Bangladesh SEC Quarterly Review
September 2016

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban
E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207
Website: http://www.secbd.org, http://www.sec.gov.bd
E-mail: secbd@bdmail.net

Table of Contents

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 promulgating rules for matters connected therewith or ancillary thereto. The Commission consists of a 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.

On May, 2011 the Government appointed Dr. M. Khairul Hossain as the Chairman and Prof. Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Mr. Arif Khan and Mr. Md. A. Salam Sikder as the Members of the Commission. Afterwards, the designation 'Member' was changed to 'Commissioner' by amending the Act. The Chairman and four Commissioners had fulfilled their first three years tenure. Later on, the Government re-appointed them all for further four years in their respective position on May 2014 for the second tenure (subject to age limit 65) as per Bangladesh Securities and Exchange Commission (Amendment) Act, 2012. After resignation of Mr. Arif Khan on personal ground, Dr. Swapan Kumar Bala joined the position on 19 April 2016.

Bangladesh Securities and Exchange Commission (BSEC) has been elevated to 'A' category member of International Organization of Securities Commissions (IOSCO) on 22 December, 2013 for achieving international standard thtough 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
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 Secretariate 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 promulgating rules on these 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 on securities related matters or ancillary thereto.

To ensure the missions 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 necessary 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 to promote 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-years master plan for development and reform of the capital market, which is being implemented gradually. Upon implementation of the master plan, the basic problems of capital market will be eliminated, market depth will increase and it will become more stable in the long run.

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 business securities;
- 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 publish such information.

7. Capital Market Related Activities:

A momento of the chalan of government portion of BO account maintenance fee handed over to Hon'ble Finance Minister by the Commission

Chairman of the Commission Dr. M. Khairul Hossain and Commissioners Prof. Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Mr. Md. A. Salam Sikder and Dr. Swapan Kumar Bala handed over the momento of the chalan of govt. portion of BO A/C maintenance fee to Hon'ble Finance Minister Mr. Abul Maal Abdul Muhith

Government portion of BO account maintenance fee for financial year 2015-2016 received from Central Depository Bangladesh Limited (CDBL) amounting to Tk. 61,35,02,400.00 (Sixty one crore thirty five lac two thousand four hundred) was deposited to the exchequer by BSEC. On 3 August 2016, a symbolic momento of the above mentioned chalan was handed over to Hon'ble Finance Minister Mr. Abul Maal Abdul Muhith by BSEC Chairman Dr. M. Khairul Hossain in an unostentatious gathering. At that time Commissioners Prof. Md. Helal Uddin Nizami, Mr. Md. Amzad Hossain, Mr. Md. A. Salam Sikder and Dr. Swapan Kumar Bala were present.

Seminar on “Financing the power sector through Capital Market”

Chief Guest Mr. Nasrul Hamid, M. P, State Minister of Ministry of Power, Energy and Mineral Resources, Special Guest Dr. M. Khairul Hossain Chairman of BSEC, President of DBA Mr. Ahsanul Islam Titu and others are seen on the stage in the seminar

In the seminar held on 25 September 2016 in a local club in the capital on “Financing the power sector through Capital Market” organized by DSE Brokers Association Mr. Nasrul Hamid, M.P, State Minister of Ministry of Power, Energy and Mineral Resources was present as chief guest Chairman of the Commission Dr. M. Khairul Hossain as special guest and, Commissioners of BSEC, delegates of both stock exchanges and DBA association and capital market related persons were also present.

The Chief Guest in his speech discussed in detail the need for financing for the development of the power and energy sector and potential of the capital market in this respect. He added, the most emerging and prospective sector of the country is the power and energy sector. Although the country has touched midlevel income position, but huge gap is prevailing in consumption of electricity, mainly due to differences in consumption in urban and rural area. It requires huge investment for supply of electricity in rural area. On an average, daily 10 local and foreign investors showed their interest to invest in this sector as I have seen over last three years. But we expect the financing should come from capital market.

