SEC
Quarterly Review
July-September 2007

Securities and Exchange Commission
Bangladesh

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
July-September 2007

A PUBLICATION OF THE SEC

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C O N T E N T S

TOPIC	PAGE

CAPITAL MARKET NEWS

The Commission

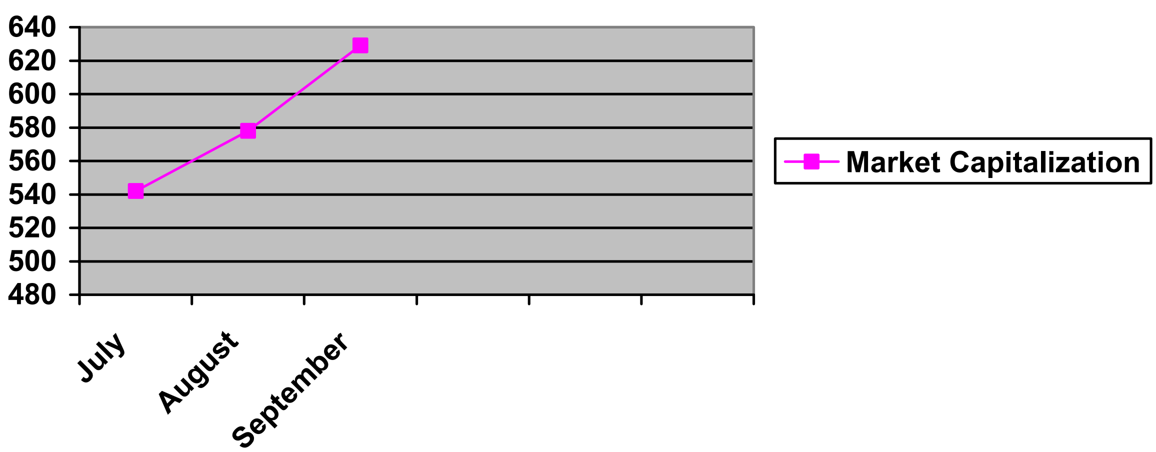
Securities markets are vital to any economy. People who invest in the securities markets provide finance for the industries and business that create wealth for the country. For strong, efficient and transparent securities market a sound regulatory framework as well as an effective regulator are needed. The Securities and Exchange Commission was established in June 1993 as the capital market regulator with a view to ensuring proper issuance of securities, protection of the interest of investors in securities, development of the capital and securities markets, and regulation of the capital and securities markets in Bangladesh.

Market Performance:

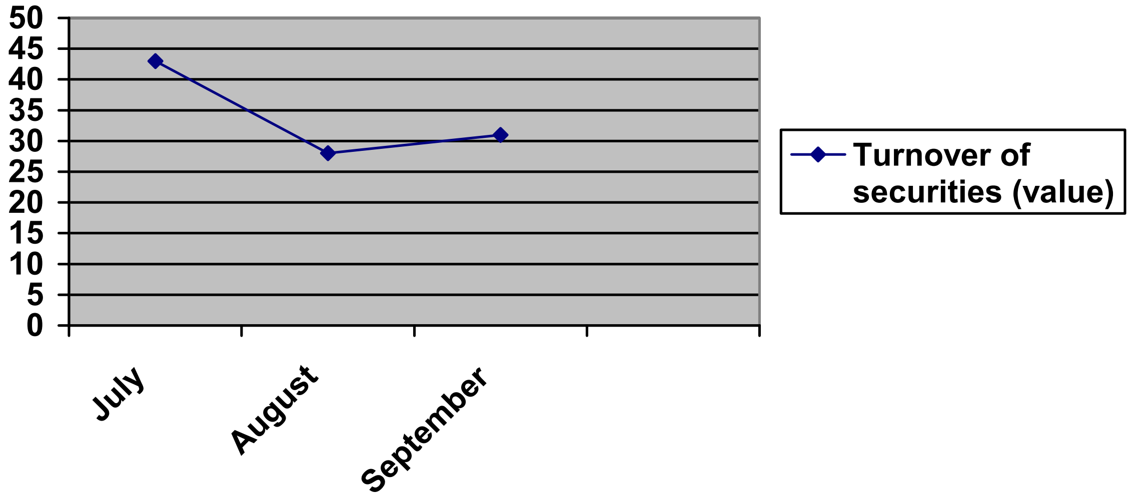
Dhaka Stock Exchange:

As on the end of July-September, 2007 period the total issued capital of all listed securities with the Dhaka Stock Exchange Ltd. was Tk. 1,99,996 million compared to Tk. 1,64,279 million as on the closing date of previous Quarter registering an increase of 21.74%. The market capitalization of all listed securities of Dhaka Stock Exchange Ltd. increased from Tk. 4,91,684 million at 30 June, 2007 to Tk.6,28,671million at 30 September, 2007. The total turnover in Dhaka Stock Exchange was 771 million securities amounting to Tk. 1,01,483 million during this Quarter. The said increase has been depicted in the following graphs.

Taka in Billion



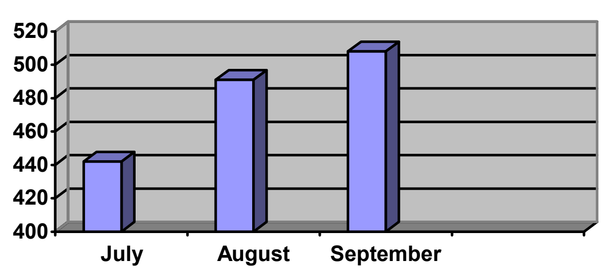
Taka in Billion



Chittagong Stock Exchange:

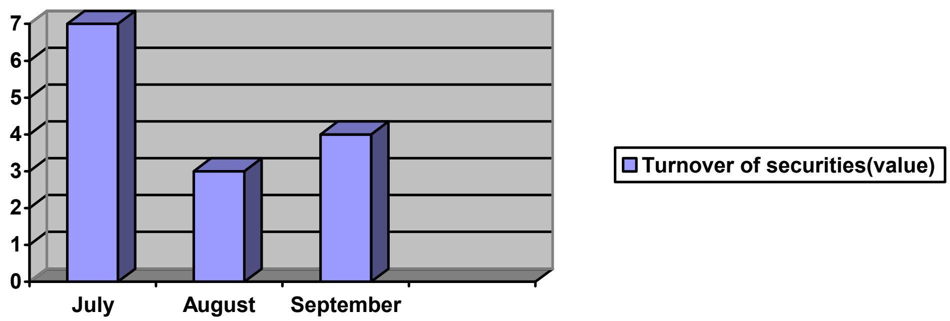
As on the end of July-September, 2007 period the total issued capital of all listed securities with the Chittagong Stock Exchange Ltd. was Tk. 83,420 million compared to Tk. 81,033 million as on the closing date of previous Quarter registering an increase of 2.94%. The market capitalization of all listed securities of Chittagong Stock Exchange Ltd. increased from Tk. 3,98,499 million at 30 June 2007 to Tk. 4,90,519 million during the Quarter ended on 30 September, 2007. In the same period the total turnover in Chittagong Stock Exchange was 147 million securities amounting to Tk. 13,704 million. The said increase has been depicted in the following graphs.

Market Capitalization Taka in Billion



Turnover of Securities (value)

Taka in Billion



The activities of the Securities and Exchange Commission (SEC) for July-September 2007 period have been enumerated below:

Merchant Banking Certificate Issued:

The Securities and Exchange Commission issued merchant banking registration certificate in favor of City Group Global Markets Bangladesh Private Limited. The said company owned by the Citi Group is incorporated in Bangladesh and started its commercial operation from 26 September, 2007.

Investors' Education Program:

The Securities and Exchange Commission (SEC) conducts on regular basis twice a month Investors' Education Program at SEC premises throughout the year for creating awareness among the general investors of securities market. During July-September 2007 Quarter a total of 118 investors participated in the said programs. The course included regulatory framework, rights of shareholder, mutual fund, investment procedures in primary and secondary market, surveillance system, and central depository system. Senior SEC Officials made presentation and responded to the questions of the participants.

Training Program for Authorized Representatives:

The integrity of the financial services industry depends heavily on the professional competence of its participants. Sound professional competence requires training and education In order to educate and train market participants, the Commission, in association with the Dhaka Stock Exchange, arranged training for authorized representatives of the members of Dhaka Stock Exchange on 2-3 July and 19-20 September, 2007 at DSE during July-September 2007. 114 authorized representatives attended in the said program.

Senior officials of SEC and DSE conducted the said training program highlighting securities laws concerning issuance, trading and settlement of securities transaction on stock exchanges.

Dhaka Stock Exchange Ltd. (DSE)

New Director of DSE:

Mr. Mahbubur Rahman, President of International Chamber of Commerce Bangladesh (ICC-B) joined as a new nominated Director of DSE on 22 July, 2007.

Students of AIUB Visited DSE:

As a part of study program a delegation of 15 students of American International University of Bangladesh (AIUB) visited DSE on 23 July, 2007. Executive Director of SEC Mr. Farhad Ahmed was present in the program. DSE Chief Executive Officer Salahuddin Ahmed Khan welcomed the students and apprised them of different activities of DSE. Later on the students visited some brokerage houses and DSE ICT facilities.

DSE Training Academy Inaugurated:

Dr. A.B. Mirza Azizul Islam, Honorable Adviser for Finance, Planning, Commerce and Post and Telecommunications, Government of the Peoples Republic of Bangladesh, inaugurated the DSE training Academy located at Modhumita Building on 10 September, 2007. Mr. Faruq Ahmad Siddiqi, Chairman, SEC was present as special guest and DSE president Md. Abdullah Bokhari presided over the inaugural session.

Chittagong Stock Exchange (CSE)

Training program on "Primary Knowledge on Capital Market" held in CSE:

CSE has started its training program on "Primary Knowledge on Capital Market" from 12 August, 2007 for the fresh graduates and investors in its Conference Room. CSE Director and former president of Institute of Chartered Accountants of Bangladesh A S M Naim was present as the Chief Guest in the inaugural session. He expected that SEC would set up a securities training institute for the investors of capital market soon.

Branch Office of Eastern Shares and Securities Ltd. opened in Tangail:

As a part of CSE trading network expansion program throughout the country CSE brokerage firm Eastern Shares and Securities Ltd. opened their branch in the district city of Tangail on September 12, 2007.

CORPORATE FINANCE

Corporate Finance Department of the Commission has performed the following activities during the period July-September, 2007:

- Seventeen companies have been referred to Enforcement Department for necessary action as regard to qualified audit report as well as the Commission's observation on the financial statements.
- Explanation has been sought from thirty four listed companies on the basis of observations of the Commission as well as qualified audit report on the audited financial statements submitted by those companies.
- Two companies have been referred to Enforcement Department for necessary action, as those companies did not submit audited financial statements for the year ended December 31, 2006
- Five companies have been referred to Enforcement Department for necessary action, as those companies did not submit audited financial statements for the half year ended on June 30, 2007.
- Explanation has been sought from seven audit firms as regard to the matters relating to audited financial statements of issuer companies,
- Due to non-compliance with the provisions of BAS-34 in the preparation of financial statements for the half –year ended on 30 June, 2007, eight companies have been referred to Enforcement Department for necessary action.
- Matter of one audit firm has been referred to Enforcement Department for taking necessary action as the auditor issued un-qualified audit report of a listed company while the facts warrant the issuance of qualified auditor report.
- Reminder have been issued to thirty two companies for furnishing the status report on compliance of corporate governance guidelines, as these companies did not respond to Commission's earlier letter in this regard.
- Matter of one audit firm has been referred to ICAB for taking necessary action as the auditor .did not verify the inventory and made misleading comments to the Commission in respect of the same of a listed company.
- Matter of one company has been referred to Enforcement Department for taking appropriate action as the company re- appointed its existing statutory auditors for a consecutive period exceeding three years without taking Commission's clearance.
- Three companies have been advised to comply with the provisions of BAS regarding preparation of audited financial statements .

CAPITAL ISSUE DEPARTMENT

During July-September 2007 period the Commission accorded consent to the following three companies to raise capital through initial public offering:

Figure in million Taka.

