

রেজিস্টার্ড নং ডি এ-১ “জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের  
জন্মশতবার্ষিকী উদ্‌যাপন সফল হোক”



অতিরিক্ত সংখ্যা  
কর্তৃপক্ষ কর্তৃক প্রকাশিত

রবিবার, জুন ২৭, ২০২১

[ বেসরকারি ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ ]

**BANGLADESH SECURITIES AND EXCHANGE COMMISSION**

Securities Commission Bhaban  
E/6/C Agargaon, Sher-e-Bangla Nagar  
Administrative Area, Dhaka 1207, Bangladesh

**NOTIFICATION**

Dated, 01 June 2021

BSEC/CMRRCD/2021-391/20/Admin/121—Whereas cash or stock dividend or rights shares are lying unclaimed or undistributed or un-allotted with the issuer of listed securities for a period of 3(three) years or more;

And whereas public offering subscription money are lying non-refunded with the issuer of listed securities for a period of 3(three) years or more;

And whereas it is expedient to stabilize the capital/securities market ensuring liquidity to the market by way of buying and selling of listed securities, lending and borrowing (SLB) of listed securities and providing short term loan to the capital market intermediaries;

And whereas in the interest of the investors and the development of the capital/securities market, the Bangladesh Securities and Exchange Commission deems it appropriate to constitute a Fund as a custodian of such cash or stock in favour of the investors by transferring such unclaimed or undistributed or unsettled cash or stock dividend or non-refunded public subscription money or un-allotted rights shares from the issuer of listed securities;

Now, therefore, in exercise of the powers conferred by section 33(1) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission makes, with prior circulation, the following rules, namely :—

(৯৭১৯)

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**Chapter I**  
Preliminary

**1. Short title:**

- (1) These rules may be called the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021;
- (2) These rules shall come into force on the date of publication in the official Gazette.

**2. Definitions:**

- (1) In these rules, unless the context otherwise requires,-
  - (a) "Board" means the Board of Governors of the Fund as constituted under rule 5(1) of these rules;
  - (b) "Capital Market Intermediary" means any person registered under the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission Act, 1993 (Act No. XV of 1993) and the Depository Act, 1999 (Act No. VI of 1999) and the rules and regulations made thereunder;
  - (c) "Cash Balance" means any cash in hand or cash at bank lying with the Fund, issuer or investor or any capital market intermediary;
  - (d) "Commission" means the Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (Act No. XV of 1993);
  - (e) "Fund" means the Capital Market Stabilization Fund constituted under rule 3 of these rules;
  - (f) "Investor" means any person who has invested or proposed to invest in any security or any unit of mutual fund or collective investment scheme;
  - (g) "Issuer" means any person who has issued or proposed to issue any security including any unit of mutual fund or collective investment scheme;
  - (h) "Financial Year" means the 12 (twelve) months ending on 30<sup>th</sup> June of each Gregorian calendar;
  - (i) "Unclaimed Cash Dividend" means any cash dividend is distributed to the investor (s) by way of dividend warrant or cheque or bank draft or any other means, but not collected or claimed by the investor (s) to the issuer within a period of 3 (three) years or more from the date of such distribution.

- (2) Words and expressions used herein and are not defined, but defined in the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission Act, 1993 (Act No. XV of 1993), the Companies Act, 1994 (Act No. XVIII of 1994) and the Depository Act, 1999 (Act No. VI of 1999) shall have the same meanings respectively assigned to them in the said Ordinance and Acts, and the rules and regulations made there under.

## **Chapter II**

### **Constitution of the Fund**

#### **3. Constitution of the Fund:**

- (1) The Capital Market Stabilization Fund (hereinafter referred to as the 'Fund') shall be constituted for the purpose of these rules;
- (2) The Capital Market Stabilization Fund shall be a perpetual fund for functioning as a custodian of undistributed or unclaimed or unsettled dividend (cash or stock) or un-allotted rights shares or non-refunded public subscription money in favour of the shareholders or stockholders or investors;
- (3) The Fund shall have a common seal and management office in Dhaka;
- (4) The Fund shall be governed by the Board of Governors constituted under rule 5(1) of these rules.
- (5) The Fund shall be operated by any organization or Investment Corporation of Bangladesh under the operation management service contract with the Board of Governors of the Fund maintaining a bank account with any scheduled bank and a consolidated securities account or Beneficiary Owner's (BO) account in the name of the Capital Market Stabilization Fund.