In speech of the special guest, Chairman of BSEC Dr. M. Khairul Hossain mentioned that, power sector companies have much impact on capital market. Around 12 percent of market capital is tribute by this sector. Average 8 to 10 percent transaction in the market occurs by power sector companies. Brining of large state owned companies into capital market will improve position in one hand and the market will play important role for financing large Government projects on the other hand.

Former Commissioner of the Commission Mr. Arif Khan presented main article in the seminar.

8. Capital Market Regulatory Reforms and Compliance (CMRRC)

The following amendment/order/directive has been issued in July-September, 2016

Serial No	Subject	Classification	Reference No.
1.	Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2016	Notification	BSEC/CMRRCD/2016-352/188/Admin/69 Dated: 04 August 2016
2.	Amendment to the Depository (User) Regulations, 2003	Notification	SEC/CMRRCD/2001-63/189/Admin/70 Dated: 04 August 2016
3.	Directive regarding time limit for stock exchanges for submitting final recommendation on public issue to the Commission	Directive	SEC/CMRRCD/2009-193/190 Dated: 07 September 2016
4.	Notification regarding board meeting, submission of 1st , 2nd, 3rd quarterly (Q1, Q2, Q3) financial reports, and disclosure of NAV, EPS and NOCFPS	Notification	BSEC/CMRRCD/2009-193/191/Admin/71 Dated: 07 September 2016
5.	Exemption to the Public Private Partnership (PPP) companies from the Commission's requirement for consent for issuing capital.	Notification	BSEC/CMRRCD/2009-193/192/Admin/72 Dated: 20 September 2016
6.	Exemption to the Public Private Partnership (PPP) companies from the Commission's	Order	BSEC/CMRRCD/2009-193/193/Admin/73 Dated:

	requirement for conversion to public limited company.		20 September 2016

9. Corporate Finance

CFD's activities for the quarter : July-September 2016

Sl. No.	Particulars	Action taken	No. of Company
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.	11
		Explanation sought from the companies.	01
		Appointment of special auditors for RI fund utilization	01
		Referred to Enforcement Department for non-compliance with securities laws.	01
2.	Extension of time for submission of Audited Financial Statements.	**Time extended.**	01
		Time not extended.	10
		Referred to Enforcement Department for non-submission of Audited Financial Statements within stipulated time.	02
3.	**Audited Financial Statements for the year ended on June 30, 2015 and December 31, 2015.**	**Explanation sought from the companies.**	03
		Explanation sought from the statutory auditor.	01
		Appointment of special auditors.	01
		Examination of company's clarifications placed to the Commission for kind information.	11
		Referred to Enforcement Department for non-compliance with the securities laws in preparation of its Audited Financial Statements.	01
4.	**Submission of quarterly un-audited financial statements for the 1st quarter ended on September 30, 2015 and March 31, 2016.**	**Time not extended.**	07
		Referred to Enforcement Department for non-submission of quarterly financial statements within stipulated time.	02
5.	**Submission of quarterly un-audited financial statements for the 2nd quarter/half yearly ended on December 31, 2015 and June 30, 2016.**	**Time not extended.**	03
		Referred to Enforcement Department for non-submission of quarterly financial statements within stipulated time.	02
6.	**Submission of quarterly un-audited financial statements for the 3rd quarter ended on September 30, 2015 and March 31, 2016.**	**Time not extended.**	01
		Referred to Enforcement Department for non-submission of quarterly financial statements within stipulated time.	01
7.	Appointment of Independent Director	**Accorded clearance by the Commission for 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.**	06
		Due to non-compliance with the condition of Corporate Governance Guidelines, the Commission has regretted its clearance for appointment of Independent Director.	01
8.	Corporate Governance Guidelines	**Explanation called for non-compliance with the Corporate Governance Guidelines.**	01

9. Capital Issue

Private Limited Companies:

Consent letter issued from July to September, 2016				
Sl No	**Particulars**	**Name of the Company**	**Consent Letter issued**	**Amount**
1	ONE Securities Ltd.	Ordinary shares of Tk.50,00,00,000/-	14.07.2016	50,00,00,000/-
2	NBL Securities Ltd.	Ordinary shares of Tk300,00,00,00/-	20.07.2016	300,00,00,000/-
3	AB Investment ltd.	Ordinary shares of Tk301,14,31,750/-	21.07.2016	301,14,31,750/-
4	Rising Spinning Mills Ltd.	Bonus shares of Tk.30,000,0000/-	21.07.2016	30,000,0000/-
5	IL Bangla Ltd.	Ordinary shares of Tk.32,00,00,000/-	24.07.2016	32,00,00,000/-
6	Epic Garments Manufacturing co.Ltd.	Ordinary shares of Tk.11,63,10,200/-	25.07.2016	11,63,10,200/-
7	Ananta Apparels Ltd.	Ordinary Shares of Tk.41,75,600/-	26.07.2016	41,75,600/-
8	Grameen Fabrics & Fashions Ltd.	Ordinary shares of Tk.24,000,0000/-	27.07.2016	24,000,0000/-
9	Mundipharma (Bangladesh) Ltd.	Ordinary shares of Tk.5,00,00,000/-	31.07.2016	5,00,00,000/-
10	Aviva Capital Ltd.	Ordinary shares of Tk.25,00,00,000/-	02.08.2016	25,00,00,000/-
11	E-Securities Ltd.	Ordinary shares of Tk 1,28,29,500/-	04.08.2016	1,28,29,500/-
12	Aristopharma Ltd.	Ordinary Shares of Tk.10,00,00,000/-	08.08.2016	10,00,00,000/-
13	Decent Auto Mills Ltd.	Ordinary shares of Tk.11,79,95,000/-	08.08.2016	11,79,95,000/-
14	Queen South Textile Mills ltd.	Bonus shares of Tk.70,77,50,000/-	10.08.2016	70,77,50,000/-
15	Genex Infosys Ltd.	Ordinary shares of Tk.60,60,00,000/-	10.08.2016	60,60,00,000/-
16	Bangladesh Hardlan Ceramics co.ltd.	Ordinary shares of Tk.49,50,00,000/-	22.08.2016	49,50,00,000/-
17	Blue Ocean Footwear Ltd.	Ordinary shares of Tk.30,00,00,000/-	23.08.2016	30,00,00,000/-
18	Bangladesh Auto Rice Mills Ltd.	Ordinary shares of Tk.1,79,01,000/-	07.09.2016	1,79,01,000/-
19	Nazim Rice Brand Oil Industries ltd.	Ordinary shares of Tk.11,77,85,000/-	21.09.2016	11,77,85,000/-
20	Advent Pharma Ltd.	Ordinary shares of Tk.386,100,000/-	27.09.2016	386,100,000/-
21	DEKKO Garments ltd.	Ordinary shares of Tk.20,10,00,000/-	28.09.2016	20,10,00,000/-
22	Saiham Knit Composite Lt.	Ordinary shares of Tk.12,03,50,000/-	29.09.2016	12,03,50,000/-
	Total taka			10,974,628,050/-

Public Limited Companies:

Consent letter issued from July to September, 2016				
Sl No	**Particulars**	**Name of the Company**	**Consent Letter issued**	**Amount**
1	Shahjalal Islami Bank Securities Ltd.	Ordinary shares of Tk.60,00,00,000/-	21.07.2016	60,00,00,000/-
2	Southeast Bank Capital Services ltd.	Ordinary shares of Tk300,00,00,000/-	21.07.2016	300,00,00,000/-
3	MTB Securities ltd.	Ordinary shares of Tk.125,00,00,000/-	21.07.2016	125,00,00,000/-
4	Mercantile Bank Securities ltd.	Ordinary shares of Tk.295,00,00,000/-	21.07.2016	295,00,00,000/-
5	BLI Capital Ltd.	Ordinary shares of Tk.60,00,00,000/-	24.07.2016	60,00,00,000/-
6	Midland Bnak Ltd.	Ordinary Shares of Tk.32,00,00,000/-	26.07.2016	32,00,00,000/-
7	Desh General Insurance Co. ltd.	Bonus shares of Tk.1,04,05,200/-	01.08.2016	1,04,05,200/-
8	STS Capital Ltd.	Bonus Shares of Tk 2,97,58,0480/-	04.08.2016	2,97,58,0480/-
9	Electro Battery Company Ltd.	Ordinary shares of Tk.27,00,00,000/-	09.08.2016	27,00,00,000/-
10	Rupantarita Prakritik Gas Co. Ltd.	Ordinary shares of Tk.785,668,540/-	23.08.2016	785,668,540/-
11	Pubali Bank securities Ltd.	Ordinary shares of and preference share of Tk.500,00,00,000/-	19.09.2016	500,00,00,000/-
12	AND Telecom Ltd.	Ordinary shares of Tk.20,92,95,830/-	20.09.2016	20,92,95,830/-
	Total taka			15,292,950,050/-

