)
13.	Mr.Sheikh Mahbub Ur Rahman	Director (Surveillance)
14.	Ms. Farhana Faruqui	Commission Secretary and Director (Commission Secretariat and IAD)
15.	Mr. Abu Rayhan Mohammad Mutasim Billah	Director (Research & Development)

5. The Missions of the Commission

Bangladesh Securities and Exchange Commission was established with the aims of protecting the interest of investors in securities, developing the securities market and making rules for matters connected therewith or ancillary thereto. Thus, the missions of the Commission are

- protecting the interest of investors in securities;
- developing the securities market;
- making rules for matters connected therewith or ancillary thereto.

To ensure the mission stated above, the Commission has been continuing its efforts on market monitoring and surveillance, corporate governance, enforcement actions against defaulters, proper issuance of securities, investors education programs etc. and on market reforms and regulation in time of need.

Capital market is an important means of long term financing suitable for growth of industries in order ensure industrialization and economic prosperity of the country. After establishment of the Commission, many activities like development of legal infrastructure, automation of trading of securities, maintenance and settlement of securities in electronic system by CDBL, opportunities to investors to access information through website about market value of securities and index, and arrangement of training programs for investors by BSEC, Stock Exchange, BICM and market intermediaries have contributed significantly towards development of the capital market. The Commission has framed 10-year master plan for development and reform of the capital market, which is being implemented gradually. Upon implementation of the master plan, the fundamental problems of capital market will be eliminated, and market depth and stability will be increased.

6. The Commission's Main Functions

The Commission carries out its functions as per provisions of the securities laws. Important functions of the Commission are listed hereunder:

- Issuance of securities as per related rules;
- Protection of investors through market monitoring and surveillance, corporate governance, enforcement actions and investors education program etc.;
- Development and regulation of the market through reforms;
- Regulation of the business of the Stock Exchanges or any other securities market;

- Registration and regulation of the business of stock-brokers, sub-brokers, share transfer agents, merchant bankers and issue managers, trustee of trust deeds, registrar of an issue, underwriters, portfolio managers, investment advisers and other intermediaries in the securities market;
- Registration, monitoring and regulation of collective investment scheme including mutual funds;
- Monitoring and regulation of all authorized self regulatory organizations in the securities market;
- Prohibition of fraudulent and unfair trade practices relating to securities trading in any securities market.
- Promoting investors' education and providing training for intermediaries of the securities market;
- Prohibition of insider trading in securities;
- Regulation of the substantial acquisition of shares and take-over of companies;
- Undertaking investigation and inspection, inquiries and audit of any issuer or dealer of securities, the Stock Exchanges and intermediaries and any self regulatory organization in the securities market;
- Regulation of business of Commodity Futures Contracts;
- Conduct research and publication of such information.

7. Capital Market Related Activities:

Grand inauguration of "Securities Commission Bhaban" and Nationwide "Financial Literacy" program by Hon'ble Prime Minister, Government of the People's Republic of Bangladesh

Hon'ble Prime Minister Sheikh Hasina, Government of the People's Republic of Bangladesh is inaugurating "Securities Commission Bhaban"

Hon'ble Prime Minister, Hon'ble Finance Minister, Hon'ble State Minister, Chairman of the Commission, all Commissioners and other dignitaries prayed for betterment of the Commission during the inauguratin of "Securities Commission Bhaban" at E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area.

Hon’ble Prime Minister Sheikh Hasina, Government of the People’s Republic of Bangladesh inaugurated the Commission’s new 10-storied building “Securities Commission Bhaban” and nationwide “Financial Literacy” Program on 08 January 2017. Hon’ble Prime Minister at first inaugurated the “Securities Commission Bhaban” at E-6/C Agargoan, Sher-e-Bangla Nagar Administrative Area, Dhaka and visited some part of the new constructed building. Mentionable that, Hon’ble Prime Minister Sheikh Hasina laid foundation stone of the building on 24 November 2013 to enhance organizational capacity the capital market regulator BSEC. Then, she attended as the chief guest at the grand occasion in Bangabandu International Conference Center. Hon’ble Finance Minister, Mr. Abul Maal Abdul Muhith M.P was present as the special guest. Hon’ble chief guest inaugurated the countrywide Financial Literacy Program of Bangladesh Securities and Exchange Commission through launching its website.

Ministers of the government, advisers, state ministers, members of the parliament, high officials, Commissioners and all staffs of the Commission, high officials of DSE, CSE and CDBL and capital market related organizations were present at the occasion, which was presided over by the Chairman of the Commission Dr. M. Khairul Hossain.

Hon’ble Prime Minister Sheikh Hasina, Government of the People’s Republic of Bangladesh is seen delivering her speech in the inaugural ceremony of BSEC’s Nationwide “Financial Literacy” program at Bangabandu International Conference Center

In the inaugural ceremony, Hon’ble Prime Minister mentioned that the newly constructed building is attractive enough and there are plenty of facilities, where BSEC’s employees can discharge their duties in a congenial environment.

