

Securities and Exchange Commission Bangladesh

ANNUAL REPORT 2004-2005

**SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT 2004-2005**

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CHAIRMAN'S STATEMENT

The Securities and Exchange Commission (SEC) came into existence on 8 June 1993 with the enactment of the Securities and Exchange Commission Act 1993 (Act 15 of 1993). The Act envisaged that “it shall be the responsibility and duty of the Commission to ensure the proper issuance of securities, to protect the interest of the investors in securities and to promote the development of and to regulate the capital and securities market.”

Despite many hurdles, among which the shortage of requisite manpower is perhaps the most important, the Commission has been doing its best to discharge its duty and responsibility with vigor. The efforts of the Commission have started yielding fruits in terms of revitalization of the capital market. The resurgence of investors' confidence noted in the annual report of the last fiscal year gained further momentum during the current year. This is evidenced by the growth of quantitative indicators. Between 30 June 2004 and 30 June 2005, general index rose from 1319 to 1713; market capitalization from Tk 142 billion to Tk 224 billion; and annual turnover from Tk 25 billion to Tk 65 billion on Dhaka Stock Exchange. There were similar increases on Chitagong Stock Exchange where general index rose from 2329 to 3347; market capitalization from Tk.126 billion to Tk. 203 billion; and turnover from Tk.9 billion to 17 billion. It should be noted that these developments occurred despite delisting of more than a dozen of sick companies.

During FY 2004- 2005 the Commission accorded consent to 14 companies including eight insurance companies to raise capital of TK.1160 million through public issue and also approved floatation of three mutual fund unit amounting to Taka 330 million. As on June 30, 2005 out of aforesaid 14 companies the subscription of shares of five companies was completed. The subscription received was five times the size of the issues of these companies, reflecting ample demand for securities in the primary market.

After the establishment of Central Depository Bangladesh Limited, distribution of IPO shares is conducted through electronic system and applicants are required to mention beneficiary owners account (BO) in the application form. As on June 30, 2005 the number of beneficiary owners account (BO) in CDBL reached to 3, 60,908. During FY 2004-2005, 61 companies came under CDS market capitalization of which was TK. 161.74 billion i.e. 72.4% as on 30 June, 2005. As result, transparency in primary share issuance system has increased significantly and settlement period of securities could be reduced from T+4 to T+3. Moreover introduction of CDS has helped remove fake shares from the market.

In the said period, due to strengthening of surveillance and others regulatory measures the market intermediaries have become more cautious in their securities dealing and lesser violation of securities laws were noticed.

The country's capital market is predominantly equity- centric and supply of securities with good fundamentals is inadequate. In order to increase the investment opportunities for investors five and ten- year maturity government bonds have been made tradable on the stock exchanges from 1 January 2005. But due to several constraints trading of said bonds could not be popularized. In FY 2005-2006 the government has reduced withholding tax from 20% to 10% and provision has been to deduct the tax upfront at the time of issuance of bonds. Beside, the Commission and Bangladesh Bank are examining additional measures to make these bonds attractive to the investors. It is expected that the transactions of government bonds would increase in near future and alternative investment opportunity will inject further dynamism into the capital market.

Due to dearth of supply of good securities, at the time of rising demand, excessive pressure is put on shares of companies having good fundamentals. Adequate supply of good securities is essential to retain the confidence of the investors and to ensure market stability. In the above backdrop, the Commission has requested the Govt. to offload shares held by it in multinational companies incorporated in Bangladesh, and shares of stateowned enterprises engaged in telecommunication, electricity, gas etc. The Commission has also requested to securitize the toll income of big bridges including Jamuna Multipurpose Bridge. These proposals are now under active consideration of the Government.

The disclosure of objective financial state of affairs in the financial statements of issuer companies is crucial for sound corporate governance as well as to enable investors to make informed investment decision. For this purpose, the Commission recommended the Government to set up an accounting and auditing board under the supervision of SEC in line with the practice followed in USA and other developed jurisdictions for exercising oversight on statutory auditors and issuers of securities. With a view to establishing the said board a draft Act titled “Bangladesh Accounting and Auditing Standard Board Act, 2004” also submitted to the government.

During the period the Commission took decision to reduce the existing IPO floatation cost to encourage more companies to raise capital through public offer. To increase the liquidity of the capital market, the trade settlement period was reduced to T+3 from of T+4. Beside these, steps have been taken to simplify various rules including Rights Issue Rules and Public Issue Rules for greater participation of issuers and market intermediaries in the capital market and to employ compliance officers in issuer companies and all market intermediaries to safeguard the interest of the investors and to enhance the role of the Commission.

In order to have a dynamic, vibrant and transparent capital market educating issuers, market intermediaries and investor about securities laws and investment mechanism are of utmost importance. At present, there is no specialized dedicated institution in Bangladesh to cater to these needs. Accordingly, the Commission has constituted a Steering Committee to assess the viability of setting up a capital market training Institute

The Securities and Exchange Commission signed a Memorandum of Understanding (MOU) on 23 May 2005 at Islamabad, to facilitate cross- boarder trading of securities within the SAARC countries and to exchange knowledge and information and enhance regulatory cooperation among the regulators for the development of capital market of this region.

The notable progress in the development of the capital market and enhanced transparency in securities transactions have been achieved with the active cooperation of the Government and all institutions and organizations related to capital market. I wish to express my gratitude to all of them. I hope that the capital market of Bangladesh would be able to play its due role as a conduit for financing investment and thereby making a notable contribution to economic growth, employment creation and poverty alleviation. I also acknowledge with thanks the high level of commitment and dedication shown by all my colleagues in the Commission in our joint bid to revitalize the capital market.

Dr. A B Mirza Azizul Islam
Chairman

1. Bangladesh Capital Market

1.1 The Commission:

From '80s especially from early 90s Government has started pursuing open market policy resulting a shift from public sector led growth to private sector led economic development, industrialization, employment generation and national growth. The capital market plays a pivotal role for financing industrialization and national growth in developed and developing countries. For this reason, to build up an efficient, disciplined and transparent capital market in Bangladesh, through enactment of the Securities and Exchange Commission Act 1993 (Act 15 of 1993) the Securities and Exchange Commission (SEC) was established as capital market regulator with a view to ensure proper issuance of securities, protect interest of the investors in securities, develop the capital and securities markets and regulate the capital and securities markets on June 8, 1993.

The Commission is constituted with a chairman and four full time members. The chairman and the members shall be appointed from amongst the persons of capability and standing who have shown capacity in dealing with problems relating to company matters, securities markets or have special knowledge and experience of law, finance, economics, accountancy and such other discipline as, in the opinion of the Government, shall be useful to the the Commission

According to the securities law, the Commission ensures proper issuance of securities and registers supervises and regulates the stock exchanges, broker/ dealers, merchant bankers, portfolio managers, mutual funds, asset management companies, trustees', custodians, depository company and all other intermediaries, persons or institutions related with capital market. The expenses of the Commission are met out of the fund contributed by the government as grants and money received from other sources viz. consent fee for raising capital, registration fee etc.

The Commission discharges the responsibilities reposed on it through administration of the Securities and Exchange Commission Act, 1993, the Securities and Exchange Ordinance, 1969, Depository Act, 1999 and numerous rules framed under the aforesaid acts.

1.2 The Dhaka Stock Exchange (DSE):

The Dhaka Stock Exchange (DSE) was set up in 1954 and started its operation in 1956. The trading activities of the exchange were suspended during the time of independence but was resumed again in 1976.

DSE is a self-regulated not-for-profit organization. DSE Council is the highest policy making body of the Exchange. DSE Council was constituted by its members only earlier prior to issuance Dhaka Stock Exchange Council and Administration Regulation, 2000. Now, as per the said regulations, the Council is composed of 24 members of which 12 are elected from the exchange members and 12 are nominated from the non-exchange members by the elected exchange member-councilors, subject to the approval of SEC.

The executive power of DSE is vested on the Chief Executive Officer (CEO) and under the leadership of CEO the executive body conducts the daily affairs of DSE. The Council of DSE appoints the CEO with the approval of SEC. The above reforms in management have contributed significantly towards improvement of corporate governance of DSE.

At present the total numbers of members of DSE is 230 of which 173 members are registered by the Commission for securities trading. Besides, the staff who are directly involved with securities trading are also required to be registered by SEC. The Commission has made it mandatory to

appoint a compliance officer for every brokerage firm. Now most of the securities listed on DSE are traded and transferred through automated system in dematerialized form.

As on 30 June, 2005 there were 277 securities listed with DSE having issued capital of Tk.66.39 billion and total market capitalization of Tk.224.61 billion.

1.3 The Chittagong Stock Exchange (CSE):

The Chittagong Stock Exchange Ltd (CSE) was set up in 1995. It is also a self-regulated not-for-profit organization like DSE and formation of the Council, numbers of Council members and the mechanism of appointment of councilors are similar to DSE. CSE is administered under the Chittagong Stock Exchange (Board and Administration) Regulations, 2000.

The Chittagong Stock Exchange Ltd (CSE) is a pioneer in introducing on-line trading system in Bangladesh capital market and at present, on-line trading is carried out simultaneously by it from Dhaka, Sylhet, Rajshahi, Barishal, Cox's-Bazar and Chitagong. As on 30 June, 2005 there were 198 securities listed with CSE having total issued capital of Tk. 49.99 billion and total market capitalization of Tk.203.04 billion.