Sl No	**The following companies were accorded consent for raising capital under (private placement of Debt Securities) Rules, 2012**			
1	Pacific Footwear industries ltd.	Non-participative Debenture of TK 5,60,00,000/-	16.07.2016	5,60,00,000/-
2	Southeast Bank ltd.	Non -Convertible Subordinated Bond of Tk.500,00,00,000/-	02.08.2016	500,00,00,000/-
	Total			5,056,000,000/-

Particulars of the issues for which commission accorded consent for publication of prospectus during July to September, 2016 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	IPO amount, In Tk. (Including premium if any)	Paid up Capital (Post IPO)
1	Fortune Shoes Limited	19.07.2016	750,000,000/-	10	2,20,00,000	22,00,00,000/-	970,000,000/-

11. 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 "InstantWatch 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 July-September 2016, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) conducted the following enquiries and investigations:

(A) Enquiry:

Sl No.	Nature of Enquiry	Conducted by
01	To enquire into suspected insider trading in shares of Premier Leasing & Finance Limited and Mercantile Bank Limited.	BSEC

(B) Investigation:

Sl No.	Nature of Investigation	Conducted by
01	To investigate into share trading of Rupali Life Insurance Company Limited.	DSE
02	To investigate into share trading of Rupali Bank Limited.	DSE
03	To investigate into share trading of Modern Dyeing & Screen Printing Limited.	DSE
04	To investigate into share trading of Monno Jute Stafllers Limited.	DSE
05	To investigate into share trading of Renwick Jajneswar & CO (BD) Limited.	DSE
Sl No.	**Nature of Investigation**	**Conducted by**
06	To investigate into share trading of Zeal Bangla Sugar Mills Limited.	DSE
07	To investigate into share trading of Shyampur Sugar Mills Limited.	DSE

08	To investigate into share trading of Jute Spinners Limited.	DSE
09	To investigate into share trading of Far Chemical Industries Limited.	DSE
10	To investigate into share trading of Familytex (BD) Limited.	DSE
11	To investigate into share trading of R.N. Spinning Mills 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 July-September 2016 and submitted reports to the Commission. During July-September 2016, after examination of investigation reports submitted by the stock exchanges, it has been found that 25 (twenty five) 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.

12. Registration

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

During July-September 2016, the Commission issued 1 (one) stock dealer and 1 (one) stock broker registration certificate in favor TREC Holder Company of Dhaka Stock Exchange Limited and 1 (one) stock dealer and 1 (one) stock broker registration certificate of Chittagong Stock Exchange Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Moreover, the Commission renewed 21 (twenty one) stock dealer and 26 (twenty six) stock broker registration certificates of Dhaka Stock Exchange Limited and 45 (forty five) stock dealer and 61 (sixty one) stock broker of Chittagong Stock Exchange Limited during July-September 2016.