A strong capital market is a pre-condition to build up a developed economy. Today is the day of great happiness for the capital market of Bangladesh as well as the whole economy towards evolution of Bangladesh economy. The government has always kept its hand supportive for expansion of the capital market. It has taken various steps for development of a stable, transparent and accountable capital market.

Financial literacy is very important to build up capacity of developing savings habit of people and taking right decision for investment of the savings. Financial literate person can invest having good understanding of its risk and they can also know in depth the trend of the market.

Hon’ble Finance Minister articulated his satisfaction on activities of the Commission and expressed that very early the capital market of Bangladesh will be uplifted to international standard and multinational companies will be enlisted in the stock exchanges.

Chairman of the Commission in his speech, expressed thanks to the present government and Hon’ble Prime Minister for kind co-operation in all activities of the Commission and expressed his commitment to expand nationwide financial literacy through “Bangladesh Academy for Securities Market”.

An audio visual on economic development of Bangladesh and expansion of capital market was exhibited in the inaugural ceremony. Besides, some television commercials on nationwide financial literacy program were also exhibited in the occasion.

Farewell Reception to Outgoing Commissioner

Mr. Md. Abdus Salam Sikder

At the farewell reception, the outgoing Commissioner Mr. Md. Abdus Salam Sikder was given floral greetings by the Chairman of the Commission Dr. M. Khairul Hossain, Commissioners and all employees

On 25 January 2017, a farewell reception to outgoing Commissioner of BSEC, Mr. Md. Abdus Salam Sikder, took place at the Commission's board room unostentatiously. The Chairman of the Commission Dr. M. Khairul Hossain, all Commissioners Professor Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Dr. Swapan Kumar Bala, and all officials of Commission were present at that occasion.

Mr. Md. Abdus Salam Sikder joined BSEC as a Member on 14 July 2011. After completion of his first three years tenure, the Government re-appointed him as a Commissioner of the Commission for second tenure for four years, as per Bangladesh Securities and Exchange Commission (Amendment) Act, 2012. He retired from the Commission on completion of his 65 years age. As a Commissioner, he contributed in many important reforms of the capital market development. As a result of his outstanding contribution, the Commission and the capital market is now on a strong foundation. The farewell witnessed an emotional atmosphere at his departing.

Before joining the Commission Mr. Salam retired as a District Judge of Bangladesh Civil Service (Judicial) cadre on 28 January 2011 while he was working in Barisal District. He was born in an aristocratic Muslim family on 29 January 1952 in Pirojpur district. He completed SSC in 1968, HSC in 1970 and bachelor degree (Hons) in Political Science in 1973 and Masters Degree in 1974 and LLB in 1977 from Dhaka University. Later, Mr. Md. A. Salam Sikder was a professor of Pirojpur College during 1979-1980 and in 1981 he started legal practice as a member of Pirojpur District Bar. He joined Bangladesh Civil Service (Judicial) cadre on 20 April 1983 as an Assistant Judge. Then by promotion he became Sub Judge, Additional District Judge and District Judge and worked in different districts many district including Dhaka, Barisal. He obtained many trainings including Judiciary administration, survey and settlement, special foundation course in his career.

Mr. Md. A. Salam Sikder is a freedom fighter. He got arms training from Chakulia Training Centre, Bihar, India during Bangladesh's liberation war in 1971 and fought against Pakistani military in front battle from sector 9.

He visited USA, India, Spain, Switzerland, France and some other countries to join various international seminar and conference.

The farewell program of the outgoing Commissioner Mr. Md. Abdus Salam Sikder wished his sound health and long life and expresed hope for his greater contribution for the development of the capital market and the country's economy.

At the occasion, Mr. Md. A. Salam Sikder was given a creast by the Chairman of the Commission Dr. M. Khairul Hossain and Commissioners Professor Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain and Dr. Swapan Kumar Bala

Participation of BSEC in "Development Fair" 2017

Development Fair, 2017 was held on 9-11 January 2017 across the country's 64 districts to inform to the people regarding goverment's development initiatives, implementations, and progress for the first time. The Commission participated in this fair in 28 districts to spreed the concept of capital market. These districts are Dhaka, Chittagong, Sylhet, Coxes bazar, Comilla, Bogra, Faridpur, Barisal, Pabna, Norsindhi, Narayanganj, Naogaon, Mymensingh, Tangail, Rangpur, Rajshahi, Noakhali, Moulvibajar, Hobiganj, Kushtia, Kishoreganj, Khulna, Feny, Jessore, Jamalpur, Sirajganj, Gazipur and Brahmanbaria. The Commission along with all stakeholders took part in the fair to provide information about government's development initiatives and implementation as well as capital market development and investment opportunities. Various awareness programs on financial literacy activities were focused in the fair.

Capital market's stall in the three-day long "Development Fair", 2017

The fair created mass awareness among the people regarding capital market and investment decision process in it.