1.4 Bond Market:

Bangladesh capital market is predominantly equity centric. As of 30 June, 2005 there were eight debentures listed with the exchanges with an issued amount of Tk.140 million. In order to encourage issuance of bond and to overcome the impediments associated with its transactions in the secondary market, an expatriate consulting firm has been assisting SEC to frame a comprehensive set of rules under IDA Credit. For widen the scope of alternative investment opportunity of the investors in the capital market having regards to profitability, liquidity, and risk exposure it is crucial to increase the supply of securities with good fundamentals in the market. Meanwhile some non-bank financial institutions has issued asset backed zero coupon bond on private placement basis. It is expected that if the asset backed securities are listed on the stock exchanges, the supply of good securities will be increased slightly.

Besides above, the transaction of five and ten-year maturity government bond has started on the Dhaka stock exchange from 1 January, 2005. Up to 30 June, 2005 18 Government bonds of aforesaid maturities were listed. Though the trading of government bonds started on the stock exchange but due to various constraints especially high interest rate on saving certificates issued by the government, high interest rate on short term deposit with various private banks, 20% withholding tax on interest income of government bond; high lot size [Tk 100,000], ignorance or lack of adequate knowledge of investors and market intermediaries about bond pricing etc., have been dissuading people to buy government bond.

During FY 2005-2006 the government has reduced the rate of withholding tax on interest income to 10% and provision has been made to deduct the same upfront at the time of issuance of bonds. Moreover SEC and Bangladesh Bank are working jointly to find out mechanism for making it attractive to the investors. It is expected that the transactions of government bonds would increase in near future and alternative investment opportunity will be created that would contribute to the development of capital market.

1.5 OTC (Over- the-Counter) market started in CSE:

Dr. Mirza Azizul Islam, the Chairman of SEC, inaugurated the operation of Over-the-Counter (O-T-C) Market in the Chitagong Stock Exchange (CSE) on July 4, 2004. Earlier only the securities of the companies that raised capital through public offering were traded on the Dhaka and Chittagong stock exchange. After the introduction of OTC market the share of companies delisted from stock exchanges and the non-listed companies that raised capital under the Securities and Exchange Commission (Issue of Capital) Rules, 2001 could be traded on CSE. It is expected that the O-T-C market would open up new avenue for trading of shares of de-listed securities and expand the scope for development of small and medium scale industries in the country through facilitation of transaction of their securities on the secondary market.

1.6 Name of IPO Department changed:

The Securities and Exchange Commission has changed the name of IPO (Initial public offering) Department to Capital Issue Department. The name is changed because, henceforth, the said Department apart from initial public offering would deal with rights issue and would accord consent to public and private limited companies that require Commission's consent to making an issue of capital.

1.7 SEC has taken decision to reduce IPO flotation cost:

The Securities and Exchange Commission (SEC) has taken decision to reduce the cost of floating primary shares by almost 50 percent of the existing cost to encourage more companies to float securities through Initial public offerings (IPO) in the capital market. Meanwhile for this purpose SEC has taken initiative for amending the related rules and regulations.

1.8 SEC made BO account opening mandatory:

The Securities and Exchange Commission (SEC) has made mandatory to open beneficiary owners (BO) account for application of shares through public offering. As on 30 June 2005 securities of 61 companies came under depository system with total market capitalization of Tk. 161.74 billion [72.84% of the total market capitalization] and 3,60,908 BO accounts were opened till that date.

1.9 Trade settlement period reduced:

The Securities and Exchange Commission has reduced the period of clearing and settlement of 'A', 'B' and 'G' category companies on T+3 basis in place of the existing T+4 basis since 1 March 2005. As a result liquidity of securities having good fundamentals increased significantly on both the exchanges.

1.10 SEC-ADB Joint Workshops on Corporate Governance held:

The Securities and Exchange Commission and Asian Development Bank (ADB) jointly organized workshops at the CIRDAP and BIAM auditorium on May 28, June 01 and 12 and July 9, 2005 on financial institutions in Bangladesh, demutualization and merger of the exchanges and enhancement of professional standards of market intermediaries for developing the capital market. Senior officials of the Commission, stock exchanges, banks, insurance and others financial institutions including listed companies, journalist and important persons participated on those workshops. The above workshops contributed in enhancing good corporate governance in institutions that are associated with capital market of Bangladesh.

1.11 Functions of Listed Companies:

To increase awareness of the investors in the capital market, the listed companies have been categorized as A, B, Z and G based on profit-loss, status of AGM and status of commercial operation. 'A' category companies are those which pay 10% or more dividend, 'B' category companies are those that pay less than 10% dividend and 'Z' category companies are companies that fail to pay any dividend, hold AGM, accumulated loss exceeds the paid up capital or not in operation for more than six months.

During FY 2004 -2005, governance scenario of listed companies improved due to on time holding of AGM and declaration of dividend by many companies that failed to hold AGM or declare dividend earlier.

Functions of the SEC's Departments

The Commission discharges responsibility reposed on it through its twelve departments. There exists shortage of officers in these departments compared to the requirements. In spite of limited human resources the resurgence of general investor's confidence on capital market has been possible due to the Commission's enhanced supervision and monitoring. The functions of the various departments of the Commission are furnished below:

2. Capital Issue

The Securities and Exchange Commission through Capital Issues Department accords consent to issuers to publish prospectus for raising capital through public offering and to making an issue of capital of public limited and private limited companies on private placement basis under the Securities and Exchange Commission (Public Issue) Rules, 1998 and the Securities and Exchange Commission (Issues of Capital) Rules, 2001 respectively. The Commission also gives clearance of rights issue offer document under Rights Issue Rules, 1998 and gives registration to issuance of asset backed securities under Securities and Exchange Commission (Asset Backed Securities Issue) Rules, 2004 etc. During the said period the Commission accorded consent to raising of capital of Tk.1160 million through public issue. Activities of the Department are furnished below:

2.1 Initial Public Offering (IPO):

During the FY 2004- 2005 the Commission accorded consent to 14 companies including eight insurance companies to raise capital of Tk.1159.10 million through public offering and approved three mutual funds unit worth TK. 330 million to float in the capital market. As on June 30, 2005 out of 14 companies the subscription of five companies share was completed and subscription of the rest companies completed later on. To buy the share of the said companies, the application money was 11 (Eleven) times more than the amount of public issue. During 2003-2004 application money was two times of the issue size. From this, it is observed that there is ample demand of securities in primary market. The details of public issue during the period under review are furnished at Annexure-1.

2.2 Raising of capital

Under the Securities and Exchange Commission (Issue of Capital) Rules, 2001 public and private limited companies are required to obtain consent from the Commission for making an issue of capital if paid up capital exceeds Tk. one crore and ten crores respectively. At the time of according consent to raise capital, the Commission imposes conditions on the aforesaid companies concerning holding of regular AGM, preparation of financial statements as per applicable IAS/IFRS within 120 days from the close of the financial year and submission of the same to the Commission within 14 days from the aforesaid 120 days, requirement of making transactions through banking channel etc. The said conditions are imposed for enhancing corporate governance of these companies.

During the financial year 2004–2005 the Commission accorded consent to 58 companies to raise capital Tk. 13750 million on private placement of ordinary shares and debt securities break-up of which is given below. The said amount was Tk. 2220 million in FY. 2003-2004.

Nature of raising capital	Number of Companies	Total capital (Million Taka.)
Ordinary shares	51	10649
Bond (private placement)	2	2300
Debenture	2	330
Zero Coupon Bond	1	358.50
IPO placement	1	42.40
Right & Bonus share	1	71.80
Total	58	13752.10

2.3 Rights Issue:

As per section 155 of the Companies Act, 1994 and the provisions of Rights Issue Rules, 1998 for further issue of capital of the companies listed on the stock exchanges, the companies are required to offer shares to its existing shareholders. The Commission gives clearance if the offer documents comply with the requirement of the said rules. During FY 2004-2005 the Commission gave clearance to rights issues of Tk. 447.6 million in respect of two financial institutions and a insurance company.

3. CORPORATE FINANCE

The Corporate Finance Department of the Commission supervises and monitors compliance with the securities laws by the issuers of securities listed on the exchanges. This Department, especially, ensures ontime holding of AGM and payment of dividend by listed companies, examines audited annual financial statements and un-audited half yearly financial statements of the said issuers and ensures compliance by the issuer the provision of securities laws concerning appointment of auditors.

During the period under review, the regulatory functions of Corporate Finance Department were further strengthened. The Department, after due examination, sought explanation from 17 and 39 companies concerning audited annual and un-audited half yearly financial statements respectively. Among them, explanations of nine companies were found unsatisfactory. As a result the Commission initiated enforcement actions against them as per the securities laws. The Commission also initiated enforcement actions against seven statutory auditors of the issuer companies on the basis of the report submitted by special auditors deputed earlier by the Commission to examine the audit report submitted by the statutory auditors of certain listed companies.

The Commission has made mandatory to prepare financial statements of issuer of listed securities complying with the requirements of applicable International Accounting Standard (IAS). But it is noticed that most of the issuer companies do not prepare half yearly financial statements according to respective IAS and in some cases they are not complying IAS and related securities rules properly even in preparing annual financial statements of companies. Corporate Finance Department was strengthened oversight on aforesaid activities.

Due to above measure of the CFD it is expected that the issuer of listed securities will be more transparent in preparing their financial statements. Meanwhile, some statutory auditors of listed securities expressed qualified opinion in their audit report about the affairs of the said companies. It is worth mentioning that the Commission mentioned measures against the respective companies on the basis of irregularities found in the auditors report.