Name of the Company	Date of Approval / Publication	Total Capital	Sponsors Equity			Public Equity			Total (7+8+9)	Remarks
			Local	Foreign	Total	General Public	Foreign placement	Local placement		
1	2	3	4	5	6	7	8	9	10	11
Fidelity Assets and Securities Ltd.	31.7.2007 2.8.2007	290.655	150.02 (As at 31.12. 2006)	---	150.00	140.635	---	--	140.635	At par
City General Insurance Ltd.	11.7.07 15.7.07	150.00	60.00	-	60.00	90.00	--	--	90.00	At par
Continental Insurance Ltd.	5.8.07 7.8.07	150.00	60.00	---	60.00	90.00	---	---	90.00	At par

Capital Raising:

The Commission accorded consent to the following three private limited and eight public limited companies to raise capital whose capital exceeded Taka 100 million and 10 million respectively during the said period:

Private Limited Company:

Serial No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	Bangladesh Steel Re-rolling Mills Ltd.	Bonus Shares of Tk.15.81 million	18.09.2007	15.81
2	Khulna Power Co. Ltd.	Preference Shares of Tk.1710.00 million	03.07.2007	1710.00
3	IBCO Food Industries Ltd.	Ordinary Shares of Tk.379.23 million	05.07.2007	379.23
Total				**2,105.04**

Public Limited Company:

Serial No.	Name of the Company	Applied for	Consent letter issued on	Amount in Million Tk.
1	Fareast Finance and Investment Ltd.	Bonus Shares of Tk.21.75 million	18.7.2007	21.75
2	Islami Bank Bangladesh Ltd.	Mudaraba Perpetual Bond of Tk.1500.00	10.7.2007	1500.00
3	Bangladesh Development Co. Ltd.	Ordinary shares of Tk.290.00 million	05.7.2007	290.00
4	MI Cement Factory Ltd.	Ordinary shares of Tk.1.98 million	05.7.2007	1.98
5	Sonali Bank Ltd.	Ordinary shares of Tk.4000.00 million	15.8.2007	4000.00
6	Jamuna Oil Co. Ltd.	Bonus Shares of Tk.400.00 million	19.9.2007	400.00
7	Meghna Petroleum Ltd.	Bonus Shares of Tk.304.99 million	18.9.2007	304.99
8	IIDFC	Bonus Shares of Tk.23.35 million	26.8.2007	23.35
Total				**6,542.08**

Rights Issue:

The Commission accorded consent on 10 October, 2007 to issue Right Shares of Standard Bank Ltd. for raising of Tk. 655.78 million.

Repeat Public Offering (RPO):

During this period Islami Bank Bangladesh Ltd. issued Mudaraba Perpetual Bond amounting to Tk. 1500 million obtaining consent from SEC. The consent was accorded on 10 July, 2007.

SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

During July-September, 2007 the following companies held AGM and declared dividend. Information on AGM and dividend is shown in the following Table:

SL. No.	Name	Date of AGM/EGM	Cash Dividend	Stock Dividend
Banks				
1.	AB Bank Bangladesh	06.09.2007	--	3B:10
2.	AB Bank Bangladesh (EGM)	04.09.2007	--	--
3.	Islami Bank Bangladesh Ltd	31.08.2007	15.00	1B:10
4.	Jamuna Bank	09.09.2007	--	1B:7
5.	Shahjalal Islami Bank	27.09.2007	--	--
6.	Social Investment Bank	10.09.2007	--	--
7.	UCBL	09.09.2007	--	3B:10
Engineering				
8.	Key & Que (Bd) Ltd.	01.09.2007	5.00	--
Food and Allied Products				
9.	Apex Foods Ltd.	27.09.2007	18.00	--
10.	Beximco Fisheries	06.09.2007	--	--
11.	JMI Bangla JV Food	06.09.2007	5.00	--
12.	Meghna Shrimp	22.08.2007	--	--
Textile				
13.	Apex Spinning & knitting Mills	27.09.2007	20.00	--
14.	Arbee Textiles Limited	11.09.2007	--	--

15.	Beximco Synthetic	08.09.2007	--	15B:100
16.	BEXTEX Limited.	08.09.2007	--	1B:10
17.	Petro Synthetics	27.09.2007	--	--
18.	Quasem Silk	16.07.2007	--	--
19.	Quasem Textile	16.07.200	--	--
20.	Sonargaon Textile	19.07.2007	10.00	--
21.	Stylecraft	06.09.2007	25.00	--
Pharmaceuticals and Chemicals				
22.	Ambee Pharma	13.09.2007	25.00	--
23.	Beximco Pharma	02.09.2007	5.00	1B:10
24.	Square Pharma	12.09.2007	50.00	1B:2
Paper and Printing				
25.	Maq Paper	13.09.2007	--	--
Services and Real Estate				
26.	Bangladesh Services	03.09.2007	10.00	5B:100
27.	Shine Pukur Holdings	02.09.2007	--	--
Cement				
28.	Aramit Cement	19.09.2007	5.00	--
29.	Meghna Cement	27.09.2007	25.00	--
30.	Niloy Cement	26.09.2007	--	--
Tannery Industries				
31.	Apex Tannery	20.09.2007	17.00	--
32.	Legacy Footwear	10.09.2007	--	--
33.	Lexco Ltd.	09.08.2007	--	--
Insurance				
34.	Fearest Islami Life Ins.	08.09.2007	30.00	1B:10
35.	Ferderal Insurance	02.09.2007	--	12B:100
36.	Global Insurance	26.07.2007	5.00	--
37.	Janata Insurance	10.09.2007	--	--
38.	Meghna Life Insurance	29.08.2007	12.00	--
39.	National Life Insurance	22.08.2007	20.00	1B:5
40.	Pragati Life Insurance	13.09.2007	12.00	--
41.	Prime Insurance	30.08.2007	--	--
42.	Progressive Life Insurance	11.09.2007	--	--
43.	Purabi Gen. Insurance	19.08.2007	10.00	--
44.	Rupali Insurance	25.07.2007	--	1B:5
45.	Sandhani Life Insurance	19.08.2007	--	1B:5
Fuel & Power				
46.	Bangladesh Welding Electrodes	23.09.2007	5.00	--
Miscellaneous				
47.	Aramit	19.07.2007	37.00	--
48.	BEXIMCO Ltd.	06.09.2007	--	15B:100
49.	Sino Bangla Industries	19.07.2007	--	--