BSEC's meeting with delegates of International Monetary Fund (IMF)

A meeting was held between the Commission and International Monetary Fund (IMF) at Securities Commission Bhaban on 2 March 2017. Chairman of the Commission Dr. M. Khairul Hossain, Commissioners Professor Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Dr. Swapan Kumar Bala, and high officials of the Commission and delegates of IMF lead by Mr. Brayan Eitken, Divisional Head of Asia Pacific were present at that meeting. Various reforms on capital market and bond market development issues were discussed in the meeting.

Commission observed International Women’s Day

The Commission organized a day long program to gorgeously celebrate the International Women’s Day and National Women’s Day on 8 March 2017. Lead and managed by senior executive director of the Commission Mrs Ruksana Chowdhury, International Women’s Day was celebrated at the Commission’s new building Securities Commission Bhaban with active participation of all women employees along with Commission Secretary Farhana Faruqui Women employees admired the initiatives of the government for women and request the chairman of the Commission for launching day-care center and other facilities for women employees. For women empowerment, they specially requested to consider appointment of women director in listed companies.

Chairman of the Commission Dr. M. Khairul Hossain cordially thanked all women employees for successfully celebrating the program.

Chairman of the Commission Dr. M. Khairul Hossain is seen in the photo session with women employees

Training Organized for Master Trainers of the Financial Literacy Program

Chairman of the Commission Dr. M. Khairul Hossain and Commissioner Professor Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Dr. Swapan Kumar Bala are seen along with the master trainers

Nationwide financial literacy program of Bangladesh Securities and Exchange Commission has been launched on 12 February 2017. BSEC arranged a workshop for master trainers to provide necessary information and concept concerning this training. This workshop was inaugurated by the Chairman of the Commission Dr. M. Khairul Hossain. Dr. M. Khairul Hossain expressed his hope that master trainers, trainers of nationwide financial literacy program and participants will play important role in protecting investment of investors and growth of capital market as well as economic development through expanding their activities. Commissioners of BSEC, executive directors, directors, high officials of DSE, CSE and CDBL along with executive officers of asset management companies, merchant banks and fund managers participated in the workshop.

7. Capital Market Regulatory Reforms and Compliance (CMRRC)

In this time the following amendments/orders/directives have been issued

Serial No	Subject	Classification	Reference No.
1.	Regarding suspension of the effectiveness of rule 3(5) of the Margin Rules 1999 for 6 (six) months	Order	SEC/CMRRCD/2009-193/197 Dated: 19 February 2017

8. Corporate Finance

CFD's activities for the quarter: January-March, 2017

Sl. No.	Particulars	Action taken	No. of Company	No. of Action
1.	Reports on utilization of IPO/RPO/Rights Issue / Convertible Preference Shares.	Reports/Audit reports on utilization of fund raised through IPO/RPO/Rights Issue/Convertible Preference Shares have been examined and put-up for information & perusal of the Commission.	06	06
		Send to Enforcement Department on the basis of special audit report	01	01
		Revised proposal on utilization of IPO/Rights Issue Proceeds have been placed before the Commission for kind decision.	01	01
		Revised IPO/RI proceeds utilization format has been send to the issuer.	10	10
2.	Extension of time for submission of Audited Financial Statements.	Time extended.	01	01
		Referred to Enforcement Department for non-submission of Audited Financial Statements within stipulated time.	01	01
3.	Audited Financial Statements for the year ended on June 30, 2016.	Consent regarding the appointment of statutory auditor.	02	02
4.	Submission of quarterly un-audited financial statements for the 1st quarter ended on September 30, 2016.	Time extended.	01	01

5.	Submission of quarterly un-audited financial statements for the 2nd quarter/half yearly ended on December 31, 2016.	Time extended.	01	01
6.	Submission of quarterly un-audited financial statements for the 3rd quarter ended on September 30, 2016.	Referred to Enforcement Department for non-submission of quarterly financial statements within stipulated time.	01	01
7.	Appointment of Independent Director	The Commission's clearance has been accorded regarding appointment of Independent Directors in the Board of the companies, subject to ensuring the compliance with the requirement/provision of the condition No. 1.2(iii) of the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.	10	10
		Due to non-compliance with the conditions of Corporate Governance Guidelines, the matter has been regretted by the Commission regarding appointment of Independent Director.	01	01
8.	Enlistment of External Auditors	Comments have been given to Bangladesh Bank regarding enlistment of external auditors.	-	02

9. Capital Issue

Private Limited Companies:

Sl No	Particulars	Name of the Company	Consent Letter issued	Amount
1	Bangladesh Petrochemical Company Limited.	Ordinary shares of Tk 2,98,41,000/-	02.01.2017	2,98,41,000/-
2	Bashundhara Cement Mills Ltd.	Ordinary shares of Tk 1,400,000,000/-	10.01.2017	1,400,000,000/-
3	Milvik Bangladesh Ltd.	Ordinary shares of Tk5,00,00,000/-	16.01.2017	5,00,00,000/-
4	Colotex Apparel Ltd.	Ordinary shares of Tk.37,08,93,250/-	16.01.2017	37,08,93,250/-
5	Mamiya OP (Bangladesh) Ltd.	Ordinary shares of Tk.1,19,37,000/-	16.01.2017	1,19,37,000/-
6	Easy Fly Express ltd.	Ordinary shares of Tk.10,00,00,000/-	23.01.2017	10,00,00,000/-
7	City Home Properties ltd.	Ordinary Shares of Tk.36,00,00,000/-	29.01.2017	36,00,00,000/-
8	ABA Fashion Ltd.	Ordinary shares of Tk.29,91,00,000/-	31.01.2017	29,91,00,000/-
9	Chittagong Knitwears (pvt) ltd.	Right shares of Tk. 544,500,000/-	31.01.2017	544,500,000/-
10	Meghna Economic Zone Ltd.	Ordinary shares of Tk.100,00,00,000/-	06.02.2017	100,00,00,000/-
11	TS TECH BANGLADESH LTD.	Ordinary Shares of Tk.27,30,00,000/-	06.02.2017	27,30,00,000/-
12	Epyllion Knitwears Ltd.	Ordinary shares of Tk.3,00,00,000/-	06.02.2017	3,00,00,000/-
13	Ship Aichi Medical Services ltd.	Ordinary shares of Tk.114,00,00,000/-	09.02.2017	114,00,00,000/-
14	SAN Apparels Ltd.	Ordinary shares of Tk.28,61,10,500/-	14.02.2017	28,61,10,500/-
15	BM Container Depot ltd.	Ordinary shares of Tk.32,00,00,000/-	15.02.2017	32,00,00,000/-
16	Vintage Demin Ltd.	Bonus shares of Tk.49,50,00,000/-	16.02.2017	49,50,00,000/-
17	Bangladesh India Friendship Power Company ltd.	Ordinary shares of Tk.150,00,00,000/-	19.02.2017	150,00,00,000/-
18	Bombay Sweets and Company ltd.	Bonus shares of Tk.30,00,00,000/-	27.03.2017	30,00,00,000/-
19	Premier Bank Securities Ltd.	Ordinary shares of Tk.200,00,00,000/-	29.03.2017	200,00,00,000/-
20	Godrej Household Products (Bangldesh) ltd.	Ordinary shares of Tk.12,50,90,000/-	30.03.2017	12,50,90,000/-

21	Expo Freight Ltd.	Ordinary shares of Tk.5,75,00,000/-	06.03.2017	5,75,00,000/-
22	Total taka			10,692,971,750/-

Public Limited Companies:

Sl No	Particulars	Name of the Company	Consent Letter issued	Amount
1	Universal Financial Solutions Ltd.	Ordinary shares of Tk- 5,00,00,000/-	05.01.2017	5,00,00,000/-
2	JMI Hospital Requisite Manufacturing Ltd.	Ordinary shares of Tk 27,00,00,000/-	02.02.2017	27,00,00,000/-
3	Social Islami Bank Ltd.	Share of TK 400,00,00,000/-	17.01.2017	400,00,00,000/-
4	Desh General Insurance Com. Ltd. .	Right shares of Tk.13,77,96,920/-	02.03.2017	13,77,96,920/-
5	Lub-rref (Bangladesh) ltd.	Ordinary shares of of Tk.30,00,00,000/-	06.03.2017	30,00,00,000/-
6	Bangladesh Infrastructure Finance ltd.	Bonus shares of Tk.70,00,00,000/-	28.03.2017	70,00,00,000/-
7	Shahjalal Islami Bank Ltd.	Share of TK 400,00,00,000/-	09.02.2017	400,00,00,000/-
8	Exim Bank Ltd.	Share of TK 400,00,00,000/-	09.02.2017	400,00,00,000/-
9	Best Holding Ltd.	Convertible Secured bond of Tk 1200,00,00,000/-	14.02.2017	1200,00,00,000/-
10	IPDC Finance Ltd.	Share of TK 300,00,00,000/-	15.02.2017	300,00,00,000/-
11	Total taka			28,457,796,920/-

Status Report of Right Issue for January-March, 2017 under Securities and Exchange Commission (Right Issue) Rules, 2006

Serial No.	Name of the Company	Date of Approval	Applied for	Amount (BDT)
01.	Saif Powertec Ltd.	17.01.2017	Approval for 116,295,348 Ordinary shares of Tk. 10.00 each issuing at Tk. 15.00 per share.	1,744,430,220.00
02.	IFIC Bank Ltd.	15.03.2017	Approval for 563,821,907 Ordinary shares of Tk. 10.00 each issuing at Tk. 10.00 per share.	5,638,219,070.00
	Total			7,382,649,290.00

Particulars of the issues for which the Commission accorded consent for publication of prospectus during January to March, 2017 under Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