#### **4. Composition of the Fund:**

- (1) The Fund shall be comprised of cash and securities received from the issuer or any person or legal entity for the following reasons or sources, namely :
  - (i) any undistributed or unclaimed or unsettled cash dividend or non-refunded public subscription money as transferred by the issuer to the Fund in pursuance of these rules or as per direction of the Commission; or

- (ii) any undistributed or un-allotted or unsettled stock dividend or bonus shares or rights shares held in the suspense BO Account of the issuer as transferred to the Fund in pursuance of these rules or as per direction of the Commission.
- (2) The Fund may receive any grant or loan from the Government or any other organization for the stabilization as well as development of the capital/securities market;
- (3) All receipts other than securities shall be deposited to the bank account as maintained and operated under rule 8 of these rules;
- (4) All securities receipts shall be deposited to the consolidated securities account or Beneficiary Owner's (BO) account as maintained and operated under rule 8 of these rules.

### Chapter III

#### Operation of the Fund

#### 5. Constitution of Board of Governors of the Fund and its powers and functions:

- (1) The Fund shall be governed by the Board of Governors (hereinafter referred to as the 'Board') of 11 (eleven) members consisting of as follows:
  - (i) 1 (one) Chairman shall be appointed by the Commission;
  - (ii) 3 (three) members shall be nominated by the Commission;
  - (iii) 1 (one) member shall be nominated by the Dhaka Stock Exchange Limited and 1(one) member shall be nominated by the Chittagong Stock Exchange Limited;
  - (iv) 1 (one) member shall be nominated by the Central Depository Bangladesh Limited and 1(one) member shall be nominated by the Central Counterparty Bangladesh Limited;
  - (v) 1 (one) member shall be nominated by Bangladesh Association of Publicly Listed Companies (BAPLC);
  - (vi) 1 (one) member from the Professionals of Chartered Accountants or Cost and Management Accountants or Chartered Secretaries or Chartered Financial Analysts as selected by the Commission; and
  - (vii) The Chief of Operation (COO) of the Fund shall remain as an ex-officio member:

Provided that no person shall be eligible for the position of

Chairman or member of the Board if he/she has no knowledge in accounting, finance, economics or capital/securities market with at least 10 (ten) years of corporate management or professional experiences including at least 5(five) years of experiences in capital/securities market:

Provided further that no person shall be eligible for the position of member of the Board if he/she is a shareholder or director or officer of any capital market intermediary:

Provided further that a single person shall not be nominated by more than one organization:

Provided further that the first Board of the Fund shall be constituted by the Commission with in one month of coming into force of these rules:

Provided further that no Board of the Fund shall be constituted without approval of the Commission.

- (2) A member of the Board shall hold his/her office for a term of 3 (three) years, but shall continue to hold the office after the expiry of his/her term until a successor enters:

Provided that no member of the Board shall be appointed for more than two terms.

- (3) The Commission shall have authority to remove and appoint any member of the Board of the Fund at anytime.
- (4) In case of death, resignation, disqualification, or removal of any member of the Board or in any other cases of vacancies, the Commission shall fill the vacancy within 30(thirty) days of occurring such vacancy in the Board of the Fund.
- (5) The Chief of Operation of the Fund shall also act as the secretary of the Board of the Fund.
- (6) No member of the Board of the Fund shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Board meeting fees or honorarium from the Fund.