Issuance and Renewal of Authorized Representative Registration Certificates:

During the period under review, the Commission issued 01 (one) authorized representatives registration certificate of Dhaka Stock Exchange Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Moreover, the Commission renewed 318 (three hundred eighteen) authorized representatives registration certificates of Dhaka Stock Exchange Limited and 130 (one hundred thirty) of Chittagong Stock Exchange Limited during July-September 2016 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Issuance of Registration Certificate for Merchant Banking Operation:

During July-September 2016, the Commission issued 1 (one) registration certificate for merchant banking operation under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, **১৯৯৬.**

Renewal of Depository Participant Registration Certificates:

During the period, the Commission renewed 69 (sixty nine) depository participant registration certificates under the **ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩.**

Issuance of Registration as Trustee of Debt Securities:

During July-September 2016, the Commission issued 6 (six) trustee registration certificates of debt securities under the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012.

Issuance of Custody Depository Participant Registration Certificate:

During July-September 2016, the Commission issued 2 (two) Custody Depository Participant Registration Certificate under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩.

Issuance of Fund Manager Registration Certificate:

During July-September 2016, the Commission issued 1 (one) Fund Manager Registration Certificate under the Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015.

Relocation for Corporate Office of Merchant Bank:

During the said quarter, the Commission approved 4 (four) relocation of corporate office of Merchant Bank.

Branch Opening Permission to the Stock Brokers:

In the said period, the Commission gave permission to open new branches in favor of 3 (three) stock brokers of Chittagong Stock Exchange Limited.

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

During July-September, 2016 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**	- **SEML FBLSL Growth Fund** - **NAM IBBL Islamic Unit Fund**
2	**Approval of registration of the fund(s) and opening Escrow account of fund(s)**	- **SEML IBBL Shariah Fund** - **UFS IBBL Shariah Unit Fund**
3	**Approval of Prospectus of the Fund(s)**	**- Lanka Bangla First Balanced Fund** **- ATC Shariah Unit Fund** **- ICL Balanced Fund** **- Vanguard AML Rupali Bank Balance Fund** **- CAPM BDBL Mutual Fund 01**
4	**Approval of time extension for initial subscription of fund(s)**	- UFS Padma Life Islamic Unit Fund

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

(a) Completed the following activities relating to Sixth and Seventh 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 Seventh 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 Seventh ICB Unit Fund;**

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

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

(a) Completed the formalities relating to approval of re-structured Trustee Committee of Grameen Mutual Fund One.

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

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

Sl. No.	Name of the Company	Year-End	Date of AGM	% of Dividend cash	stock	Record Date	Declaration Date
1	AB Bank Ltd.	201512	7/12/2016	-	12.50 %B	31/05/2016	27/04/2016
2	Export Import (Exim) Bank Ltd.	201512	7/14/2016	12.00	-	15/05/2016	11/04/2016
3	IFIC Bank Ltd.	201512	7/14/2016	-	12%B	12/06/2016	28/04/2016
4	Eastern Insurance Co. Ltd.	201512	7/20/2016	20.00	-	19/05/2016	28/04/2016
5	Sonar Bangla Insurance Co. Ltd.	201512	7/21/2016	5.00	5%B	25/05/2016	02/05/2016
6	Federal Insurance Co. Ltd.	201512	7/21/2016	-	5%B	02/06/2016	28/04/2016
7	Bangladesh Shipping Corporation	201506	7/23/2016	10.00	-	31/05/2016	28/04/2016
8	Janata Insurance Co. Ltd.	201512	7/28/2016	5.00	-	29/05/2016	08/05/2016
9	Asia Pacific Gen Ins Co. Ltd.	201512	7/28/2016	10.00	-	02/06/2016	28/04/2016
10	City Bank Ltd.	201512	7/28/2016	22.00	-	12/06/2016	02/05/2016
11	Purabi Gen. Insurance Co. Ltd.	201512	7/30/2016	-	12%B	12/06/2016	02/05/2016
12	Popular Life Insurance Co. Ltd.	201512	8/10/2016	40.00	-	30/06/2016	12/06/2016
13	Shasha Denims Limited	201606	8/17/2016	25.00	-	03/05/2016	10/04/2016
14	Fareast Islami Life Insurance Co. Ltd.	201512	8/23/2016	39.00	-	07/08/2016	29/06/2016
15	Lafarge Surma Cement Ltd.	201512	8/31/2016	10.00	-	13/04/2016	06/03/2016
16	KDS Accessories Limited	201606	9/1/2016	5.00	10%B	21/04/2016	30/03/2016
17	Sandhani Life Insurance Co. Ltd.	201512	9/1/2016	-	25%B	14/08/2016	10/07/2016
18	Bata Shoe Company (Bangladesh) Ltd.	201512	9/5/2016	320.00	-	24/05/2016	02/05/2016
19	Sonargaon Textiles Co. Ltd.	201606	9/7/2016	-	-	22/05/2016	02/05/2016
20	Reckitt Benckiser (Bd.)Ltd.	201512	9/8/2016	650.00	-	19/05/2016	28/04/2016
21	Square Textile Ltd.	201606	9/8/2016	25.00	10%B	23/08/2016	02/08/2016
22	Prime Islami life Insurance Co. Ltd.	201512	9/15/2016	20.00	5%B	08/08/2016	12/07/2016
23	Sunlife Insurance Company Limited	201512	9/19/2016	Nil	-	21/08/2016	31/07/2016
24	BD Thai Aluminium Ltd.	201606	9/20/2016	5.00	10%B	31/08/2016	10/08/2016
25	Gemini Sea Food Ltd.	201606	9/21/2016	20.00	50%B	07/09/2016	17/08/2016
26	Peoples Leasing & Fin. Services Ltd.	201512	9/22/2016	Nil	-	28/08/2016	04/08/2016
27	National Life Insurance Co. Ltd.	201512	9/26/2016	20.00	20%B	10/08/2016	24/07/2016