Serial No.	Name of the Company	Date of Consent	Paid up Capital (Before IPO)	Issue price	Number of shares Issued
1	Aamra networks Ltd.	04.01.2017 (Bidding Consent)	38.00	-	-
2.	Nuranj Dyeing & Sweater Ltd.	02.03.2017	40.00 core	10	43,00,00,000

10. Surveillance

Daily Market Surveillance:

As part of daily market surveillance, the surveillance officials watch and analyze the trading activities of both the stock exchanges through Commission`s surveillance system “Instant Watch Market” in order to find out irregularities, suspicious trading and market misconducts, if any. At the end of daily trading, a daily trade report is prepared by pointing out market conditions and is submitted to the Chairman, the Commissioners and concerned Executive Director of the Commission.

Enquiry and Investigation:

In order to ensure fair trading and build confidence of investors in the securities market, it is necessary to ensure proper compliance of securities related laws, rules and regulations through investigation into suspicious and manipulative cases. During January-March 2017, no enquiry regarding share trading has been conducted by Bangladesh Securities and Exchange Commission (BSEC). However, Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) have submitted the following investigation reports regarding shares trading to the Commission:

Sl No.	Nature of Investigation	Conducted by
01	To investigate into share trading of National Feed Mill Limited by sponsor/director.	DSE
02	To investigate into share trading of Navana CNG Limited.	DSE
03	To investigate into matching of shares trading among some clients of Dragon Securities Limited and ICB Securities Trading Company Limited.	DSE
04	To investigate into share trading within same client code by M. Securities Limited.	DSE

As per instruction of BSEC, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited investigated into short-selling alerts generated in “InstantWatch” market surveillance system during January-March 2017 and submitted reports to the Commission. During January-March 2017, after examination of investigation reports submitted by the stock exchanges, it has been found that 20 (twenty) stock brokers/stock dealers were involved with short-selling of securities. Subsequently, these cases have been referred to Enforcement Department for next course of action.

11. Registration

Issuance and Renewal of Stock Dealer /Stock Broker Registration Certificates:

During January-March 2017, the Commission issued 02 (two) stock dealer and 01 (one) stock broker registration certificates in favor TREC Holder Company of Dhaka Stock Exchange Limited and 02 (two) stock dealer and 02 (two) stock broker registration certificates of Chittagong Stock Exchange Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Moreover, the Commission renewed 60 (sixty) stock dealer and 67 (sixty seven) stock broker registration certificates of Dhaka Stock Exchange Limited during January-March 2017.

Issuance and Renewal of Authorized Representative Registration Certificates:

During the period under review, the Commission issued 04 (four) authorized representatives registration certificates of Dhaka Stock Exchange Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Moreover, the Commission renewed 86 (eighty six) authorized representatives registration certificates of Dhaka Stock Exchange Limited during January-March 2017under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Issuance of Asset Management Company Registration Certificate:

During January-March 2017, the Commission issued of 2 (two) Asset Management Company Registration Certificates under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড), বিধিমালা, ২০০১.

Issuance of Fund Manager Registration Certificate:

During January-March 2017, the Commission issued 1 (one) Fund Manager Registration Certificate under the Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015.

Issuance of Full Service Depository Participant Registration Certificates:

During January-March 2017, the Commission issued 06 (six) Full service Depository Participant Registration Certificates under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩.

Renewal of Full Service Depository Participant Registration Certificates:

During the period, the Commission renewed 93 (ninety three) full service depository participant registration certificates under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩.

Renewal of Custody Depository Participant Registration Certificates:

During January-March 2017, the Commission renewed 14 (fourteen) Custody Depository Participant Registration Certificates under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩.

Issuance of Registration as Trustee of Debt Securities:

During January-March 2017, the Commission issued 09 (nine) trustee registration certificates of debt securities under the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012.

Renewal of Security Custodian Registration Certificate:

During the period, the Commission renewed 01 (one) Security Custodian registration certificate under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিকিউরিটি কাস্টডিয়াল সেবা) বিধিমালা, ২০০৩.

12. Mutual Fund and Special Purpose Vehicle (MF & SPV)

During January-March, 2017 Mutual Fund and SPV Department has performed the following duties and responsibilities:

(1) Registration and public issue related functions of mutual fund:

SL. No.	Subject	Action
1	**Approval of draft Trust Deed and Investment Management Agreement**	**- IDLC Balanced Fund - Peninsula Sadharan Bima Corporation Unit Fund - Zenith Annual Income Fund**
2	**Approval of registration of the fund(s) and opening Escrow account of fund(s)**	**- IDLC Balanced Fund**
3	**Approval of Prospectus of the Fund(s)**	**- UFS BBL Shariah Unit Fund**
4	**Approval of Scheme formation**	- SEML IBBL Shariah Fund

(2) Winding-up/ Conversion related functions of Mutual Funds**:**

(a) Completed the following activities relating to Eighth ICB mutual fund managed by Investment Corporation of Bangladesh which were converted from closed end to open end fund by the decision of unit holders:

- Formalities relating to approval of conversion of Eighth ICB Mutual Fund from close-end to open-end fund and Formalities relating to approval of Audited Accounts and Valuation Report for conversion of the above mentioned funds;

- Formalities relating to approval of draft Trust Deed, Investment Management Agreement, registration and Prospectus of converted Eighth ICB Unit Fund;

- Formalities relating to the issuance of registration certificate, publication of NAV including permission for Scheme formation of converted Eighth ICB Unit Fund.