- (7) In absence of the regular Chairman of the Board of the Fund remaining members may elect one from themselves as Chairman for that particular meeting; the reason of absence of the regular Chairman shall duly be recorded in the minutes of the said meeting.
- (8) The Board shall conduct at least 6 (six) meetings in each financial year.
- (9) The Chairman of the Board may convene any emergency meeting if he deems necessary or upon request by any member of the Board.
- (10) Quorum of the meeting of the Board shall be constituted in presence of at least 6(six) members of the Board.
- (11) Every member of the Board shall have one vote and the decision of the Majority shall prevail, and in case of equality of votes, the Chairman shall have a second or casting vote.
- (12) The proceedings of the meeting of the Board shall duly be recorded in the minutes of the meeting and such minutes shall be confirmed in the next meeting of the Board.
- (13) The minutes of the meeting of the Board shall be furnished to the Commission within 3(three) days of such confirmation.
- (14) The Board shall be responsible and accountable to the Fund and to the Commission.
- (15) The Board shall remain responsible for performing the following activities:
  - (i) The Board shall take all the policy initiatives (including devising of investment policy, policy for providing loan/support to market intermediary and market maker, securities lending and borrowing policy, policy on buying and selling of listed securities and investors' claim settlement policy, etc.) for achieving the objectives and purposes of the Fund and smooth functioning of the Fund.

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- (ii) The Board shall also be responsible to stabilize the capital/securities market ensuring liquidity to the market by way of buying and selling of listed securities, making investment in other securities, providing loan/support to market intermediary and market maker, lending and borrowing (SLB) of listed securities and settlement of investors' claims.
- (iii) The Board shall formulate necessary committee or sub-committee to accomplish the objectives and purpose of the Fund as mentioned at sub-clause (ii) above.
- (iv) The Board shall fix the terms of reference (TOR) of the committee or the sub-committee.
- (v) The Board may appoint necessary officers and employees or hire operation management service from any organization or Investment Corporation of Bangladesh for smooth functioning and operation of the Fund:

Provided that Chief of Operation of the Fund shall not be appointed without prior approval of the Commission:

Provided further that no person shall be eligible for the position of Chief of Operation (COO) of the Fund if he/she has no knowledge in accounting, finance, economics or capital/securities market or professional qualifications of Chartered Accountants or Cost and Management Accountants or Chartered Financial Analysts with at least 12 (twelve) years of corporate management or professional experiences including at least 5 (five) years of experiences in capital/securities market:

Provided further that no person shall be eligible for the position of Chief of Operation (COO) of the Fund if he/she is a shareholder or director of any capital market intermediary.

- (vi) The terms and conditions of service of the officers and employees or operation management service contract as mentioned at clause (v) above shall be determined by the Board of the Fund.
- (vii) The Board shall fix the salaries and allowances of the Chief of Operation (COO), officers and employees or fees/remuneration of the operation management service of the Fund.

- (viii) The Board shall conduct an annual meeting of the Board of Governors within 6(six) months of each financial year end.
  - (ix) The annual financial statements of the Fund shall be approved in the annual meeting of the Board of Governors.
  - (x) Appointment and fixation of the remuneration of the auditors of the Fund shall be approved in the annual meeting.
  - (xi) The periodical financial statements and other reports shall be approved in the Board meeting.
  - (xii) The Board shall be responsible for settlement of any valid claim by the investor.
- (16) The Board shall have full control over the administration and management of the Fund and shall be vested with all powers, authorities and discretion necessary or expedient for the objectives and purpose of the Fund.

#### **6. Management Committee of the Fund.**

- (1) The Board shall form several management committees for smooth operation of the Fund.
- (2) The Board shall, among others, form the following management committee, namely:-
  - (a) Operation Management Committee;
  - (b) Audit and Accounts Management Committee; and
  - (c) Risk Management Committee.
- (3) The scope of operation of the management committee as mentioned at sub-rule (2) shall be determined by the Board.
- (4) The Board may form any other committee or sub-committee, if necessary.
- (5) Operation Management Committee (OMC) shall be responsible and accountable to the Chief of Operation of the Fund and Chief of Operation shall also be responsible and accountable for all operational activities(i.e., buying and selling of listed securities, making investment in securities, providing loan/support to market intermediary and market maker, lending and borrowing of listed securities and settlement of investors' claims, etc.)to the Board.