During July-September 2007 Quarter the following complaints were lodged with the Commission. Measures taken by the Commission on the same are shown in the following Table:

Listed Companies:

Nature of complaints	**Received during the quarter**	**Under process**	**Referred to Enforcement for Action**	**Resolved**
Non payment or delay in payment of dividend	2	-	-	2
Non payment of debenture installment	2	-	-	2
Regarding transfer of shares	2	-	-	2
Non receipt of letter of Right share offering	-	-	-	-
Regarding refund warrant	1	-	-	1
Non demat of shares	-	-	-	-
Miscellaneous	14	2	1	11
Total	**21**	**2**	**1**	**18**

Stock Broker/Dealer:

Nature of complaints	**Received during the quarter**	**Under process**	**Referred to Enforcement for Action**	**Referred to DSE/CSE for action**	**Resolved**
Non delivery of shares	-	-	-	-	-
Non payment of clients money	-	-	-	-	-
Regarding transfer of shares in the link BO account	-	-	-	-	-
Miscellaneous	1	-	-	-	1
Total	**1**	**-**	**-**	**-**	**1**

CENTRAL DEPOSITORY SYSTEM DEPARTMENT

In July-September 2007 Quarter the following six Mutual Funds and three companies have joined Central Depository Bangladesh Ltd. (CDBL). During this period the total numbers of issues under CDBL stands at 127 (One hundred twenty seven).

Sl. No.	Name of the Company	Joining Date
1.	Third ICB Mutual Fund	5 September 2007
2.	Fourth ICB Mutual Fund	5 September 2007
3.	Fifth ICB Mutual Fund	5 September 2007
4.	Sixth ICB Mutual Fund	5 September 2007
5.	Seventh ICB Mutual Fund	5 September 2007
6.	Eighth ICB Mutual Fund	5 September 2007
7.	Bangladesh Finance & Investment Co. Ltd. (IPO)	11 September 2007
8.	International Leasing & Financial Services Ltd. (IPO)	16 September 2007
9.	Phoenix Finance & Investment Ltd. (IPO)	27 September 2007

REGISTRATION DEPARTMENT

Issuance and Renewal of Stock Broker Registration Certificate:

During July-September 2007 Quarter the Commission issued stock broker registration certificate to the following two members of Dhaka Stock Exchange Ltd. and one member of Chittagong Stock Exchange Ltd. under the wmwKDwiwUR I G·‡PÄ Kwgkb (÷K wWjvi, ÷K †evKvi I Ab‡gw`Z cwZwbwa) wewagvjv, 2000. Moreover, the Commission renewed thirty stock broker/stock dealer registration certificates of Dhaka Stock Exchange Ltd. and thirty stock broker/stock dealer registration certificates of Chittagong Stock Exchange Ltd. respectively during the said period.

Dhaka Stock Exchange:

Sl.#	Name & Address of the Stockbroker	Membership No.	Registration Certificate No. & Issue Date
01.	Peoples Equities Limited Suite No.801 (8th Floor) 28 Dilkusha C/A, Dhaka-1000.	DSE-176	Reg.-3.1/DSE-176/2007/148 Date: 15 July 2007
02.	A M Securities and Financial Services Ltd. 111 Bir Uttam C. R. Dutta Road (Sonargaon Road), Dhaka.	DSE-205	Reg.-3.1/DSE-205/2007/149 Date: 26 August 2007

Chittagong Stock Exchange:

Sl. No.	Name & Address of the Stockbroker	Membership No.	Registration Certificate No
01	J H Capital Limited 1602/02 Idris Building (2nd Floor Amir Market, Khantungonj, Chittagong	CSE - 028	Reg- 3.2/028/98—035 Date: 23 September 2007

Conversion into Corporate Body:

During this Quarter the Commission approved stockbroker registration certificate in favor of 3 (three) members of Dhaka Stock Exchange Limited who have converted into corporate entities from proprietorship concerns under the wmwKDwiwUR I G·‡PÄ Kwgkb (÷K wWjvi, ÷K †evKvi I Ab‡gw`Z cwZwbwa) wewagvjv, 2000:

Dhaka Stock Exchange:

Sl.#	Name & Address of the Stock Broker	Membership No.	Registration Certificate No. & Issue Date
01.	National Shares & Securities Limited 119/1 Shantinagar Dhaka-1217	DSE-57	Reg. – 3.1/DSE-57/2007/150 Date: 18 September 2007
02.	Harun Securities Limited Room#606, 9/F Motijheel C/A Dhaka-1000	DSE-05	Reg. – 3.1/DSE-05/2007/151 Date: 30 September 2007
03.	Fortune Securities (Pvt.) Ltd. Room#632, 9/F Motijheel C/A (5th Floor) Dhaka-1000.	DSE-147	Reg. – 3.1/DSE-147/2007/152 Date: 30 September 2007

Issuance of Authorized Representative Registration Certificate:

During the Quarter, the Commission issued fifty four and thirty six (altogether 90) authorized representative registration certificates to the applicants of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. respectively under the wmwKDwiwUR I G·‡PÄ Kwgkb (÷K wWjvi, ÷K †evKvi I Ab‡gvw`Z cwZwbwa) wewagvjv, 2000.

Issuance and Renewal of Depository Participant Registration Certificate:

During the quarter, the Commission issued the following two Depository Participant registration certificates under the wWcwRUwi (e¨enwiK) cwieavbgvjv, 2003: and renewed forty five Depository Participant registration certificates.

List of Depository Participants:

Sl.#	Name & Address of the Stock Broker	Member-ship No.	Type of DP	Registration Certificate No. & Issue Date
01.	Asset & Investment Management Services of Bangladesh Ltd. Chandrashila Suvastu Tower (5th Floor) 69/1 Panthapath (East) Dhaka-1205	-	Custody Participant	SEC/Reg./CDBL-DP-250 Date: 5 July 2007
02.	Nur-E Alam Siddique & Company Ltd. Room No.510,DSE Building (4th Floor),9/F Motijheel C/A , Dhaka-1000	DSE#182	Full Serviuce	SEC/Reg./CDBL-DP-251 Date: 23 August 2007

Merchant Banker Registration Certificate:

During the Quarter the Registration Department of the Commission issued one Merchant Banker registration certificate in favor of Citigroup Global Markets Bangladesh Private Limited.