Due to taking measures for strengthening supervision and monitoring activities of the Commission, a significant progress has been achieved in holding annual general meeting by the companies. As on 31 December, 2004 there were 30 companies who failed to hold AGM for various period. In FY 2004-2005, out of those, 17 companies held their defaulted AGM including AGM of current year and three companies had declared the schedule of AGM.

The monitoring activities concerning payment of declared dividend on time was also strengthened. The companies that had Tk. 10.00 lac or more unclaimed dividend, they published advertisement in the two daily news papers inviting the investors to collect dividend as per the Commission directives. As a result, it is expected that the tendency for not giving declared dividend by the companies will be reduced.

4. REGISTRATION

Registration Department issues and renews the registration certificates of capital market related intermediaries, persons or institutions including stock dealer, stock broker, authorized representative, depository participant, merchant banker, mutual fund, investment advisor, trustee etc. During FY 2004-2005 Registration Department issued stock broker registration certificate to nine applicants, approved 81 depository participants and issued registration certificates in favor of them. The Commission also issued authorized representative registration certificates in favor of 44 applicants of Dhaka stock Exchange limited and 45 applicants of Chitagong Stock Exchange Ltd. During the said period Registration Department renewed 298 stock brokers/ stock dealer, 529 authorized representatives and 75 depository participants' registration certificates also.

During the year the Commission took necessary remedial measure after scrutinizing share capital, net worth and risk based capital adequacy norms according to Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Stock Broker, Stock Dealer, and Authorized Representative) Regulations, 2000. It is worth mentioning that many of the institutions are performing the functions of a stock dealer/ stock broker and depository participant. Since the Commission issued registration certificate on different dates to the aforesaid institutions for acting as stock broker and depository participants, renewal date of those certificates was also on different dates. In order to avoid that complicity the Commission has taken measures to renew the said certificates at the same date.

4.1 Merchant Bank:

As on 30 June 2005, there were 29 companies who obtained registration certificate to work as merchant bankers. The break-up of the merchant bankers according to their functions is given below:-

(a.)	Full fledged merchant banker (Issue manager, Underwriter, Portfolio manager)	-	22
(b.)	Issue manager and underwriter	-	6
(c.)	Portfolio manager	-	<u>1</u>
	Total		29

During the said period the Commission issued merchant banker registration certificate in favor of Lanka Bangla Finance Limited (Former Vanik Bangladesh Ltd.)

In the aforesaid period the Commission strengthened the supervision of merchant banker, underwriter and portfolio manager functions to ensure that the said institutions are doing their functions according to the securities laws. The Commission also made mandatory to prepare financial statements and get that audited within 120 days from the close of the financial year and submit the same to the Commission within 14 days of the said period.

4.2 Mutual Fund and Asset Management:

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001 the Commission registers mutual funds. There is only one listed mutual fund in the private sector. Eight mutual funds of ICB and one mutual fund of BSRS are also listed with the exchanges. Another two mutual funds viz. Islami Mutual Fund and Pension Holders Unit Fund were being issued by ICB

Asset Management Company in the market within the said period. Within the said period the Commission registered ICB AMCL Islami Mutual Fund and also approved the draft of trust deed of ICB AMCL Pension Holders Unit Fund. Mutual funds, as an institutional investor, could play a significant role in the capital market. During the said period the Commission approved draft prospectus of “Grameen One”, the First Scheme of ‘Grameen Mutual fund One’ and issued registration certificates in favor of the trustee and the asset management company of the said Fund.

4.3 Credit Rating Company:

At present there are two credit rating companies named Credit Rating Information and Services Ltd. (CRISL) and Credit Rating Agency of Bangladesh Ltd. are operating as Credit Rating Agency (CRA) obtaining registration certificates from SEC. The Commission issued directive to the CRAs to abide by the code of conduct prepared by IOSCO to carry out rating activities with transparency and asked them to report the Commission whether they are abiding by said code of conduct.

5. LISTING DETAILS

During FY 2004 - 2005, four companies and a mutual fund were listed with DSE and three companies and a mutual fund were listed with CSE. The details of the companies and mutual fund’ are given in the following table:

Name of the Issuer	Date of Listing		Issued Capital (Taka Million)
	DSE	CSE	
Export Import Bank Ltd.	14/10/2004	16/10/2004	627.7
ICB AMCL Islamic Mutual Fund	03/01/2005	05/01/2005	100.00
Agarani Insurance Co. Ltd.	02/3/2005		1500.00
Global Insurance Ltd.	12/4/2005		1500.00
Midas Financing Ltd.	-	27/7/2004	106.80
Eastern Bank Ltd.		29/9/2004	828.00
Mercantile Insurance	05/12/2004		100.00
Total			4762.50

6. SURVEILLANCE

The Surveillance Department of the Commission follows on-line and off-line market surveillance system to find out violation of securities related laws in securities trading and also to find out any irregularities and abnormalities in securities transactions. As a part of on-line surveillance, the surveillance officers watch the daily securities transaction through non-trading version of surveillance software and at the end of the daily transactions on the exchanges prepares a report containing summary of daily securities transactions and abnormal tradings if any. On the other hand as a part of off-line surveillance the surveillance officers analyze the information that is collected earlier through using the Commissions off-line surveillance software (SECAS). After analysis, if it is found that a detailed investigation is required then the Department proposes to the Commission to constitute a committee to enquire into the matter. If the Department finds that provisions of securities laws are violated it refers the matter with evidence to the Enforcement Department of the Commission for taking appropriate actions as per securities laws.

In the following Table irregularities found by Surveillance Department and actions taken by the Commission against said violations are furnished:

FY	Number of irregularities found	Referred to stock exchange		Inspection	Enquiry	Referred to Enforcement Department
		DSE	CSE			
2004-2005	57	4	2	46	5	7
2003-2004	28	5	3	13	7	5

The Commission has further strengthened its surveillance activities by daily market monitoring, surprise visits and regular monthly inspection of stock broker/ stock dealer. As a result the confidence of investors in capital market has been increasing steadily.

7. Supervision and Regulation of Markets and Intermediaries (SRMID)

The following functions are carried out by Supervision and Regulation of Markets and Intermediaries (SRMID).

- Monitoring the declaration of sale/purchase/transfer of securities by the sponsor /director of the listed companies.
- Monitoring and inspecting the position of shareholding by sponsors/directors.
- Monitoring disclosure of price sensitive information of listed companies.
- Approval of share transfer of listed companies out of stock exchange.
- Monitoring all the activities of stock exchanges excepting securities transactions.
- Receiving and addressing of complaints on activities of the issuer and intermediaries of capital market.

Brief descriptions of notable achievements of SRMID in the period under review are furnished below:

- In stead of the requirement of furnishing multiple statements on shareholding position of sponsors and directors provision has been made to furnish single

monthly shareholding statements of sponsor/directors of listed companies with effect from 29 August, 2004.

- To increase transparency in spot trading of securities, provision of broker/dealer to broker/dealer settlement has been cancelled and provision has been made to settle sport trading by stock exchanges through amendment of the Stock Exchange Transactions Regulation, 1998 with effect from September 25, 2004. This system is applicable in case demat securities only.
- The effectiveness of the Margin Rule, 1999 was postponed for the period December 21, 2004 to April 18, 2005 to maintain normalcy in securities transactions in capital market.
- To reduce risk in settlement system of stock exchanges margin requirement has been increased from February 12, 2005 amending the Members Margin Regulations, 2000
- The clearing and settlement period has been reduced from T+4 and T+3 for all category shares excepting Z-category from March 01, 2005.
- Declaration of price sensitive information has now been monitored more rigors.

Complaints Resolved

- Due to active supervision of the Commission, the number of complaints was reduced in 2004-2005. In the said period 105 complaints were received compared to 182 in the last year.
- The supervision was intensified in FY 2004-2005 to resolve complaints expeditiously. Due to effective communication and discussion with related institutions, the rate of resolution of complaints was increased than the previous year. Resolution of complaints during the period was 48.57% of total complaints received compared to 19.78% in FY. 2003-2004.
- 16 complaints concerning broker/dealer was sent to stock exchanges in the said year, among them nine complaints were resolved. The complaints that resolved through stock exchanges were not counted in the above. If the rate of resolution in stock exchanges is taken into consideration then the rate of resolution would be 57.14% of total complaints received.
- Out of all the complaints received 11 complaints were related to primary share transfer to depository accounts (BO) of a bank and an insurance company. Excepting one all the complaints were resolved within the reporting period.

Complaints against listed companies and actions taken thereon during July 2004 to June 2005 have been furnished in “Annexure – 2 and 3.

8. Central Depository System (CDS)

The Central Depository System Department of the Commission supervises and performs the following functions under the Depository Act, 1999 and regulations made thereunder:

- Functions of Depository Participant (DP)
- Converting physical share certificates of listed companies into dematerialized form;
- Issuance of securities in dematerialized form and transfer of the same upon transaction of said securities.
- Issuance of directives, orders concerning CDS.

8.1 Depository

The Central Depository Bangladesh Limited [CDBL] started commercial operation upon receipt of Business Commencement Certificate from the Commission on 23 December 2003,. With the introduction of depository system in the capital market, allotment of shares issued through public offering is made through CDBL. Securities already listed with the stock exchanges are gradually brought under this system. Till June 30, 2005 61 companies came under CDS market capitalization of which was TK. 161.74 billion i.e. over 72.4% of total market capitalization on the said date. Following measures were also taken during the period:

- The Commission issued a directive on April 2, 2005 to regularize beneficiary owners accounts opened with different depository participants and to close all the irregular and fake BO accounts within June 30, 2005. As result deficiencies with respect to 9287 BO accounts were corrected and 63,150 fake accounts were closed.
- As on June 30, 2005 there were 3, 60,908 BO accounts having 120.20 million securities (excepting primary share, right and bonus) on the CDS in dematerialized form. During the period the Commission issued registration certificates to 149 institutions to act depository participant with that as on 30 June number of DPs rose to 158.