28	Rupali Life Insurance Co.Ltd.	201512	9/26/2016	10.00	-	23/08/2016	31/07/2016
29	Pragati Life Insurance Co. Ltd.	201512	9/28/2016	Nil	-	23/08/2016	31/07/2016
30	Meghna Life Insurance Co. Ltd.	201512	9/29/2016	20.00	5%B	05/09/2016	14/08/2016
31	Bangladesh Submarine Cable Co. Ltd.	201606	9/29/2016	10.00	-	07/09/2016	16/08/2016

COMPLAINT AGAINST LISTED COMPANIES: (July 2016 to September 2016)

Nature of Complaint	No. of Complaints	Under Process	Resolved
Non-payment or delay in payment of dividend	13	5	8
Non-payment of debenture installment	-	-	-
Regarding transfer of shares	1	-	1
Non-receipt of letter of rights share offering	1	1	-
Non-receipt of annual report	-	-	-
Refund warrant	-	-	-
Non-demat of shares	-	-	-
Miscellaneous	13	4	9
Total	**28**	**10**	**18**

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.

15. Supervision and Regulation of Intermediaries (SRI)

The functions of 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 bankers 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 July to September, 2016 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
	July to September 2016	Previous	Total				
Lost of shares	4	1	**5**	4	-	1	-
Unauthorized sales of share	5	3	**8**	3	1	-	4
Non-transfer of share	-	1	**1**	-	-	-	1
Non-payment of sales proceeds	2	-	**2**	2	-	-	-
Force sale / Margin Related	-	-	**-**	-	-	-	-
Financial loss due to non-transfer of share	-	-	**-**	-	-	-	-
Delay in settlement	-	-	**-**	-	-	-	-
Non-receipt of share	1	1	**2**	1	-	1	-
Corruptions of Broker/ Dealer and Others	1	2	**3**	1	1	-	1
Cash/Cheque/Dividend/ Bonus related	-	-	**-**	-	-	-	-
Others	3	2	**5**	2	1	2	-
Total	**16**	**10**	**26**	**13**	**3**	**4**	**6**

ii) Inspections conducted (July to September 2016):

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**	**4**	**-**	**-**	**4**
		Special Inspection	**1**	**-**	**-**	**1**
2.	**Merchant Bank**	**Monthly regular Inspection**	**-**	**-**	**-**	**-**
3	**Asset Management Company**	**Regular Inspection**	**-**	**-**	**-**	**-**
Total			5	-	**-**	**5**

16. Enforcement

Enforcement related Informations (July to September, 2016):