Approval of Trustee for IIFSL Asset Backed Securitised Zero Coupon Bond:

During the Quarter, the Commission accorded approval to Bangladesh General Insurance Company Limited to act as the Trustee of IIFSL Asset Backed Securities Zero Coupon Bond.

SEC SURVEILLANCE DEPARTMENT

Surveillance Department watch and analyze the daily transaction of stock exchanges through non trading version of surveillance software. It also conduct regular and monthly inspection on Stock Broker/Dealer and market intermediaries.

Investigation and Enquiry:

To ensure fair-trading and confidence of investors in the securities market it is necessary to ensure proper compliance of securities related laws, rules and regulations through inspection & investigation in suspicious and manipulative cases. In this connection, the following stock-brokers/stock-dealers activities have been investigated by SEC:

Nature of Enquiry & Investigation	Investigation & Enquiry Against
Verification of genuineness of an agreement conducted between Rettenwender and de Rooy Limited, Germany and Information Services Network Ltd.	Rettenwender and de Rooy Limited, Germany
Compliance of Margin Rules, 1999 and Bangladesh Bank's DBOB Circular No-05	Dhaka Bank Limited NCC Bank Limited
Shortage report for not having securities in the transferor broker's clearing account on pay in date in the CDS regarding shares trading of Union Capital Ltd., Dhaka Bank Ltd., Square Pharmaceuticals Ltd.	Mondol Securities Ltd. Equity Partners Ltd. Lanka Bangla Securities Ltd. Synthia Securities Ltd.
Share trading of Apex Adelchi Footwear Ltd. Regarding alleged price manipulation and insider trading if any	Stock-brokers/Stock-dealers, Issuer Company, Merchant Bankers etc.

Regular Inspection:

During the referred period as part of regular monthly inspection, SEC's inspection team visited and inspected the following three stock brokers / stock dealers of DSE and CSE to examine books and records in order to ensure proper compliance of securities related laws, rules and regulations:

Nature of Inspection	Inspection Against
Monthly regular inspection for the month July, 2007	Saad Securities Ltd (DSE Membership # 118)
	Royal Capital Ltd. (CSE Membership # 053)
Monthly regular inspection for the month August, 2007	ICB Securities Trading Co. Ltd (CSE Membership # 071) Chittagong, Khulna, Barisal, Rajshahi and Sylhet Offices
Monthly regular inspection for the month September, 2007	Wifang Securities Ltd.(DSE Membership # 210)
	JIC Securities Ltd. (CSE Membership # 030)

SEC ENFORCEMENT ACTIONS

The Commission has taken the following enforcement actions against registered stock-dealers, stock-brokers and issuer companies for non-compliance of the securities laws during July-September 2007.

Issuer Company:

During the period under review, the Commission imposed penalty upon fourteen issuer companies for non-compliance of securities laws like hiding information by the statutory auditor in preparing financial statement, non holding of annual general meeting, non-submission of half yearly financial statement as per commission's requirement, failed to submit half yearly and yearly financial statements, submission of incomplete audio visual recording of proceedings, non preparing the financial statements in according with International Accounting Standard (IAS).

Besides this, the Commission issued warning letters to twenty seven issuer companies for non compliance of securities related laws as well as to the sponsors for trading of Jamuna Bank shares without declaration.

Stock Broker/Stock Dealer/ Merchant Banker/Authorized Representatives:

The Commission imposed penalty upon one stock dealer for non- compliance of Margin Rules, 1999.

Others (Auditor):

The Commission imposed penalty upon one auditor for non-compliance of the securities laws.

A brief description of enforcement actions taken by the Commission during July - September 2007 is furnished below:

Nature of Actions	**Issuer Company/Statutory Auditor**	**Stock Broker/Dealer/Merchant Banker/Authorized Representatives**	**Depository Participants**
Penalty	14	1	1
Directives	-	-	-
Warning	27	4	-

Legal Services Department

Total 166 cases filed by or against SEC are pending in different courts. Name of the courts are given below along with number of pending cases:

<table>
<tr><td>Sl.</td><td colspan="2">Name of the Court</td><td>Number of the Cases</td></tr>
<tr><td rowspan="2">01.</td><td rowspan="2">Supreme Court of Bangladesh</td><td>Appellate Division</td><td>04</td></tr>
<tr><td>High Court Division</td><td>72</td></tr>
<tr><td>02.</td><td colspan="2">Metropolitan Session Judge Court, Dhaka</td><td>06</td></tr>
<tr><td>03.</td><td colspan="2">5th Joint Dist. Judge Court, Dhaka</td><td>08</td></tr>
<tr><td>04.</td><td colspan="2">4th Asst. Judge Court, Dhaka</td><td>02</td></tr>
<tr><td>05.</td><td colspan="2">Chief Metropolitan Magistrate Court, Dhaka.</td><td>07</td></tr>
<tr><td>06.</td><td colspan="2">General Certificate Court, Dhaka.</td><td>67</td></tr>
<tr><td colspan="3">Total Cases</td><td>166</td></tr>
</table>

- Out of total 15 Share Scam cases of 1996, two cases are now pending before the Honorable Supreme Court, Appellate Division, nine cases before the Honorable

Supreme Court, High Court Division and rest four cases are pending before the Metropolitan Session Judge Court, Dhaka.

- Under securities law nine Certificate cases have been filed against the directors of nine Companies to recover the penalty imposed upon them by the Commission during this Quarter.