9. Enforcement

Enforcement Department of the Commission takes enforcement actions against the stock broker/ stock dealer, merchant bankers, other intermediaries related to capital market, and issuer companies or their directors who violate and fail to comply with securities laws. The said actions include warning letter, imposition of penalty, suspension or cancellation of registration certificate etc. The comparative picture of measures taken by the Commission for violations of securities laws in last few years including 2004-2005 against [brokerage house and issuer companies](#) is furnished in the Annexure -5 and 6.

Apart from the above, a letter enclosing a list of directors of 36 issuer companies who failed to hold AGM in 2004-2005 was sent to Bangladesh Bank for legal action. The Commission also issued warning letters to the issuer companies for failure to submit the annual audited financial statements in time and comply with the securities laws. In the said period the Commission imposed penalty against some of the listed companies for non compliance with securities rules, details of which are furnished in **Annexure – 7**.

During the FY-2004 - 2005 penalty of Tk. 100,000 each was imposed on two brokerage houses due to violation of securities laws. During the last FY 2003 -2004 for not complying with the sell order trading function of one brokerage house was suspended and another brokerage firm was directed to surrender registration certificate and pay to the Commission Tk. 100,000 penalty. Besides, warning, orders/directives were given to number of brokerage houses to comply with the securities law.

10. LEGAL SERVICES

Capital Market Regulatory Reforms and Compliance Department issues all securities related rules and regulations on Commission's behalf and also amends those, if necessary, following due process. During the financial year 2004-2005 the following notifications/orders were issued by the Commission:

Serial No	Notification/orderNo. and Date	Contents of the Notifications/Orders
1	SEC/CMRRCD/2001-16/328 Date: 3 rd July 2004	Directives were issued to four companies that were delisted by DSE and CSE under the Securities and Exchange Commission (Over-the-Counter) Rules, 2001 to trade their share in OTC market provided by CSE. This directive has given in order to get trading facilities of those investors whose securities are in the delisted companies.
2	SEC/CMRRCD/2001-26/332 Date: 11th July 2004	Amendment of the Securities and Exchange Commission (insider trading prohibition) Regulation, 1995 concerning not to sell, buy, and transfer shares of the sponsor, Director, officer or staff, auditor or person involve in auditing, consultant or legal advisor or beneficial owner mentioned in section 12 of the securities and Exchange Ordinance, 1969 of companies listed with stock exchange from the annual accounts closing date to approval date approved by the board of directors.
3	SEC/CMRRCD/2004-138/340 Date: 14 August 2004	Made amendment of Chittagong stock exchange election Regulation, 1999 for bringing more transparency in electing the board of directors.
4	SEC/CMRRCD/2001-16/344 Date: 19 th August 2004	Directive issued to nine delisted companies to trade their shares in the O-T-C market provided by CSE under the securities and Exchange Commission (over the counter) Rules, 2001
5	SEC/CMRRCD/2001-18/343	Amendment of the Commission order no-

	Date: 19 August 2004	SEC/CFD-71/2001Admin/10 dated 28 March 2001 (published in the Bangladesh gazette on 29 April, 2001) concerning mandatory taking consent to the private ltd. companies for their paid up capital exceeded 10 crore.
6	SEC/CMRRCD/94-231/272 Date: 25 September 2004	Concerning amendment of the settlement of stock exchange transaction Regulation, 1998 of Dhaka and Chittagong stock exchange for settlement of spot trade of demat shares.
7	SEC/REG/MB-Policy/Part-4/2002/266 Date: 12 December 2004	Directive issued to the merchant banker to audit their financial statements within 120 days from financial year end and submit the copy of audited financial statement to the Commission.
8	SEC/CMRRCD/2004-129/378 Date: 19 December 2004	Directive issued to the stock exchanges, CDBL and primary dealers to exist spot trading and T+1 basis clearing and settlement of 5 and 10 years of maturity government treasury bond.
9	SEC/SRMID/94-231 Date: 21 December 2004	Postponed the M<Margin Rules, 1999 for ensuring normal scenario of transaction in the capital market.
10	SEC/SRMID/94-272 Date: 21 December 2004	Amendment of Dhaka and Chittagong stock exchange (Members Margin) regulation, 2000 to reduce risk in the settlement system of stock exchanges.
11	SEC/SRMID/94-231/470 Date: 12 February 2005	Directives issued concerning amendment of the Dhaka and Chittagong stock exchange (Members Margin) Regulation, 2000.
12	SEC/SRMID/94-231 Date: 13 February 2005	Directives issued to amend the Dhaka and Chittagong stock exchange transaction Regulation, 1998 for clearing and settlement of securities transactions within 3 days instead of 4 days for A, B, and G category companies.
13	SEC/SRMID/94-231/641 Date: 18 April 2005	Order issued to withdraw the suspension of the Margin Rule, 1999
14	SEC/CDS/2.22/99-568 Date: 2 nd April 2005	Instruction was given to make regular all the irregular/fake account, cancellation of fake account and submission of statement regarding this to the Commission.

Court cases:

Sl. No.	Name of the Court		Number of Cases
1	Supreme Court of Bangladesh	Appellate Division	03
		High Court Division	57
2	4 th Joint Dist. Judge Court, Dhaka.		06
3	5 th Asst. Judge Court, Dhaka.		08
4	1 st Asst. Judge Court, Dhaka		02
5	Chief Metropolitan Magistrate Court, Dhaka.		02

6	Metropolitan Session Judge Court, Dhaka.	05
7	General Certificate Court, Dhaka.	23
Total		106

1.Share Scam Cases 1996 :

Out of total 15 share scam cases two cases are now pending before the Appellate Division and eight cases before the High Court Division of the Honorable Supreme Court. Remaining five cases are pending before the Metropolitan Session Judge Court for trial.

2. Three certificate cases were filed under Public Debt Recovery Act against the Chairman of AB Biscuit Co. Ltd. , Raspit Inc. (BD) Ltd. and Directors of J H Chemical Industries Ltd. in the Court of General Certificate Officer, Dhaka to recover the penalty imposed by the Commission during this financial year.

Cases filed during the financial year 2004-2005:

Subject	Number	Brief Description
Cases filed by the Commission	4	Certificate cases filed under PDR Act due to recover penalty money.
Cases filed against the Commission	5	2 writ petitions were filed against some orders of the Commission regarding penalty money and one criminal revision was filed against the criminal case filed by the Commission in the Honorable High Court

11. RESEARCH & DEVELOPMENT

Research and Development Department of the Commission conducts educational program for the investors in share market, arranges capital market related seminar for various stakeholders in the capital market, publishes annual report, quarterly reports and other publications of the Commission. The Department also furnishes various reports and information to Government and other institutions including Ministry of Finance and Bangladesh Bank.

During July 2004 - June 2005, Research and Development Department of the Commission published the following reports/documents:

11.1 Publications:

Annual Report (Bengali & English)	: FY 2003-2004
Quarterly Review	: April-June, 2004
Quarterly Review	: July-September, 2004
Quarterly Review	: October-December, 2004
Quarterly Review	: January-March 2005
“SEC Parikrama” (SEC’s Bangla Newsletter)	: June 2004
“SEC Parikrama” (SEC’s Bangla Newsletter)	: September, 2004
“SEC Parikrama” (SEC’s Bangla Newsletter)	: December, 2004
“SEC Parikrama” (SEC’s Bangla Newsletter)	: March, 2005

11.2 Investors Education Program:

During the FY 2004 –2005 the Securities and Exchange Commission conducted Investors’ Education Program [two programs in each month] to educate the existing and prospective investors in the capital market. Senior SEC officials imparted training on the regulatory framework, investment in primary and secondary market, surveillance system, depository system etc. A total of 282 investors participated in the said programs.

Besides, on March 17, 2005 the Commission conducted an educational program on capital market for the Business Students Society of Independent University of Bangladesh (IUB) at SEC premises. Fifteen students led by the Director of School of Business, IUB participated on this program. Senior Officials of the Commission spoke on the aforesaid areas.

Apart from the above, a study tour for the participants of the Senior Staff Course of Bangladesh Public Administration Training Centre (BPATC) was held at the Board Room of the Securities and Exchange Commission on 24 April 2005. Twenty eight joint secretaries of the Government of Bangladesh participated in the program. Moreover a delegation from the National Defense College (NDC) visited SEC on 15 May 2005. Executive directors of SEC made presentations on the role and activities of SEC, recent development of the capital market, institutional market and depository system, surveillance systems of SEC to the delegation. The Team appreciated the role of SEC in developing the capital market.

During the period under review the Securities and Exchange Commission organized the training programs for the authorized representatives of members of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). 58 and 92 authorized representatives were participated in the said program from DSE and CSE respectively.

12. Future Planning:

Despite many hurdles among which the lack of requisite manpower is notable one, the Commission is doing its best to discharge its duties with vigor with the help of capital market related intermediaries. As a result it was possible to have a resurgence of the confidence of investor on capital market and further strengthen it. Significant improvement has also been taken place as regards legal framework and physical infrastructure, compliance of securities laws by stock exchanges, issuer companies and concerned intermediaries. However automated payment system would not be put in place and transparency and fairness in the financial statement of the companies, elevating good corporate governance, adequate supply of good securities etc could not be ensured yet.. Besides it is essential to have adequate financial resource of the Commission to comply with IOSCO Objectives and Principals of Securities Regulations. In order to attain aforesaid objective and to strengthen Bangladesh Capital Market the following measures have been taken:.