- (6) Audit and Accounts Management Committee (AAMC) and Risk Management Committee (RMC) shall be responsible and accountable to the Board.
- (7) Operation Management Committee (OMC) shall be comprised of at least three members from the financial market professionals who have knowledge in accounting, finance, economics or capital/securities market with at least 10 (ten) years of corporate management or professional experiences like Chartered Financial Analyst, Chartered Accountants, Cost and Management Accountants or Chartered Secretaries including at least 5(five) years of experiences in capital/securities market.
- (8) Audit and Accounts Management Committee (AAMC) and Risk Management Committee (RMC) shall be comprised of at least three members including at least one member but not more than two members from the Board and other members from the financial market professionals as mentioned at sub-section (7) above.
- (9) No person shall be eligible for the position of member of any management committee if he/she is a shareholder or director or officer of any capital market intermediary.
- (10) All members of the management committee shall be appointed by the Board.
- (11) Every member of any management committee shall hold his/her office for a term of 3 (three) years, but shall continue to hold office after the expiry of his/her term until a successor enters:  
Provided that no member of any management committee shall be appointed for more than two terms.
- (12) The Board shall have authority to remove and appoint any member of the management committee of the Fund.
- (13) In case of death, resignation, disqualification, or removal of any member of any management committee or in any other cases of vacancies, the Board shall fill the vacancy within 30(thirty) days of occurring such vacancy in the management committee.

- (14) No member of any management committee shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than management committee's meeting fees or honorarium from the Fund.
- (15) The Board shall select one member from each management committee as Chairman of the committee.
- (16) The Chairman of any management committee shall select one of the committee members as secretary of the committee.
- (17) In absence of the regular Chairman of any management committee remaining members may elect one of themselves as Chairman for that particular meeting; the reason of absence of the regular Chairman shall duly be recorded in the minutes of the said meeting.
- (18) Every management committee shall conduct at least 6(six) meetings in each financial year.
- (19) The Chairman of any management committee may convene any emergency meeting if he deems necessary or upon request by any member of the committee.
- (20) Quorum of the meeting of each management committee shall be constituted in presence of either two members or two third of the members of the committee, whichever is higher.
- (21) The proceedings of the meeting of the management committee shall duly be recorded in the minutes of the meeting and such minutes shall be confirmed in the next meeting.
- (22) The minutes of the meeting of the management committee shall be furnished to the Board within 3(three) days of confirmation.
- (23) All the management committee shall perform their duties as per the terms of reference (TOR) as determined by the Board from time to time.

## 7. Objective and purpose of the Fund:

- (1) The Fund shall act as a custodian of cash or stock in favour of the investors as received by transferring unclaimed or undistributed or unsettled cash or stock dividend or non-refunded public subscription money or un-allotted rights shares from the issuer of listed securities.
- (2) Cash or stock as deposited in or transferred to the Fund shall be paid or settled on due claim by the shareholders or investors at any time in the indefinite perpetuity.
- (3) The Fund shall mainly be utilized to stabilize the capital/securities market ensuring liquidity to the market by way of buying and selling of listed securities, making investment in other securities, providing loan/support to market intermediary and market maker, lending and borrowing (SLB) of listed securities and settlement of investors' claim.
- (4) Without prejudice to the objectives and purpose as mentioned at sub-rules (1), (2) and (3), the functions of the Fund shall include the followings:

- (i) to ensure depth to the market by way of direct buying and selling of listed securities:

Provided that maximum 40%(forty percent) of cash balance of the Fund may be used for direct buying and selling of listed securities:

Provided further that percentage for use of cash balance for direct buying and selling of listed securities may be varied by the Commission from time to time based on the size of the Fund.

- (ii) to ensure proper investment of cash balance of the Fund in other securities and provide loan to market intermediary for **refinancing** to their clients as margin loan:

Provided that at least 50% (fifty percent) of cash balance of the Fund shall be used for providing loan to market intermediary for **refinancing** as margin loan:

Provided further that maximum 10% (ten percent) of cash balance of the Fund may be used for investment in other securities i.e., in fixed deposits, government securities, fixed income securities and mutual funds, etc.:

Provided further that ratio of use of cash balance for direct buying and selling of listed securities, providing loan to market intermediary for **refinancing** as margin loan and investment in other securities may be varied by the Board with prior approval of the Commission.

- (iii) to ensure securities lending & borrowing (SLB) to the market intermediary;
- (iv) to support as and/or to a market maker for the development of capital/securities market;
- (v) to ensure settlement of investors' claims; and
- (vi) any other function as instructed by the Board or by the Commission.