Sl. No.	Nature of institution	No. of Institutions	Nature of Action
1	**Issuer Company**	57	Penalty- 44
			Warning-13
2	**Stock Broker/ Stock Dealer**	10	Penalty- 00
			Warning-10
3	**Merchant Banker**	01	Penalty- 00
			Warning-01
4	**Authorized Representative**	01	Penalty- 00
			Warning-01
5	**Asset Management Company**	01	Penalty- 00
			Warning-01
6	**Chartered Accountant Firm**	01	Penalty- 00
			Warning-01
7	**Others**	07	Penalty- 01
			Warning-06
	Total	78	Penalty- 45
			Warning-33

17. Law

Court Cases of Bangladesh Securities and Exchange Commission:

Total 528 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	226
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		06
05.	Labour Court, Dhaka		02
06.	General Certificate Court, Dhaka		246
Total number of Cases :			**528**

18. Central Depository Services (CDS)

The following companies and Mutual Fund joined Central Depository Bangladesh Limited (CDBL) during July-September, 2016

SL No.	Company Name	Joined in CDS
01	Evins Textile Ltd.	17.07.2016
02	Yakin Polimar Ltd.	22.09.2016

19. 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 20 Mbps bandwidth broadband internet connection (Fiber Optic) from their workstation through connected LAN. In favour of capital market, a video conferencing system has been setup at BSEC to arrange immediate conference with others parties inside and outside the country. The development of official website of BSEC is going on in both Bengali and English language (Unicode based). Now BSEC is connected with banglagovnet 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
- Establishment of web-based links and presentation of the Rules, Regulations and Notifications made under the securities related laws.

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 July - September, 2016 Important Web Uploads:

Works	Number
IPO Prospectus/Right offer document Upload	8 IPO
Enforcement Actions Upload	50
Other Order/Notification/Directive etc Upload	5
Eligibility of Securities/ List Depository etc.	0
Quarterly Report Upload	0
Annual Report Upload	1
Proposed Draft Rule Upload for Comments	3
Press Release	5
Tender	0
Employment Information	0

20. Research and Development

Research and Development Department of the Commission conducts investors' education program for the general investors, 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 July-September, 2016 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 (Two-days program)	04
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

21. **International Affairs**

Besides its regular activities, International Affairs Department performed following activities during July – September, 2016:

1. An email was received on 10 July 2016 from APEC FRTI regarding a survey on Training Needs Analysis. International Affairs Department took necessary measures in this regard and sent it duly to APEC FRTI.

2. As a member of Asia Pacific Takeovers Regulators Forum, the name and logo of BSEC were included in the forum's website. In this regard, an email was sent on 28 July 2016 by International Affairs Department to Asia Pacific Takeovers Regulators Forum.

3. A delegation from Securities Board of Nepal (SEBON) visited Bangladesh during 22-24 August 2016 to strengthen cooperation between SEBON and capital market related agencies & stakeholders of Bangladesh. Apart from BSEC, the delegation had meetings with DSE and CDBL to exchange their views.

4. During the same quarter, International Affairs Department has several correspondences with foreign bodies concerning queries from different departments of BSEC.

22. Stock Exchanges operational statistics

DSE OPERATIONAL STATISTICS
July-September 2016

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
July	4,525.35	3,207,369	17	1775	104	65,736.17	3,866.83
August	4,526.58	3,192,560	21	2343	112	96,292.95	4,585.38
September	4,695.19	3,281,909	17	2491	147	86,893.82	5,111.40
Total	-	-	55	6609	120	248,922.95	4,525.87

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

CSE OPERATIONAL STATISTICS
July-September 2016

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
July	13,917.2701	2548006	17	160	9	4932.07	290.12
August	13,900.7797	2529589	21	164	8	5146.62	245.08
September	14,429.4404	2612521	17	180	11	5429.30	319.37
Total	-	-	55	504	9	15507.99	281.96

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

23. Press Release

The Commission has issued 05 press releases on its activities during this period, which are uploaded in Commission's website (www.sec.gov.bd).