NEW ACTS/RULES/REGULATIONS/AMENDMENTS/ORDER/NOTIFICATIONS

Published in the Official Gazette on 11 October, 2007

Securities and Exchange Commission
Jiban Bima Tower
10, Dilkusha (15th , 16th and 20th Floor)

wmwKDwiwUR I G·‡PÄ Kwgkb

cÁvcb

ZwiL, 02 A‡±vei 2007

bs GmBwm/wmGgAviAviwmwW/2006-159/ckvmb / ---------- wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993 (1993 m‡bi 15 bs AvBb) Gi aviv 24, Gi Dc-avivi (1) Gi kZvsk Ges Dc-avivi (2) Gi mwnZ cwVZe¨, G c`Ë ¶gZve‡j Kwgkb, wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P›U e¨vsKvi I †cvU‡dwjI g¨v‡bRvi) wewagvjv, 1996 †Z wbgœi“c AwaKZi ms‡kvab Kwij, h_v t -

DcwiD³ wewagvjvi -

(1) wewa 35 Gi Dc-wewa (2) Gi ci wbæi“c Dc-wewa (2K) msh³ nB‡e, h_v t -

Ò(2K) c‡Z¨K †cvU‡dwjI g¨v‡bRvi, Dnvi g‡°j‡K gwRb FY c`v‡bi †¶‡Î, wb‡gi Zdwmj G DwjwLZ wb‡`kbv gwbqv Pwj‡e|Ó;

(2) dig ÔMÕ Gi ci wbæi“c Zdwmj msh³ nB‡e, h_v t -

Ò Zdwmj
[wewa35, Dc-wewa (2K) `óe¨]

<u>gvwRb FY c`vb msµvš wb‡`kbv</u>

1| gvwRb FY GKvD›U (**Margin Loan Account**)|- (K) gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) Mvn‡Ki bv‡g gvwRb FY wnmve Lwj‡e|

(L) gvwRb FY wnmve Discretionary I Non-discretionary nB‡Z cvwi‡e|

(M) Discretionary wnmve ewj‡Z †mB wnmve‡K eSvB‡e †h †¶‡Î gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) I Mvn‡Ki g‡a¨ m¤úvw`Z Pw³ †gvZv‡eK MvnK Zvnvi c‡¶ wewb‡qvM Kvh©µgmn gvwRb FY wnmve cwiPvjbvi Rb¨ gv‡P©›U e¨vsK‡K (†cvU©‡dvwjI g¨v‡bRvi) mvweK KZ©Z¡ c`vb K‡i Ges Non-discretionary wnmve ewj‡Z †mB wnmve‡K eSvB‡e †h †¶‡Î gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) I Mvn‡Ki g‡a¨ m¤úvw`Z Pw³ †gvZv‡eK MvnK m¤úY© wb‡Ri B”Qvbyhvqx wewb‡qvM Kvh©µgmn gvwRb FY wnmve cwiPvjbv K‡i|

(N) cwZwU gvwRb FY wnmv‡ei †¶‡Î MvnK wbR bv‡g GKwU Ges Ab¨ Mvn‡Ki mv‡_ †hŠ_bv‡g GKwU wnmve Lwj‡Z cvwi‡e| Dfq wnmve Gi g‡a¨ Avš—Zwnwej ¯vbvš—i Kiv hvB‡e, Z‡e †Kvb wmwKDwiwU (Ro ev ARo) Avš—:¯vbvš—i Kiv hvB‡e bv|

(O) gvwRb FY wnmve cwiPvjbvi SzwK GKvš—B Mvn‡Ki| G†¶‡Î cZ¨¶ ev c‡iv¶ fv‡e ce wbawiZ †Kvb Avq cwßi wbðqZv _wK‡Z cvwi‡e bv t

Z‡e kZ© _v‡K †h, gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) wbR¯ cwZôv‡bi cwiPvjK cl©‡`i m`m¨, e¨e¯vcbvq wb‡qvwRZ KgKZ©v I KgPvix, Zvnv‡`i wcZv, gvZv, ¯vgx, ¯x, cyÎ, Kb¨v, fvB, †evb, RvgvZv, cyÎea~ Ges Kwgkb KZ©K mgq mgq wb‡`©wkZ Ab¨vb¨ AvZ¥xq‡K gvwRb FY mweav c`vb Kwi‡Z cvwi‡e bv|

2| `wjjvw` m¤úv`b (**Documentation**)|- gvwRb FY wnmve ‡Lvjvi mgq gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) Mvn‡Ki mwnZ GKwU Pw³ m¤úv`b Kwi‡e, hvnv‡Z wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©›U e¨vsKvi

I ‡cvU©‡dvwjI g¨v‡bRvi) wewagvjv, 1996 Ges GB Zdwm‡j DwjøwLZ gvwR©b ms¯vš— wb‡`©kbvi cwZcvjb mswkó we‡lqwU `i eYbv _vK‡e|

3| gvwR©b FY wnmve G b¨bZg BK¨BwU (**Minimum Equity in Margin Loan Account**)|- gvwR©b FY wnmv‡ei †¶‡Î Mvn‡Ki BK¨BwU KZ nB‡e Zvnv gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) wbavi©Y Kwi‡e|

4| gvwR©b FY wnmve G Rgv‡hvM¨ wmwKDwiwU (**Marginable Security**)|- (1) gvwR©b FY c`v‡bi †¶‡Î wbæwjwLZ wmwKDwiwU gvwR©‡bej wmwKDwiwU wnmv‡e we‡ewPZ nB‡e, h_v t-

(K) ZvwjKvf³ mvaviY †kqvi (Listed Common Stock);

(L) ZvwjKvf³ (Listed) K‡cv©‡iU eÛ I wW‡eÂvi;

(M) I‡cb GÛ (Open end) I ZvwjKvf³ †KvRW GÛ (Listed Closed end) wgDPz¨qvj dvÛ mvwU©wd‡KU;

(N) miKvix wmwKDwiwU (**Government Security**);

(O) wmwKDwiwUR I G·‡PÄ Kwgkb KZ©K mgq mgq GZ`‡Ï‡k¨ wbaiwiZ gvwR©‡bej wmwKDwiwU|

(2) gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) gvwR©b FY c`v‡bi †¶‡Î DcwiDwjøwLZ wmwKDwiwUi ga¨ nB‡Z Zvnv‡`i cQ›` Abhvqx wmwKDwiwU ev Bb÷ª‡g‡›Ui ZvwjKv cbqb Kwi‡Z cvwi‡e|

5| gvwR©b FY c`v‡bi †¶‡Î we‡eP¨ welqmgn|- gvwR©‡bej wmwKDwiwUi wecix‡Z gvwR©b FY c`v‡bi †¶‡Î gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi), Ab¨v‡b¨i g‡a¨, wbæwjwLZ welqmgn we‡ePbv Kwi‡e, h_v-