#### **8. Operation of the Fund:**

- (1) The Fund shall be operated by maintaining a bank account with any scheduled bank in the name of “Capital Market Stabilization Fund” and maintaining a consolidated securities account or Beneficiary Owner's (BO) Account in the name of “Capital Market Stabilization Fund”.
- (2) The said bank account and the BO account shall be maintained by joint signatories empowered by the Chief of Operation of the Fund with due approval of Board.
- (3) All receipts other than securities shall be deposited to the bank account.
- (4) All operational expenses/payments including salaries, allowances, honorarium, fees/remuneration of the operation management service, fees for auditors or legal advisers or other professionals, borrowing cost and all other expenses shall be made from the bank account through electronic fund transfer.
- (5) All payments relating to investment in securities shall be made from the bank account through electronic fund transfer.
- (6) All payments relating to providing loan to market intermediary for refinancing to the clients as margin loan shall be made from the bank account through electronic fund transfer.

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- (7) All payment of investors' claims shall be made from the bank account through electronic fund transfer.
- (8) All securities received shall be deposited to the consolidated securities account or Beneficiary Owner's (BO) account.
- (9) All buy or sale of listed securities shall be made through a designated BO account:

Provided that only the cash balance of the Fund shall be used for direct buying and selling of the listed securities.

- (10) All lending and borrowing of securities of the Fund shall be made through a designated BO account:

Provided that the Fund shall maintain the ownership rights of the investor's intact for their stocks or shares or securities which are received in the Fund as a custodian by transferring from the issuer of listed securities.

- (11) All claims of securities by the investors shall be made/settled from the consolidated securities account or consolidated BO account.

- (12) Operating income of the Fund may be the followings:

- (i) Any profit or gain from direct buying and selling of securities;
- (ii) Any profit or gain or dividend received from any investment;
- (iii) Any profit or interest income from loan provided to market intermediary;
- (iv) Any profit or interest income from securities lending and borrowing activities and other credit facilities;
- (v) Any profit or interest income on bank deposits; and
- (vi) Any other fees and fine received:

Provided that any un-realized gain/income shall not be accounted for as operating income:

Provided further that any dividend(cash or stock) received in favour of investors or from the investors' securities shall not be accounted for as operating income.

- (13) 100% (cent percent) provision shall be made for any un-realized loss/diminution in value of investments or securities bought and sold.
- (14) All payments or claims or expenses as mentioned at sub-rule (4), (5), (6) and (7) and provision as mentioned at sub-rule (13) above shall be charged to the Fund with approval of the Board or related management committee as the case may be.
- (15) After deducting all operating expenses of the Fund as mentioned at sub-rule (4) and provision as mentioned at sub-rule (13) above from the operating income of the Fund as mentioned at sub-rule (12), i.e., net operating income shall be accumulated to the Fund for stabilization as well as development of capital/securities market.

**9. Procedures of transferring unclaimed or undistributed or unsettled dividend (cash or stock) or non-refunded public subscription money or un-allotted rights shares left with the issuer:**

- (1) If any cash dividend remains unpaid or unclaimed or unsettled or undistributed for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the bank account of the Fund within such time as directed by the Commission or the Fund from time to time:

Provided that the issuer shall provide detailed information (e.g., year of dividend, name of shareholder/securities holder, BO account number/folio number, permanent & contact address, shareholding /securities holding, nominee (if any), amount of dividend, tax deducted at source, net amount of dividend, etc.) to the Fund during transfer of cash dividend:

Provided further that at least 30 (thirty) days prior to transferring such cash dividend to the Fund, the issuer shall communicate with the shareholders or securities holders or their nominee(s), if any, as well as shall notify the shareholders or securities holders mentioning their name, father's name, mother's name, permanent & contact address, nominee(s), if any, year of dividend, B.O. account/ Folio Number and amount of dividend about the cash dividend which will be transferred to the Fund by publishing such list in the official website of the issuer with proper notice (mentioning the web-address/link ) in the two national dailies one in Bangla and other one in English.