(b) Completed the formalities relating to the winding up of "ICB AMCL First NRB Mutual Fund" (closed-end) managed by ICB Asset Management Co. Ltd., as the Fund completed its Ten(10) years maturity on 20 March, 2017.

(3) Supervision of parties related with mutual fund management:

(a) Completed the formalities relating to approval of re-structured Trustee Committee of Investment Corporation of Bangladesh.

(4) Alternative Investment Fund related functions:

(a) Completed the formalities relating to approval of draft Investment Management Agreement, placement memorandum and subscription agreement of "Alternative Investment Fund of Bangladesh".

Besides, MF & SPV Department has been performing it's day to day activities on a regular basis.

13. Supervision and Regulation of Markets and Issuer Companies (SRMIC)

Sl.	Name	Year-End	Date of AGM	% of Dividend		Record	Declaration
No.				cash	stock	Date	Date
1	S. Alam Cold Rolled Steels Ltd.	201606	1/7/2017	10.00	-	07/11/2016	02/10/2016
2	Dhaka Electric Supply Company Ltd.	201606	1/7/2017	10.00	-	17/11/ 2016	23/10/2016
3	Power Grid Company of Bangladesh Ltd.	201606	1/7/2017	12.00	-	01/12/2016	14/11/2016
4	Savar Refractories	201606	1/12/2017	-	-	27/11/2016	31/10/2016
5	Anwar Galvanizing	201606	1/18/2017	10.00	-	30/11/2016	30/10/2016
6	Legacy Footwear	201606	1/19/2017	-	-	21/11/2016	31/10/2016
7	Sinobangla Industries	201606	1/19/2017	-	-	24/11/2016	30/10/2016
8	Eastern Cables	201606	1/21/2017	10.00	-	06/12/2016	15/11/2016
9	Eastern Lubricants	201606	1/21/2017	100.00	-	18/12/2016	13/11/2016
10	H.R. Textile	201606	1/23/2017	10.00	-	27/11/2016	27/10/2016
11	Jamuna Oil Com. Ltd.	201606	2/4/2017	100.00	-	15/12/2016	14/11/2016
12	Shahjibazar Power Co. Ltd.	201606	2/5/2017	30.00	3%B	05/12/2016	30/10/2016
13	Maksons Spinning Mills Ltd	201606	2/9/2017	-	-	08/12/2016	31/10/2016
14	Padma Oil Co.	201606	2/11/2017	100.00	-	19/12/2016	10/11/2016
15	Meghna Petroleum Ltd.	201606	2/25/2017	105.00	-	22/12/2016	13/11/2016
16	Standard Insurance Ltd.	201512	3/21/2017	-	10%B	06/12/2016	15/11/2016
17	BSC	201606	3/22/2017	-	12%B	06/03/2017	13/02/2017
18	RAK Ceramics (BD) Ltd.	201612	3/29/2017	20.00	5%B	14/02/2017	24/01/2017
19	Green Delta Insurance	201612	3/30/2017	20.00	-	05/03/2017	12/02/2017
20	LankaBangla Finance Ltd.	201612	3/30/2017	15.00	15%B	09/03/2017	14/02/2017
21	Prime Insurance	201612	3/30/2017	13.00	-	14/03/2017	22/02/2017
22	Prime Finance & Invest.	201612	3/30/2017	-	-	14/03/2017	22/02/2017
23	IDLC Finance Limited	201612	3/30/2017	30.00	-	14/03/2017	22/02/2017
24	Social Islami Bank	201612	3/30/2017	20.00	-	14/03/2017	22/02/2017
25	Dutch-Bangla Bank	201612	3/30/2017	30.00	-	15/03/2017	23/02/2017
26	Mercantile Bank	201612	3/30/2017	15.00	5%B	16/03/2017	26/02/2017

Complaint against listed companies:

Nature of Complaint	No. of Complaints	Under Process	Resolved
Non-payment or delay in payment of dividend	11	3	8
Non-payment of debenture installment	-	-	-
Regarding transfer of shares	6	3	3
Non-receipt of letter of rights share offering	-	-	-
Non-receipt of annual report	7	1	6
Refund warrant	-	-	-
Non-demat of shares	-	-	-
Miscellaneous	21	11	10
Total	**45**	**18**	**27**

All the complaints are settled by DSE, CSE and report to the Commission as per the above format under the BSEC Notification No. SEC/SRMIC/94-231/271 dated October 12, 2011.