(K) wewb‡qvM wbivcËv;

(L) wmwKDwiwUi dvÛv‡g›Uvjm ev †gŠwjK welq;

(M) wmwKDwiwUi Zvij¨/wecbb‡hvM¨Zv;

(N) hw³m½Z Avq;

(O) gjab cewׯ (Capital appreciation);

(P) SwKi Dcv`vbmgn (Risk factors);

(Q) Ki‡i‡ci cfve|

6| gvwR©b FY (**Margin Loan**)|- (1) gv‡P©›U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) Kwgkb KZ©K mgq mgq wbawiZ nv‡i gvwR©b FY c`vb Kwi‡e|

(2) gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) gvwRb FY I BK¨yBwU AbcvZ eRvq ivLvi Rb¨ b¨bZg gvwRb c‡qvM (Minimum Margin Requirement) msµvšÍ wbR¯ c×wZ wbavi iY Kwi‡e hvnv‡Z eva¨Zvg jK wKµq ev gvwRb Kj (Margin Call) Gov‡bv hvq|

(3) gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) KZK gvwRb FY (Margin Loan) c`v‡bi wecix‡Z Mvn‡Ki wbKU nB‡Z wbawiZ m` I Ab¨vb¨ PvR (charge) Av`vq Kwi‡Z cwi‡e hvnv Dnvi MvnK‡K c‡eB Rvbvbqv ivwL‡e|

(4) gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi), Ab¨v‡b¨i g‡a¨, wbæwjwLZ welqmg‡n m¤ú³ nIqvi ‡¶‡Î wbR¯ gvwRb gwbUwis MvBWjvBb c¯Z Kwi‡e, h_v-

(K) b¨bZg gvwRb c‡qvM;

(L) gvwRb Kj ev eva¨Zvg jK wKµq;

(M) AvÛvi gvwRb (Under margined) wnmv‡ei ‡¶‡Î Dch³ e¨e¯v Mnb;

(N) µq ¶gZv wbi"cb c×wZ;

(0) Znwej I wmwKDwiwU cZ¨vnvi c×wZ|

(5) GKB w`‡b m¤úwW`Z mKj †jb‡`b, †jb‡`‡bi Zwi‡Li wfwË‡Z GKwÎZ Kwi‡Z nB‡e Ges †gvU µqgj¨ ev wewµqjä Avq, hvnv‡Z gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) Gi Kwgkb I LiPvw` Aš—f³ nB‡e, gvwRb wbi"c‡bi Rb¨ we‡ewPZ nB‡e|

7| ‡cvU©‡dvwjI/wmwKDwiwUi evRvigj¨ wbavi iY|- (1) gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) gvwRb c‡qvM (Margin Requirement) wbavi‡Yi Rb¨ wb‡gv³ cØwZ‡Z †cvU©‡dvwjI/wmwKDwiwUi evRvi gj¨ wbi"cb Kwi‡e, h_v t -

Ò Closing Price of the Securities + Net Asset Value (NAV)''
2

(2) eK †KvRvi/†iKW †WU †gvZv‡eK cvc¨ mKj K‡cv‡iU †ewbwdU, †hgb jf¨vsk, †evbvm, ivBU BZ¨vw` †cvU©‡dvwjI Gi g‡j¨i mwnZ ms‡hvwRZ nB‡e|

(3) miKvix wmwKDwiwU Ges I‡cb GÛ wgDP¨qvj dvÛ Gi wmwKDwiwUi gj¨vq‡bi †¶‡Î DcwiD³ c×wZ h_vh_fv‡e c†qvM Kiv m¤e bv nB‡j †m‡¶‡Î Dnv‡`i evRvigj¨ wbi"c‡bi Rb¨ gv‡P©U e¨vsKvi (†cvU©‡dvwjI g¨v‡bRvi) welqwfwËK we‡ePbv cwµqv Aej¤b Kwi‡e|

8| ‡cvU‡dwj I eûgLxKiY **(Portfolio Diversification)**|- Discretionary wnmve Gi †¶‡Î wb‡Ri I Mvn‡Ki wbivcËv wbwðZKi‡Yi Rb¨ gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) †cvU©‡dwj I eûgLxKiY msµvš— wbR¯^ bxwZ MnY Ki‡Z cvi‡e|

9| gwRb i¶Yv‡e¶Y **(Maintenance of Margin Requirement)**|- Kwgkb KZ©K wfbi~c wb‡`©kZ bv nB‡j, gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) gwRb c‡qvM i¶Yv‡e¶Y (Maintenance of Margin Requirement) Gi e¨vcv‡i wbR¯^ bxwZgvjv Abmib Ki‡e|

10| wmwKDwiwUi i¶K **(Custodian of Security)**|- (1) gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) gwRb FY wnmve G Aš—f³ wmwKDwiwUi Kv÷wWqvb ev i¶K wnmv‡e `wqZ cvjb Ki‡e| MvnK KZ©K RgvKZ A_ev µqKZ wmwKDwiwU Omnibus A_ev Individual wnmve G msiw¶Z nB‡e, Z‡e Omnibus wnmve Gi †¶‡Î Mvn‡Ki gwjKvbv Abhvqx c_Kfv‡e †iKW msi¶Y Ki‡Z nB‡e|

(2) gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) Mvn‡Ki gwRb FY wnmve G iw¶Z wmwKDwiwU wbR¯^ FY Mn‡bi Rb¨ A_ev Ab¨ †Kvb c‡qvR‡b e¨envi Ki‡e bv|

(3) gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) wb‡R‡`i wewb‡qvM Mvn‡Ki wewb‡qv‡Mi mwnZ GKxfZ Ki‡e bv Ges c_Kfv‡e Mvn‡Ki wbKU nB‡Z MnxZ Znwej I wmwKDwiwU Ges wewb‡qvM msµvš— †iKW msi¶b Ki‡e|

(4) Mvn‡Ki wnmve nB‡Z gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) wbR¯^ wewb‡qvM wnmve mswkó †jb‡`b I **back office functions** ¯"Q I c‡qvwMKfv‡e c_K iwL‡e|