- (2) If any stock dividend or bonus shares remains un-allotted or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer in dematerialized form to the BO Account of the Fund within such time as directed by the Commission or the Fund from time to time:

Provided that the issuer shall provide detailed information ( e.g., year of dividend, name of shareholder, BO account number/folio number, permanent & contact address, nominee (if any), shareholding, number of stock dividend/bonus shares, etc.) to the Fund during transfer of stock dividend or bonus shares:

Provided further that at least 30 (thirty) days prior to transferring such stock dividend or bonus shares to the Fund, issuer shall communicate with the shareholders or securities holders or their nominee (s), if any, as well as shall notify the shareholders or securities holders mentioning their name, father's name, mother's name, permanent & contact address, nominee (if any), year of dividend, BO account number/folio number, shareholding, number of stock dividend/bonus shares, etc., about the stock dividend or bonus shares which will be transferred to the Fund by publishing such list in the official website of the issuer with proper notice (mentioning the web-address/link ) in the two national dailies one in Bangla and other one in English.

- (3) If any rights share remains un-allotted or unsettled for a period of 3 (three) years from the date of subscription or allotment, as the case may be, shall be transferred by the issuer in dematerialized form to the BO Account of the Fund within such time as directed by the Commission or the Fund from time to time:

Provided that the issuer shall provide detailed information ( e.g., year of rights, name of shareholder, BO account number/folio number, permanent & contact address, nominee (if any), shareholding, number of rights shares, etc) to the Fund during transfer of rights shares:

Provided further that at least 30 (thirty) days prior to transferring such rights shares to the Fund, issuer shall communicate with the shareholders or their nominee (s), if any, as well as shall notify the shareholders mentioning their name, father's name, mother's name, permanent & contact address, nominee (if any), year of rights, BO account number/folio number, shareholding, number of rights shares, etc., about the rights shares which will be transferred to the Fund by publishing such list in the official website of the issuer with proper notice (mentioning the web-address/link ) in the two national dailies one in Bangla and other one in English.

- (4) If any public subscription money remains non-refunded for a period of 3 (three) years from the date of subscription or refund, as the case may be, shall be transferred by the issuer to the bank account of the Fund within such time as directed by the Commission or the Fund from time to time:

Provided that the issuer shall provide detailed information (e.g., year of public subscription, name of shareholder or securities holder, BO account number/folio number, permanent & contact address, nominee (if any), non-refunded amount of public subscription, etc.) to the Fund during transfer of public subscription money:

Provided further that at least 30 (thirty) days prior to transferring such non-refunded public subscription money to the Fund, issuer shall communicate with the shareholders or securities holders or their nominee (s), if any, as well as shall notify the shareholders or securities holders mentioning their name, father's name, mother's name, permanent & contact address, nominee(s), if any, year of public subscription, B.O. account/ Folio Number and non-refunded amount of public subscription about the non-refunded public subscription money which will be transferred to the Fund by publishing such list in the official website of the issuer with proper notice (mentioning the web-address/link ) in the two national dailies one in Bangla and other one in English.

- (5) The Chief of Operation shall, by creating a data base/bank, preserve the information as provided under the proviso of sub-rule (1) to (4) above until the respective claim is settled in full by disclosing/updating the same in the official website of the Fund.

#### 10. Claims settlement Procedures:

- (1) If any shareholder or securities holder claims his cash dividend after transfer of such dividend to the bank account of the Fund, within 15 (Fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend with a detailed information as mentioned in the proviso of rule 9 (1) of these rules to the Chief of Operation of the Fund to pay off such dividend from the bank account of the Fund:

Provided that the Chief of Operation of the Fund shall, after due scrutiny with the data base/bank as created under sub-rule (5) of rule 9 of these rules as well as the aforesaid recommendation and approval of the Board or the Operation Management Committee for settlement of investors' claims as the case may be, pay off such cash dividend to the claimant through electronic fund transfer system within 15 (fifteen) working days of receiving of such recommendation with intimation to the concerned issuer.



- (2) If any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (Fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend with a detailed information as mentioned in the proviso of rule 9 (2) of these rules to the Chief of Operation of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund:

Provided that the Chief of Operation of the Fund shall, after due scrutiny with the data base/bank as created under sub-rule (5) of rule 9 of these rules as well as the aforesaid recommendation and approval of the Board or the Operation Management Committee for settlement of investors' claims as the case may be, pay off or transfer such stock dividend or bonus shares to the claimant's BO Account within 15 (fifteen) working days of receiving of such recommendation with intimation to the concerned issuer.