14. Supervision and Regulation of Intermediaries (SRI)

The functions of Supervision and Regulation of Intermediaries (SRI) department are supervising and regulating the activities of stock-dealers/stock brokers, depository participants, security custodian banks, merchant bankers, market makers, security lenders and borrowers and other market intermediaries. This department conducts the regular inspection of stock brokers/dealers, depository participants and merchant banks on monthly basis and also conducts special inspection as and when required. The SRI department also deals with the complaints lodged by the general investors and other stakeholders. During January to March 2017, the following activities were performed by this department:

i) Complaints against Market Intermediaries:

Nature of Complaints	No. of Complaints Received			Under Process/ Held up	Referred to Enforc. Dept. for Action	Referred to DSE/CSE for Action	Resolved
	January to March, 2017	Previous	Total				
Lost of shares	-	2	**2**	2	-	-	-
Unauthorized sale of shares	4	3	**7**	5	2	-	-
Non-payment of sales proceeds	8	5	**13**	3	-	10	-
Force sale / Margin Related	4	-	**4**	2	2	-	-
Financial loss due to non-transfer of shares		2	**2**	-	-	-	2
Non-receipt of share	4	-	**4**	4	-	-	-
Corruptions of Stock Broker/ Stock Dealer and Others	2	-	**2**	2	-		-
Others	3	-	**3**	2	-	1	-
Total	**25**	**12**	**37**	**20**	**4**	**11**	**2**

ii) Inspections conducted (January to March, 2017)

Sl. No.	Type of Market Intermediaries	Type of Inspection	Number of Inspection	Referred to Enforcement Dept. for Action	Resolved	Under Process
1.	**Stock Broker/ Stock Dealer**	**Monthly regular Inspection**	**6**	**3**	**-**	**3**
		Special Inspection	**2**	**1**	**-**	**1**
2.	**Merchant Bank**	**Monthly regular Inspection**	**2**	**-**	**-**	**2**
Total			10	4	**-**	**6**

15. Enforcement

Enforcement related Informations (January-March, 2017):

Sl. No.	**Nature of institution**	**No. of Institutions**	**Nature of Action**	
			Penalty	Warning
1	Issuer Company	09	01	08
2	Stock Broker/ Stock Dealer	11	04	07
3	Charter Accountant firm	01	0	01
4	Others	10	01	09
	Total	32	06	26

16. Law

A total of 521 cases filed by or against Bangladesh Securities And Exchange Commission are pending in different courts. Name of the courts are given below along with number of pending cases:

Sl. No.	Name of the Court		Number of cases
01.	Supreme Court of Bangladesh	Appellate Division	17
		High Court Division	222
02.	Metropolitan Sessions Judge Court, Dhaka and Special Tribunal, BSEC Dhaka		20
03.	District Judge Court, Joint Dist. Judge Court, Assistant Judge Court, Dhaka		11
04.	Chief Metropolitan Magistrate Court, Dhaka		04
05.	Labour Court, Dhaka		02
06.	General Certificate Court, Dhaka		245
Total number of Cases :			**521**

17. Central Depository Services (CDS)

The following companies joined CDBL during the period:

Name of the companies	Enlisted in CDBL
CAPM BDBL Mutual Fund-01	January 12, 2017
Pacific Denims Limited	February 05, 2017
SEML IBBL Shariah Fund	February 10, 2017
Shepherd industries Ltd	March 13, 2017
Eight ICB Unit Fund	March 13, 2017

18. Management Information Systems (MIS)

MIS Department is responsible to assist different departments of BSEC through development of automation in their activities, development of capital market monitoring system based on computerized data analysis, and informing all about securities laws and other related matters through website.

At present all officers of BSEC use computers in their daily activities. All computers are connected through local area network (LAN). Different modules of integrated Bangladesh Securities and Exchange Commission Automated System (SECAS) have been developed at BSEC for using of its different departments. E-paper clipping system has been developed at BSEC in order to reduce the usage of papers. Officers of BSEC can use 60 Mbps bandwidth broadband internet connection (Fiber Optic) from their workstation through connected LAN. Development of new official website of BSEC is in process both in Bengali and English language (Unicode based). Now BSEC is connected with Bangla Govnet Wide Area Network of the Government. MIS Department has implemented two innovation related action plans and linked those in the Commission's website. The implemented two innovation ideas are:

- e-Notice board for stakeholders and
- Web-based user friendly presentation of Securities related Ordinance, Acts, Rules, Regulations, Notifications, Orders, Directives, Guidelines etc.

BSEC's website (www.sec.gov.bd and www.secbd.org) is enriched with various information like press release, securities laws, IPO prospectus, eligible securities, depository participants, enforcement actions, reports etc. which are updated regularly and many users visit the website. MIS department works on development, modification and maintenance of the mentioned systems.