- To encourage companies to raise capital through public issue of securities, initiative to amend rules was taken to reduce IPO floatation cost.
- To educate investors and equip officers of issuer companies and capital market intermediaries on capital market the Commission has taken an initiative to set up a securities training institute. In the meantime, the Commission has constituted a steering committee. It is expected that the development partner especially ADB would assist to establish the proposed institute.
- Securities are traded now through on-line system in the stock exchanges. But the payment systems of securities are not included in the said system. The Commission is working with the stock exchanges to have automated payment system.
- There is dearth of supply of securities with good fundamentals in Bangladesh capital market. Accordingly, the Commission has taken initiatives for listing of securities of the companies under telecommunication, electricity, infrastructure sectors with the stock exchanges. In the mean time the government has taken decision to off-load the shares of government owned companies including government owned listed companies' securities through stock exchanges.
- To supervise and regulate the companies in accordance with the provisions of the Companies Act, 1994 and to improve their corporate governance the Commission has given a proposal to the government to merge the Registrar of Joint Stock Companies and Firms with SEC.
- At present there are inconsistencies between the Right Issue Rules, 1998 and the Public Issue Rules, 1998 on many similar aspects. It is essential to make the said rules consistent and complete and to make the same easier to the issuers, intermediaries and investors. For this reason the Commission has taken initiative to amend the said rules.
- Meanwhile the Commission is examining prospectus and other documents furnished to the Commission for public issue of securities with much rigor than before to ensure full disclosure in the prospectus reflecting aforesaid documents and financial statements. The Commission would continue this measure in future.
- At present there are no comprehensive rules for issuance, trading and settlement of fixed income securities viz. debenture and bonds. In the meantime an expatriate consultants firm engaged under the Financial Institution Development Project under World Bank

Credit submitted a draft report on bond issue rules. After getting final report from consultants a comprehensive bond issue rules will be issued.

- There are 18 government bonds listed on DSE. But the trading of those bonds is not satisfactory. To popularize the government bonds to the public the Commission and Bangladesh Bank are jointly working and have constituted a committee for this purpose.
- Bangladesh capital market mainly equity centric. There are a few corporate bonds and five and ten years government bond now listed on the stock exchanges but their transactions are not satisfactory. In addition there is no instrument in the capital market for risk management and no legal framework exist for trading of derivatives instruments in Bangladesh, whereas the trading of derivatives instrument started in the neighboring countries. The Commission has been considering framing necessary rules for introduction of derivatives securities in Bangladesh Capital Market.
- South Asian Federation of Exchanges (SAFE) has been set up among the SAARC countries by the stock exchange of the region. The main objective of this organization is to enhance communication and cooperation among the stock exchanges in the region. In the mean time a notable progress has been achieved in terms of having uniform listing regulation for SAARC countries that will help in cross border listing within the region in near future.
- The Commission submitted a draft of an Act titled “Bangladesh Accounting and Auditing Standard Board Act, 2004’ with a proposal of setting up of an accounting and auditing standard board controlled by SEC for ensuring preparation of financial statements reflective objective state of affairs and in elevating good corporate governance.
- In existing securities laws there is no legal provision to compensate the affected investors or institutions from the penalty imposed by the Commission on those who violate the securities laws. In many countries including Malaysia there are provision in the securities laws for compensation to the affected investors. The Commission sent a proposal to the Government for amending the securities laws that would enable the Commission to give compensation to the affected investor out of the penalty money realized.
- According to the existing securities laws the Court of Session is the court of original jurisdiction for taking cognizance of securities related cases. As a result the accused person or institution could bring the cases into the notice of the higher court or even shuttle the case within the lower court citing various pleas. As a result significant time elapses even to begin the trial. For this reason a proposal will be sent to amend securities law to make Honorable Supreme Court High Court Division as court of original jurisdiction in stead of the Court of Session for cognizance of the securities related cases.
- The Securities and Exchange Commission has formed a three member consultative committee consisting of the senior most executive director of the Commission and the CEO’s of stock exchanges to discuss the market related issues and recommend appropriate measures for the Commission’s consideration. In the mean time most of the recommendations of this committee have been implemented by the Commission. The Commission will continue the consultative committee.
- Surveillance Department of the Commission is following the On-line and Off-line market surveillance system. The Commission has taken necessary initiatives for strengthening the existing surveillance system and in this regard ADB has shown keen interest. Besides this, there is a lack of requisite competent manpower to do the surveillance function properly. Efforts have been taken .0to remedy the situation.

- There is a lack of requisite manpower to discharge the Commission's duties and responsibilities with vigor. For this purpose the Commission proposed to the Government for creating the posts of seven assistant directors which is under consideration in the respective ministry.
- There is no provision for independent director, selection committee, compensation committee, audit committee and whistle blower etc in the existing company law for smooth running of companies. The Commission is making a code of corporate governance for smooth operation of the companies and establishing corporate governance.

13. FINANCIAL STATEMENTS OF THE COMMISSION

For the year ended 30 June, 2005

Securities and Exchange Commission is under the revenue budget of the Government. All of its expenditures are met from the Govt. revenue budget. In terms of section 12 of the Securities and Exchange Commission Act, 1993, the Commission maintains a fund which consists of the Government. allocation and revenue generated by the Commission itself. Income of the Commission includes registration and renewal fees, fees received in connection with application and consent for raising of the companies' capital, recovery of penalty etc. Government fund is released in accordance with the budget allocation net of the income generated by the SEC.

The Commission has generated considerable income during the last few years. It has met 31.89% and 49.73% of its total annual expenses from own income generation during the fiscal years 2003-2004 and 2004-2005 respectively. In the current fiscal year (2004-2005), the Commission's own income/receipts stand at Tk. 1.777 crore. The Commission also received as grant from the government Tk. 3.809 crore, including last year's unspent balance of Tk. 0.302 crore through which it met all of its expenses. On the other hand, the Commission's total income was Tk. 1.121 crore in 2003-2004 and government allocation was Tk. 2.475 crore including previous year's balance of Tk. 1.116 crore. The expenditure for revenue, capital and works of the Commission during the fiscal year 2004-2005 altogether stood at Tk. 3.163 crore, which was Tk. 3.294 crore in the previous fiscal year 2003-2004.

Statement of Affairs June 30, 2005

(Figure in crore taka)

	FY 2004-2005	FY 2003-2004
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Particulars	Budget allocation/ Receipt	Actual receipt/ expenditure	Actual receipt/ expenditure
Government Grant :	1.935		
Opening balance (unspent balance received from Govt.)		0.302	1.116
Govt. grant released		1.730	1.359
Total Govt. grant	1.935	2.032	2.475
Commission's miscellaneous income	1.320	1.777	1.121
Total allocation/Receipts	3.255	3.809	3.596

Payment/Expenditure

Revenue expenditure	2.781	2.737	2.326
Capital expenditure	0.364	0.354	0.223
Loan/Advance disbursed	0.110	0.072	0.145
Works expenditure	-	-	0.600
Total	3.255	3.163	3.294
Closing balance (unspent fund)		0.646	0.302

14. Seminar, workshop, study tour

In 2004-2005 the officers of the Commission attended various workshops; seminars and study tours on invitation of IOSCO and others regulators. A brief description of some of the important workshops, seminars and study tours are furnished below:

(A) Annual Meeting of Pacific Regional Committee of IOSCO held in Colombo, Sri Lanka:

The Chairman, Securities and Exchange Commission Bangladesh attended the above meeting held on 4 -7 April, 2005 in Colombo, Sri Lanka. In this meeting discussion was held on IOSCO MOU among the securities regulators of the region. The participants had to inform, among other things, the implementation status of IOSCO objectives and principles. The Commission is working to asses the implementation stage of IOSCO objectives and principals. In this connection, the Commission will request IOSCO to extend technical assistance if necessary.

The meeting emphasized strenghtening of supervisory systems of all market intermediaries including stock exchanges. In Bangladesh, at present, there is mandatory requirement to have "compliance officer" in broker/dealer firms only. An initiative has been taken to incorporate provision in the securities laws requiring compliance officer in all the intermediaries related to capital market.

It is known from the paricipants that the privatization of state owned companies played a pivotal role in increasing supply of good securities in the capital market. It is of utmost importance to take similar initiatives for the development of Bangladesh capital market. Meanwhile Govt. has taken decision to off-load the shares of state owned companies. If implemented, the supply of securities having good fundamental will be increased, investors' investment option will be widened and volatility in the market will be reduced.

For enhancing investors' interest in capital market it is crucial to elevate corporate governance of issuer companies. The meeting opined that the Securities Commissions should play vital role in this regard. The meeting also stressed for training of the board of directors of the listed companies, inclusion of independent director in the board of directors and constitution of audit committee, compensation committee, and selection committee to improve the corporate governance scenario. The participants emphasized to have strong internal audit in the regulated entity and to have an accounting and auditing oversight board to ensure objective auditing by the statutory auditors.

Meanwhile the Commission sent a draft of rules to the government to establish an accounting and auditing oversight board under SEC. It also sent a proposal the government to merge the Office of Registrar of Joint Stock Companies and Firms with the Securities and Exchange Commission. Apart from the above, the Commission also started framing a code of corporate governance and working on setting up a securities training institute. Beside this, the Commission is actively considering the revision of capital structure of market intermediaries' commensurate to their risk exposure.