11| wnmve eÜKiY **(Closure of Accounts)**|- Mvn‡Ki wbKU nB‡Z Ab¨b 7 (mvZ) w`‡bi †bwUk cvwß mv‡c‡¶ gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) Mvn‡Ki wnmve eÜKi‡Yi c‡qvRbxq c`‡¶c MnY Ki‡e Ges mKj e‡Kqv `vq mgš‡qi ci MvnK‡K cvc¨ Znwej A_ev wmwKDwiwU ‡dir c`vb Ki‡e| wnmve eÜKi‡Yi cieZx‡Z hw` †Kvb Znwej ev wmwKDwiwU, jf¨vsk, ivBU ev †evbvm Bm¨i gva¨‡g ev Ab¨ ‡h †Kvbfv‡e D³ wnmve G c‡`q nq ev cvwß N‡U, †mB †¶‡Î gv‡P©›U e¨vsKvi (†cvU©‡dwj I g¨v‡bRvi) Zvnv MvnK‡K c`v‡bi wbwgË GKwU Suspense Account G msi¶Y Ki‡e|

12| cwfkwbs **(Provisioning)**|- cwRevRv‡ii Aw¯wZkxjZvi wecix‡Z mgš‡qi j‡¶¨ wbivcËvgjK e¨e¯v wnmv‡e gv‡P›U e¨vsKvi (†cvU‡dwjI g¨v‡bRvi) wnmve el †k‡l †gvU e‡Kqvi 1% mvavib mwÂwZ (General Provision) Kwi‡Z cwi‡e|

13| Kwgkb Gi wbKU Z_¨ `wLj|- Kwgkb KZK wbawiZ mg‡q I dig¨vU Abhvqx gv‡P›U e¨vsKvi (†cvU‡dwjI g¨v‡bRvi) gwRb FY msµvš Z_¨ Kwgk‡b `wLj Kwi‡e|

14| Av‡`k ev wb‡`k c`vb|- Kwgkb, Rb¯v‡_, †h †Kvb mgq GB wb‡`kbvq DwjwLZ †h †Kvb wel‡q c‡qvRbxq Av‡`k ev wb‡`k c`vb Kwi‡Z cwi‡e|ÕÕ|

dvi"K Avng` wmwÏKx
‡Pqvig¨vb|

wmwKDwiwUR I G·‡PÄ Kwgkb

DSE & CSE SCENARIO

Capital Market:

As of 30 September 2007 the total issued capital of all listed securities of Dhaka Stock Exchange was TK 1,99,996 million (US$ 2,910.73 million) which was TK 1,64,279 million (US$ 2,380.17 million) on 30 June 2007. In Chittagong Stock Exchange the total issued capital on 30 September 2007 was TK 83,420.06 million (US$ 1,226.77 million) which was TK.81,032.87 million (US$ 1,191.66 million) on 30 June 2007.

Stock Market Operation:

During July-September 2007 quarter the total turnover in Dhaka Stock Exchange was 771 million securities while the total amount traded on Dhaka Stock Exchange during the same period was TK. 1,01,482.86 million (US$ 1,492.39 million)

In the same period the total turnover in Chittagong Stock Exchange was 147 million securities while the total amount traded on Chittagong Stock Exchange during the same period was TK. 13,704.06 million (US$ 201.53 million) during this quarter.

Market Capitalization:

Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK.6,11,005 million (US$ 8,985.36 million) as on 30 September 2007 compared to TK 4,91,684 million (US$ 7124 million) as on 30 June 2007.

In the Chittagong Stock Exchange total market capitalization of all securities was TK.4,90,519 million (US$.7,213.51million) as on 30 September 2007 compared to TK 3,98,499 million (US$ 5,860.27 million) as on 30 June 2007.

Share Price Index:

DSE all share price index stood at 2,108.49 on 30 September 2007 compared to 1,764.18 on 30 June 2007.The CSE all share price index stood at 6,519.5978 on 30 September 2007 while it was 5,194.18 on 30 June 2007. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US$ =TK 68.71 For July-September 2007 quarter)

Bangladesh Capital Market Summary

As on 30 September 2007

Indicators		**Dhaka Stock Exchange**	**Chittagong Stock Exchange**
No. of companies		263	208
No. of mutual funds		14	14
No. of debentures		8	1
No. of treasury bonds		342	223
Total No. of Listed Securities			
			Figures in million
No. of shares of all listed companies		1843	1,699.06
No. of certificates of all listed mutual funds		162	162.25
No. of debentures of all listed debentures		0.41	0.05
No. of all listed bonds		2007	-
Total No. of Tradable Securities			1,861.36
			Figures in million
Issued capital of all companies	TK.	86,118.00	82,572.28
	US$	1,253	1,214.30
Issued capital of all mutual funds	TK.	835	835
	US$	12	12.28
Issued debentures	TK.	140	12.78
	US$	2	0.19
Issued bonds	TK.		
	US$		
Total issued capital	*TK.*	1,99,996	83,420.06
	US$	2,910.73	1,226.77
			Figures in million
Total Market Capitalization	TK.	6,28,671	4,90,519
	US$	9150	7,213.51
All Share Price Index		2108.49	6519.5978

DSE OPERATIONAL STATISTICS

July-September 2007

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	1,936.83	Tk. 5,42,260 US$ 7,915	22	348	16	Tk 42,699 US$ 623.25	Tk 1941 US$ 28.54
August	2,059.71	Tk. 5,78,542 US$ 8,421	20	183	9	Tk 27721 US$403.50	Tk 1386 US$ 20.38
September	2,108.49	Tk. 6,11 005 US$ 8,985	20	240	12	Tk. 31,063 US$ 457	Tk. 1,553 US$ 23
Total			62	771	12	TK. 1,01,483 US$ 1,492	Tk.1,637 US$ 24

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 2007

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	5,757.37	Tk.4,41,917 US$ 6,499	22	80.34	3.65	Tk. 6,706 US$ 99	Tk 305 US$ 4.48
August	6,340.90	Tk 4,90,867 US$ 7219	20	29.61	1.48	Tk 2,938 US$ 43	Tk 147 US$ 2.16
September	6,519.60	Tk 5,04,266 US$ 7416	20	37.96	1.90	Tk 4,060 US$ 60	Tk 203 US$ 2.98
Total			62	147.91	2.39	Tk 13,704 US$ 201.53	Tk 221.03 US$ 3.25

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