During January - March, 2017 Important Web Uploads:

Works	Number
IPO Prospectus/Right offer document Upload	4 IPO& 2 ROD
Enforcement Actions Upload	31
Other Order/Notification/Directive etc Upload	2
Eligibility of Securities/ List Depository etc.	0
Quarterly Report Upload	0
Annual Report Upload	0
Proposed Draft Rule Upload for Comments	0
Press Release	11
Tender	0
Employment Information	0

20. Research and Development

Research and Development Department of the Commission conducts investors' education program twice for the general investors and one for women investors in every month, impart capital market related seminar for various government and non-government organizations, prepares and publishes Commission's various publications regularly, furnishes various reports and information to the government and other institutions including Ministry of Finance and different regulatory authorities, and makes paper clipping from most of the daily newspapers (20 dailies) and circulate it to the Commission and executives. The department also deals with the training program of the authorized representatives jointly with the stock exchanges.

During January-March, 2017 Research and Development Department has carried out regular activities as mentioned in the table below:

S/N	Name of Work	Quantity
1	Training Program for General Investors (Three-days program)	02
2	Training for Authorized	--

	Representatives (Two-days program)	
3	Annual Report 2014-15	1
4	Quarterly Report	1
5	Parikrama	1
6	Monthly Work Plan to MOF	3
7	Monthly Progress Report to MOF	3

During January-March, 2017 Commission has trained 35 general investors and 39 women investors through 02 (two) training program.

21. International Affairs

Besides its regular activities, International Affairs Department performed following activities during January–March, 2017:

1. The survey named ‘‘Asia-Pacific Economic Cooperation Financial Regulators Training Initiative (APEC FRTI) Participants Online Survey 2017” was duly filled up by International Affairs Department (IAD).
2. The survey named ‘IOSCO survey on obtaining and using witness statements’ was duly replied by International Affairs Department.
3. IAD also conveyed reply to ‘MMoU Monitoring Group Chair’s survey’ to IOSCO MMoU Monitoring Group.
4. The survey named ‘IOSCO Education & Training Survey 2017’ was duly filled up by International Affairs Department.

Apart from that during this period the following meetings were taken places with foreign delegates:

-Bilateral meetings were held separately with World Federation of Exchanges and International Monetary Fund (IMF) regarding capital market related issues.

-Bilateral meetings were held separately with Telenor and Newyork Stock Exchange Ltd. (NSE) regarding Strategic Investors.

Besides these activities, International Affairs Department has several correspondences with foreign bodies concerning queries on different issues and kept continuous liaison in this regard throughout the quarter.

22. Financial Literacy

Besides regular activities, Financial Literacy Department performed following activities during January – March, 2017:

1. Nationwide Financial Literacy Program has been inaugurated on 08 January, 2017 by hon'ble Prime Minister of the People's Republic of Bangladesh Sheikh Hasina.
2. As a part of nationwide Financial Literacy Program, some investment related public awareness matters have been published in the Commission's & Financial Literacy website along with websites of Dhaka stock exchange (DSE) Ltd., Chittagong stock exchange (CSE) Ltd., Bangladesh merchant bankers association (BMBA), Bangladesh association of publicly listed companies (BAPLC) and related institutions.
3. BSEC have taken decision to telecast some TVCs relating to investment awareness in various electronic media for increasing public awareness. Accordingly those are being telecasted in some channels.
4. On 12 February 2017, honorable chairman of BSEC inaugurated the workshop for master trainers. 41 master trainers have participated in that workshop. They would provide training to the trainers of financial literacy program throughout the country.
5. BSEC, DSE, CSE combindly arranged 36 Training programs (Training of Trainers), by which 1203 trainers have been trained. They will conduct trainings for people of different sectors.

23. Stock Exchanges' operational statistics

DSE OPERATIONAL STATISTICS

Trading Month	DSE Board Index (DSEX)	Market Capitalization in Million Tk.	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million Tk.	
				Monthly	Daily Average	Monthly	Daily Average
January	5468.34	3668115	23	10899	474	342320.25	14883.48
February	5612.70	3739304	19	5356	282	194048.41	10213.07
March	5719.61	3798306	21	6666	317	217701.40	10366.73
Total	-	-	63	22921	364	754069.96	11969.36

*Index and Market Capitalization of the last trading day of the months have been considered as relevant figures of respective months.

CSE OPERATIONAL STATISTICS

Trading Month	All Share Price Index	Market Capitalization in Million Tk.	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million Tk.	
				Monthly	Daily Average	Monthly	Daily Average
January	16937.9746	2998774	23	736	32	20073.91	872.78
February	17375.7292	3064136	19	407	21	11884.46	625.50
March	17738.3063	3124933	21	477	23	13773.67	655.89
Total	-	-	63	1620	26	45732.04	725.91

*Index and Market Capitalization of the last trading day of the months have been considered as relevant figures of respective months.

24. Press Release

The Commission has issued 11 press releases on its activities during this period, which are uploaded in Commission's website (www.sec.gov.bd).