(B) Meeting held in Islamabad, Pakistan for signing of MOU among the South Asian Securities Regulators:

The Securities and Exchange Commission signed an MOU on May 13, 2005 in Islamabad, Pakistan with a view to have cross border operation, exchange of inter personal skill and expertise and increase of cooperation in regulatory activities among the South Asian Securities Regulators. Mr. Mohammad Ali, Member SEC signed the MOU on behalf of the Commission. This MOU would assist in developing Bangladesh capital market through increasing cooperation among the securities regulators of this region.

(C) Participation in the “International Institute for Securities Market Development” titled seminar in Washington DC:

During April 18-28, 2005 the above mentioned seminar was held in the Securities and Exchange Commission of America. Over 100 delegates from about 65 capital and securities markets regulators participated in the said program. Mr. Mansur Alam, Executive Director, SEC and Mr. ATM Tariquzzaman, Director, SEC participated in the seminar on behalf of the Securities and Exchange Commission, Bangladesh. The program especially emphasized upon the exchange of ideas, views and experiences of the regulators over the world. The pros and cons of the US SEC regulations and techniques for combating various types of securities market related offences were discussed in the program.

Emphasis was also given upon the corporate governance including accounting, auditing and money laundering system to help fight against aforesaid offence alongwith creation of awareness among the investors in different types capital market instruments. It was noticed that the role of the securities investors' protection corporation of the USA in compensating the investors suffering losses from fraudulent practice of the security issuers and the market participants/ intermediaries, excepting the transaction losses, has significant impact upon development of securities markets in the USA. Many of the features and practices of the US securities markets, including those of other markets do exist in our country.

(D)IOSCO Seminar Program held in Spain:

The IOSCO seminar program held in Spain on 15-19 November 2005. Representatives of 31 countries including World Bank group, First initiative attended the seminar. Mr. Abdul Hannan Zoarder, Executive Director, SEC participated on behalf of SEC Bangladesh. In the said Seminar emphasis was given on the implementation of IOSCO objectives and principals. On the basis of acquired knowledge from the seminar the Commission has been working to assess the SEC Bangladesh's implementation status of IOSCO objectives and principles.

(E) Participation in the seminar on “Financial Information through Accounting and Risk Management” held in Manila:

Mr. Farhad Ahmed, Executive Director, SEC participated in a five days workshop on Financial Information through Accounting and Risk Management held on November 18-24, 2004 at the Asian Institute of Management, Manila, Philippines. 34 participants from the audit department of the government, regulator of the capital market, regulator of the insurance industry and regulator of the bank from 13 Asian countries participated in the workshop. The following topics were discussed in the workshop:

- Need for having a global accounting standard.
- Importance of preparing consolidated balance sheet for the entities having different segment of business.
- Importance of credit rating and sovereign credit rating.
- Importance of having a unified regulator.

The Securities Exchange Commission of Bangladesh has made provision in the securities law to prepare financial statements of issuer and market intermediaries in accordance with International Accounting Standards and audit the same in adherence to International Standard on Auditing.

(F) Participation in the “7th Tokyo Seminar on Securities and Regulation” 2004:

The above mentioned seminar sponsored by Financial Services Agency (FSA) of Japan, Asian Development Bank Institute and OECD was held on September 21 to October 1, 2004 in Tokyo, Japan. 29 participants from 18 countries participated in the aforesaid seminar. Mr. Saleh Ahmed Chowdhury, Member and Mrs. Ruksana Chowdhury, Executive Director participated in the above mentioned seminar on behalf of SEC Bangladesh. The Seminar focused on securities laws of Japan, functions of the Securities and Exchange Surveillance Commission (SESC), inspections procedures of securities market intermediaries in Japan, demutualization, listing, market regulations and surveillance, securities markets reforms in Japan, outlines of the disclosure system were discussed in the seminar. The SEC Bangladesh has taken initiative to strengtheng the surveillance system taking into consideration knowledge gained from the Seminar.

(G) Participation in the 4th Tokyo Enforcement seminar 2004:

The Securities and Exchange Surveillance Commission, Japan and Japan International Cooperation Center jointly organized the above Seminar on 13 to 17 December, 2004 in Tokyo, Japan with a view to familiarizing the securities enforcement activities of Asia - Pacific Region and Japanese Securities market. Mr. Abbas Uddin Khan, FCA Member, SEC and Mr. Rezaul Karim Deputy Director, SEC attended the Seminar on behalf of the Commission. 26 representatives from 13 countries attended the said Seminar.

(H) Study tour on Bond Market:

A study tour on bond market development in Sri Lanka, India and Malaysia was held from 17 June to July 1, 2005 under the Financial Institutional Development Project. Seven officers of Bangladesh Bank, Ministry of Finance including Mr. Abdul Hannan Zoarder, Executive Director, SEC, Mr. Shafiul Azam, Deputy Director, SEC, Mrs. Farhana Faruqui, Officer on Special Assignment, SEC participated in the study tour. The Team visited the central bank, securities regulatory institutions, stock exchanges and related other market intermediaries of the aforesaid countries.

After visiting the above countries the officers of the tour, in order to develop Bangladesh Bond Market, suggested to arrange training program for investors, increase supply of Government bond, issuance of treasury bill of two maturities instead of existing four maturities, introduction of RTGS system, issuance of long term govt. bond, Islamic bond, establishment of a full-fledged securities training institute etc. For this purpose SEC and Bangladesh Bank are working together.

The costs of the aforesaid seminars, workshops were mostly met by the sponsors or donors. In order to build up the capacity of the officers of the Commission, it is of utmost importance to work with regulators of developed and emerging jurisdictions and also to work as member of IOSCO working committee for certain period.

Annexure -1

List of companies/mutual funds that raised capital through Initial Public Offering (IPO) during July 2004 to June 2005:

Figures in million Taka

Sl. No	Name of the Company	Total Capital	Sponsors Equity			Public Equity				Remarks (Issued at premium)	Subscribed amount (Ref Col No.7)	Date of Subscription Opens: Closes:
			Local	Foreign	Total	General Public	Foreign placement	Local placement	Total (7+8+9)			
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Agarani Insurance Co. Ltd.	150	60.0	-	60.00	90.00	-	-	90.00	At Par	652.70	9/1/05 13/1/05
2	Global Insurance Ltd.	150	60.0	-	60.00	90.00	-	-	90.00	At Par	704.21	29/1/05 2/2/05
3	Popular life insurance co. Ltd.	75.0	30.0	-	30.00	45.00	-	-	45.00	At Par	515.88	24/04/05 28/04/05
4	Fareast Islami life insurance Ltd.	75.0	30.0	-	30.00	45.00	-	-	45.00	At Par	900.99	07/05/05 11/05/05
5	Peoples Leasing and Financial Services Ltd.	236	130.0	-	130.00	63.60	-	42.40	106.00	At Par	382.64	14/05/05 18/05/05
6	Meghna Life Insurance Co. Ltd.	75.0	30.0	-	30.00	45.00	-	-	45.00	At Par	703.45	03/07/05 07/07/05
7	Nitol Insurance Ltd.	150	60.0	-	60.00	90.00	-	-	90.00	At Par	247.22	24/07/05 28/07/05
8	Prime Finance and Investment Ltd.	230	180.0	-	180.00	50.00	-	-	50.00	At Par	1154.42	30/07/05 3/08/05
9	Asia Pacific General Insurance Ltd.	175.0	70	-	70.00	105.00	-	-	105.00	At Par	137.57	21/08/05 25/08/05
10	Summit Power Ltd.	650.0*	450	-	450.00	200.00	-	-	200.00*	Par share 40 Tk premium	2390.40	27/8/05 31/08/05
11	Sonar Bangla Insurance Ltd.	150	60	-	60.00	90.00	-	-	90.00	At Par	360.56	11/09/05 15/09/05
12	Islamic Finance and Investment	247	147	-	147.0	100.00	-	-	100.00	At Par	1708.01	25/09/05 29/09/05

	t Ltd.											
13	Premier Leasing International Ltd.	223.3	122.8	-	122.8	100.50	-	-	100.50	At Par	1208.07	14/08/05 18/08/05
14	Progressive Life Insurance Ltd.	75.0	30.0	-	30.0	45.00	-	-	45.00	At Par	1643.57	8/10/05 12/10/05
Total		2661.3	1459.8	-	1459.8	1159.10		42.40	1201.50		12709.69	

- Total capital including 730 million Tk.

** Total public equity including premium 280 million Tk.

Annexure-2

Against Listed Companies

Nature of Complaints	No.	Under process	Resolved	Referred for enforcement action
Non-payment or delay in payment of declared dividend	19	0	5	14
Non-payment or delay in payment of interest of Debenture	5	0	0	5
Claim of dividend against lost shares	0	0	0	0
Regarding transfer of shares	16	0	7	9
Regarding non refund of IPO deposits	1	0	1	0
Regarding AGM of listed companies	0	0	0	0
Regarding transfer of shares in BO account	11	0	10	1
Miscellaneous	15	1	13	1
Total	67	1	36	30
Complaints during the year (2003-2004)	91	-	23	-

Annexure -3

Against Stock Broker/Dealer

Nature of Complaints	No.	Under process	Referred for enforcement action	Resolved	Sent to DSE/CSE
Regarding non delivery of shares	27	3	3	9	12
Regarding non refund of clients money	7	0	1	4	2
Miscellaneous	4	0	0	2	2
Total	38	3	4	15	16
Complaints during the year (2003-2004)	91	-	-	13	-

Annexure -4

The following 47 companies have joined Central Depository Bangladesh Ltd. (CDBL) during the financial year 2004-2005:

Sl. No.	Name of the company	Starting date
01	Baximco Pharmaceuticals Ltd.	8 July 2004
02	British American Tobacco Bangladesh Ltd.	18 July 2004
03	Singer Bangladesh Ltd.	18 July 2004
04	Agricultural Marketing Co. Ltd.	18 July 2004
05	Lafarge Surma Cement Ltd.	18 July 2004
06	Green Delta insurance Co. Ltd.	18 July 2004
07	Heidelberg Cement Bangladesh Ltd.	18 July 2004
08	Bangladesh general insurance Co. ltd.	18 July 2004
09	BOC Bangladesh Ltd.	18 July 2004
10	Mercantile Bank Ltd.	18 July 2004
11	Glaxo Smith Clean Bangladesh Ltd.	18 July 2004
12	Bata Shoe Co.(BD) Ltd.	25 August2004
13	Advanced Chemical Industries Ltd.	25 August 2004
14	K and Q Bangladesh Ltd.	25 August 2004
15	Eastern Housing Ltd.	29 September 2004
16	Reckit Benkigar (BD) Ltd.	29 September 2004
17	Reliance Insurance Ltd.	29 September 2004
18	National Bank Ltd.	29 September 2004
19	Bangladesh Online Ltd.	29 September 2004
20	United Leasing Company Ltd.	14 October 2004
21	National Life Insurance Co. Ltd.	14 October 2004
22	Exim Bank Ltd.(IPO)	16 October 2004
23	Bangladesh Export Import Co. Ltd.	24 October 2004
24	Kasem Drycells Ltd.	24 October 2004
25	Bangladesh Lamps Ltd.	24 October 2004
26	Mercantile Insurance Co. Ltd.(IPO)	7 December 2004
27	Baximco Infusion Ltd.	22 December 2004
28	One Bank Ltd	22 December 2004
29	ICB AMCL Islamic mutual fund (IPO)	5 January 2005
30	Daffodil Computer Ltd.	16 January 2005
31	Eastern Bank Ltd.	16 January 2005
32	Phoenix Insurance Co. Ltd.	16 January 2005
33	Agrani Insurance Co. Ltd.(IPO)	5 March 2005
34	Islami Bank Bangladesh Ltd.	23 March 2005
35	Midas Financing Ltd.	23 March 2005
36	Pubali Bank Ltd.	23 March 2005
37	Rangpur Foundry Ltd.	23 March 2005
38	Shainepukur Holdings Ltd.	23 March 2005
39	The City bank Ltd.	23 March 2005
40	Global insurance Co. Ltd(IPO)	16 April 2005
41	National Tubes Ltd.	24 April 2005
42	Prime Insurance Co. Ltd.	24 April 2005

43	Intech online Ltd.	22 May 2005
44	United Commercial Bank Ltd.	29 May 2005
45	Agni System Ltd.	19 June 2005
46	Bangas Ltd.	19 June 2005
47	Uttara Finance and Investment Ltd.	29 June 2005

The market capitalization of the above 47 companies is more than 50% of total market capitalization. As on June 2005 the total number of companies that came under the depository system is 61 which market capitalization is more than 72% of the total market capitalization.

Annexure -5

Issuer company:

Complaints against the Issuer company	FY 2004-2005	FY 2003-2004	FY2002-2003
Number of AGM defaulted companies	17	7	4
Number of companies violated the order of Commission	3	-	9
Number of companies which were failed to payment the interest and principle of issued debenture as per stipulated time specified in the prospectus	5	-	14
Number of companies which were failed to submit the audited financial statements of half yearly and yearly	10	1	8
Number of companies which were failed to comply the Securities and Exchange Commission Act 1969 and depository regulations	2	-	-
Number of companies which didn't disclose the price sensitive information	2	1	1
Number of companies which were failed to repay the declared dividend in time	4	5	14
Number of companies that violated the regulations of buy and sell order of shares	8	18	-
Number of companies which were failed to payment the declared dividend (Bonus share) within 60 days of declaration	1	-	-
Number of companies violated IAS	1	-	-
Number of companies that didn't preserve the books of accounts properly	-	3	-
Number of companies that didn't give cooperation to the Commission's appointed auditor	-	1	4
Number of companies that didn't pay the bill of audit	-	1	-
Number of companies that transacted shares without submission of statement	-	-	3

regarding purchasing shares			
Miscellaneous	-	-	8

Annexure -6

Stock Broker/ Stock Dealer

Complaints against Stock Broker/ Stock Dealer	FY 2004 - 2005	FY 2003-2004	FY 2002-2003
Number of companies that didn't comply the purchase order	1	-	-
Number of companies that didn't comply or violated securities related law/order/directives	4	3	1
Number of companies that have been remained closed the securities trading	-	1	4
Number of companies that didn't submit the financial statements	-	1	-
Number of companies that didn't repay the clients money and deliver shares	-	1	1
Number of companies that transected without deposit money	-	1	-
Number of companies that continued their trading despite surrender of brokerage license to the Commission	1	1	-
Number of companies that didn't cooperate with the SEC appointed auditor	-	-	1
Number of companies that didn't cooperate with the Commission's official inspection	-	-	1
Violation of trading and settlement regulation of stock exchanges	-	-	2

Annexure -7

The following actions that are taken against the issuer companies for the reasons appear against their names during the financial year 2004 -2005:

Nature of complaints	Penalty
Failure to submit half yearly financial statements for the year ended on 31.12.2003	Penalty imposed on total 4 companies. Among them managing director of 2 companies and managing director and all others directors of 2 companies imposed penalty of taka 1.00 lac and imposed an additional penalty of taka 10,000 per day if default continues after the date of the order
Failure to submit audited financial statements for the year ended on 31.12.2003	penalty of taka 1.00 lac imposed on one companies chairperson, managing director and an additional penalty of taka 10,000 to be imposed per day if default continues after the date of the order
Defaulted in holding AGM	Penalty imposed on 8 companies for defaulting in holding AGM. In this case penalty of taka 1.00 lac imposed on five companies managing direct and each of all other directors and an additional penalty of taka 10,000 to be imposed per day if default continues after the date of the order
Violation of Notification	Penalty of taka 1.00 lac imposed on one company and an additional penalty of taka 10,000 to be imposed per day if default continues after the date of the order

Annexure-8

Securities and Exchange Commission

Miscellaneous income/ receipts

Financial year 2004-2005

Sl. No.	Particulars	Amount Tk.
	Income	
1.	Stock Dealer/Broker Registration fees	2897300.00
2.	Merchant Bank Registration fees	183000.00
3.	Mutual Fund Registration fees	639077.00
4.	Authorized Representative Registration fees	418300.00
5.	IPO, Application, Filing & Consent Fee	10035204.10
6.	Recovery of Penalty	105000.00
7.	Sale of publication (Quarterly Review)	7250.00
8.	Sale of Tender schedule	7000.00
9.	Sale of scrap materials and old vehicle	62085.00
10.	Depository Participant Fee	1291500.00
11.	CDBL Registration fees	50000.00
12.	Bank interest on deposit money	38347.00
	Total Income	15734063.10
	Others Recovery t	
1.	Recovery of House Building loan	561542.00
2.	Recovery of Computer loan	253767.00
3.	Recovery of Motor car/Motor cycle loan	276600.00
4.	Others Receipts	7235.00
	Total Others Receipts	2036144.00
	Gross Income/Receipts	17770207.10

Annexure- 9

Number of listed companies, number of securities, amount of issued capital and market capitalization of DSE and CSE as on June 30, 2005 are shown in the following table.

CAPITAL MARKET TREND

CAPITAL MARKET SUMMARY

As on 30th June, 2005

Indicators (Listed)	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies (Share)	239	184
No. of mutual funds	12	12
No. of debentures	8	2
<i>No. of Treasury Bond</i>	<i>18</i>	<i>-</i>
<i>Total No. of Listed Securities</i>	<i>277</i>	<i>198</i>

Figures in million

No. of shares of all listed companies	1175.8	1086.3
No. of certificates of all listed mutual funds	74.2	74.2
No. of debentures of all listed debentures	0.05	0.05
<i>No. of Bond</i>	<i>0.013</i>	<i>-</i>
<i>Total No. of Tradable Securities</i>	<i>1250.06</i>	<i>1160.55</i>

Figures in million

Issued capital of all companies (Equity)	Tk.	52170	49443.6
	US\$	870	784.82
Issued capital of all mutual funds	Tk.	49.5	495
	US\$	8	8
Issued debentures	Tk.	140	49.75
	US\$	2	0.79
Issued Bond	Tk.	1358.70	-
	US\$	226	-
Total Issued Capital	Tk.	66392.00	49988.00
	US\$	1106	793.47
Total Market Capitalization	Tk.	224611.00	203044.4
	US\$	3744	3368.98
Share Price Index		1713.17 (General Index A , B)	3347.0969 (All Share Price Index)

Annexure - 10

DSE COMPARATIVE STATEMENT

Indicators (Listed)	As on June 30, 2004	As on June 30, 2005	%Change (+/-)
No. of companies (Share)	248	239	(3.62)
No. of mutual funds	11	12	9.09
No. of debentures	8	8	-
No. of Treasury Bond	-	18	-
Total No. of Listed Securities	267	277	3.74
Figures in million			
No. of shares of all listed companies	1113.4	1175.8	5.60
No. of certificates of all listed mutual funds	73.2	74.2	1.37
No. of debentures of all listed debentures	0.4	0.05	(87.5)
No. of Bond	-	0.013	-
Total No. of Tradable Securities	1187	1250.6	5.36
Figures in million			
Annual Total Turnover (Volume)	535.7	946.4	76.67
Annual Total Turnover (Value) Tk.	24770	65172.9	163.11
Issued Bond	-	13587	-
Total Issued Capital Tk.	48945	66391.8	35.65
Total Market Capitalization Tk.	142369	224611	57.77
All Share Price Index	1318.92 (General index of A&B category companies)	1713.17 (General index of A & B category companies)	29.89

Annexure – 11
CSE COMPARATIVE STATEMENT

Indicators (Listed)	As on June 30, 2004	As on June 30, 2005	% Change (+/-)
No. of companies (Share)	182	184	1.10
No. of mutual funds	11	12	9.09
No. of debentures	2	2	-
Total No. of Listed Securities	195	198	1.53
Figures in million			
No. of shares of all listed companies	988.8	1086.2	9.85
No. of certificates of all listed mutual funds	73.2	74.2	1.37
No. of debentures of all listed debentures	.05	0.05	-
Total No. of Tradable Securities	1062.05	1160.5	9.27
Figures in million			
Annual Total Turnover (Volume)	248.9	347.7	39.69
Annual Total Turnover (Value) Tk.	8440	16787.7	98.91
Total Issued Capital Tk.	44361.2	49988	12.68
Total Market Capitalization Tk.	125911.3	203044.4	61.26
All Share Price Index	2329.46	3347.09	43.68

Annexure - 12
DSE OPERATIONAL STATISTICS
July 2004--June 2005

Trading Month	Index (General/Weighted Average)	Turnover of Securities (Million)		Traded Amount in Million Tk.		Market Capitalization	
		Monthly	Daily Average	Monthly	Daily Average	Million Tk.	% Change with Previous Month
July 2004	1289.14	39.9	1.70	2753.1	119.7	139376	-
August	1513.29	77.3	3.40	5648.4	245.5	161786	16.08
September	1633.02	97.4	4.60	5823.3	277.3	179756	11.11
October (General)	1710.45	46.1	1.90	6083.0	253.5	192078	6.85
November	1877.05	54.9	2.9	7359.8	387.3	209942	9.30
December	1971.31	93.2	4.0	9528.0	414.3	224923	7.14
January 2005	1843.93	51.1	2.5	4861.9	243.1	220900	(1.79)
February	1835.62	55.4	3.2	4183.3	246.0	219010	(.85)
March	1919.25	135.2	5.4	1116.8	446.7	235370	7.47
April	1537.87	113.7	4.7	6560.6	273.4	196323	(16.59)
May	1648.28	93.6	4.1	5447.1	236.8	215196	9.61

June 2005	1713.13	88.6	3.5	5807.6	232.3	224611	4.38
Total 2004-2005	--	946.4	--	65172.9	--	--	--

* Market Capitalization of the last trading day of the month has been taken into account.

Annexure - 13
CSE OPERATIONAL STATISTICS
July 2004--June 2005

Trading Month	Index (General/ All share)	Turnover of Securities (Million)		Traded Amount in Million Tk.		Market Capitalization	
		Monthly	Daily Average	Monthly	Daily Average	Million Tk.	% Change with Previous Month
July' 2004	2227.06	33.10	1.40	1030	44.7	124107.00	-
August	2627.56	57.60	2.50	1776.1	77.2	145658.0	17.36
September	2910.05	27.50	1.10	1160.8	48.3	162454.0	11.53
October (General)	3040.95	10.50	0.40	1065.00	44.5	182930	12.60
November	3334.38	13.30	0.60	1809.00	90.5	199445	9.03
December	3597.70	34.80	1.50	2160	94.0	215011	7.80
January 2005	3378.65	20.10	0.90	951.3	45.3	198869	(7.51)
February	3345.29	18.40	1.0	873.8	51.4	201924	1.54
March	3619.90	34.90	1.30	2094.2	80.5	217801	7.86
April	3038.28	34.90	1.60	1294.7	53.9	182237	(16.33)
May	3235.36	28.60	1.20	1262.8	54.9	194315	6.63
June 2005	3347.07	34.00	1.40	1310.0	52.4	203044.4	4.49
Total 2004-2005		347.70	-	16787.7	-	-	

* Market Capitalization of the last trading day of the month has been taken into account.

Annexure - 14

PORTFOLIO INVESTMENT BY THE NON- RESIDENT BANGLADESHIS (MONTHLY STATISTICS)
July 2004 --June 2005

Taka in Million

Month	Deposit in NRITA	Investment in Securities	Amount sold	Purchase price of the sold share	Capital gain/loss	Dividend excluding capital gain	Outflow of sold amount
July 2004	2.8	2.8	-	-	-	8.9	8.2
August	2.9	2.7	66.0	18.9	47.1	1.3	61.5
September	-	-	1.9	2.6	0.7	-	2.7
October	1.3	1.3	5.5	5.3	0.2	4.4	9.3
November	-	-	7.3	2.9	4.4	0.4	26.7
December	-	-	35.9	15.4	20.5	-	36.4
Jan. 2005	-	-	50.8	13.2	37.6	-	53.9
February	00.1	-	14.1	1.8	12.3	0.1	14.2
March	26.6	26.2	9.5	1.1	8.4	-	9.5
April	19.8	10.7	-	-	-	3.4	-
May	10.1	9.4	-	-	-	9.9	2.00
June 2005	15.5	-	75.0	29.6	45.4	8.3	91.1
Total	79.1	53.1	266	90.8	176.6	36.7	315.5

NRITA- Non Resident Investment Taka Account

Source: Bangladesh Bank

Annexure - 15

PORTFOLIO INVESTMENT BY THE NON RESIDENT BANGLADESHIS (YEARLY STATISTICS)

April 1992-June 2005

Taka in Million

Period	Deposit in NRITA	Investmen t in Securities	Amount sold	Purchase price of the sold share	Capital gain/ loss	Dividend excluding capital gain	Outflow of sold amount
April 92 – June 92	57.30	50.80	--	--	--	--	--
July 92 – June 93	316.90	387.50	81.20	35.40	5.80	3.30	38.60
July 93 – June 94	3196.60	3101.80	965.10	510.50	404.60	17.60	918.40
July 94 – June 95	3094.40	2982.70	1334.20	928.10	406.10	92.70	1388.90
July 95 – June 96	738.50	716.80	1877.10	1893.40	(16.30)	146.80	1972.00
July 96 – June 97	527.80	518.00	6186.80	3443.40	2743.40	122.90	6332.10
July 97 – June 98	309.80	316.00	517.50	693.10	(175.60)	97.10	601.80
July 98 – June 99	95.10	95.60	410.70	531.60	(120.90)	43.40	451.10
July 99 –June 2000	278.90	393.60	584.40	878.70	(294.30)	54.50	613.40
July 2000–June 2001	304.40	323.50	344.30	337.90	6.40	51.80	377.60
July 2001-June 2002	29.00	28.70	287.70	400.70	(113.00)	32,945	324.60
July 2002-June 2003	116.6	120.1	51.3	73.00	29.9	30.9	77.1
July2003-June 2004	311	298.9	25.1	16.6	12.7	31.2	56.2
July2004-June2005	79.1	53.1	266	90.8	176.6	36.7	315.5

NRITA- Non Resident Investment Taka Account

Source: Bangladesh Bank

Commission and The Commission Officers:

(As on 30th June 2005)

Chairman and Members:

- Dr. A B Mirza Azizul Islam, Chairman
- Saleh Ahmed Chowdhury, Member
- Mohammad Ali Khan, Member
- Abbas Uddin Khan FCA, Member

Officers:

- Mansur Alam, Executive Director, Enforcement and MIS
- Mohammad Abdul Hannan Zoarder, Executive Director, Capital Market Regulatory Reform and Compliance and Research & Development
- Md. Anwarul Kabir Bhuiyan, Executive Director, Administration, Finance and Surveillance
- Farhad Ahmed, Executive Director, Supervision & Regulation of Markets and Intermediaries and CDS
- Ruksana Chowdhury, Executive Director, Registration
- Shuvra Kanti Chowdhury, Director, Corporate Finance
- ATM Tariquzzaman, Director, Capital Issue
- Sirajul Huq, Director, Administration
- Md. Ashraful Islam, Director, MIS
- Md. Mizanur Rahman, Director, Legal Services
- Md. Anowarul Islam, Director, Registration
- Md. Saifur Rahman, Director, Corporate Finance
- A. K. M. Ziaul Hasan Khan, Director, Enforcement
- M. Hasan Mahmud, Deputy Director, Corporate Finance
- Mahbubul Alam, Deputy Director, Capital Issue
- Mahbubur Rahman Chowdhury, Deputy Director, Legal Services
- Kamrul Anam Khan, Deputy Director, Capital Issue
- Md. Rezaul Karim, Deputy Director, Surveillance and Finance
- Md. Shafiul Azam, Deputy Director, Research and Development
- Ripon Kumar Debnath, Deputy Director, Supervision & Regulation of Markets and Intermediaries
- Md. Jahangir Alam, Deputy Director, Enforcement
- Mir Mosharrof Hossen, Deputy Director, Corporate Finance
- Md. Mahmudul Hoque, Deputy Director, Registration
- Md. Khaled Mahmud, Deputy Director, Supervision & Regulation of Markets and Intermediaries
- Farhana Faruqui, Officer on Special Assignment, Office Of the Chairman and Supervision & Regulation of Markets and Intermediaries
- Hafiz Md. Harunur Rasid, Assistant Director, Project
- Mahmuda Shireen, Assistant Director, Project
- Sultana Parveen, Assistant Director, Project
- Tania Sharmeen, Assistant Director, Project