- (3) If any shareholder claims his rights shares after transfer of such rights shares to the BO Account of the Fund, within 15 (Fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend with a detailed information as mentioned in the proviso of rule 9 (3) of these rules to the Chief of Operation of the Fund to pay off or transfer such rights shares from the BO Account of the Fund:

Provided that the Chief of Operation of the Fund shall, after due scrutiny with the data base/bank as created under sub-rule (5) of rule 9 of these rules as well as the aforesaid recommendation and approval of the Board or the Operation Management Committee for settlement of investors' claims as the case may be, pay off or transfer such rights shares to the claimant's BO Account within 15 (fifteen) working days of receiving of such recommendation with intimation to the concerned issuer.

- (4) If any public issue subscriber or investor claims his refundable public subscription money after transfer of such money to the bank account of the Fund, within 15 (Fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend with a detailed information as mentioned in the proviso of rule 9 (4) of these rules to the Chief of Operation of the Fund to pay off public subscription money from the bank account of the Fund:

Provided that the Chief of Operation of the Fund shall, after due scrutiny with the data base/bank as created under sub-rule (5) of rule 9 of these rules as well as the aforesaid recommendation and approval of the Board or the Operation Management Committee for settlement of investors' claims as the case may be, pay off such public subscription money to the claimant through electronic fund transfer system within 15 (fifteen) working days of receiving of such recommendation with intimation to the concerned issuer.

## **Chapter V**

### **Financial Statements and Audit of the Fund**

#### **11. Preparation of Financial Statements and Audit:**

- (1) Audit and Accounts Management Committee shall be responsible for maintaining the accounts of the Fund and prepare the annual and half yearly financial statements in accordance with the International Financial Reporting Standards.
- (2) Half yearly financial statements of the Fund shall be furnished to the Commission within 30 (thirty) days of closing of the first half year duly approved by the Board.
- (3) The Board shall appoint a firm of chartered accountants for auditing the annual financial statements of the Fund from the panel of auditors as declared by the Commission from time to time, in its annual meeting as well as fix the remuneration of the auditors.
- (4) The Annual financial statements of the Fund shall be audited within 120 (one hundred and twenty days) from the date of closing of financial year and a copy of such audited financial statements shall be submitted to the Commission duly approved by the Board in its annual meeting within 14(fourteen) days thereof.

## **Chapter VI**

### **Miscellaneous**

#### **12. Reporting to the Commission:**

- (1) The Chief of Operation shall furnish the following reports on the Fund and its affairs of previous month within tenth day of each month of Gregorian Calendar to the Commission:
  - (i) Total cash receipts and payments for the Fund mentioning the purpose.
  - (ii) Total securities receipts to the Fund mentioning the purpose.

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- (iii) A statement of investments made from the cash balance of the Fund and disinvestment made thereof, mentioning the particulars and net position.
- (iv) A statement of loan made to the market intermediary from the cash balance of the Fund and recovery thereof, mentioning the particulars and net position.
- (v) Settlement of investors' claims in cash mentioning the particulars.
- (vi) Settlement of investors' claims in securities mentioning the particulars.
- (vii) Statement of securities lending and borrowing mentioning the particulars.
- (viii) A statement of cash balance position of the Fund.
- (ix) A statement of securities position held under the Fund (through direct buying and selling of listed securities using cash balance of the Fund) in market price and cost price.
- (x) A statement of securities position held (as undistributed or unclaimed or unsettled stock dividend/bonus shares or un-allotted rights shares by transferring from the issuer) in favour of the Investors mentioning the particulars:
- Provided that cumulative net securities position (after settlement of claims in securities) held in favour of the Investors with particulars shall be disclosed/updated in the official website of the Fund.
- (xi) A statement of cash received (as un-distributed or unclaimed or unsettled cash dividend, refundable subscription money and etc., by transferring from the issuer) in favour of Investors mentioning particulars:
- Provided that cumulative net cash balance held (after settlement claims in cash) in favour of the Investors with particulars shall be disclosed/updated in the official website of the Fund.
- (xii) Any other report as directed by the Commission from time to time.

- (2) The Board shall furnish minutes of the meeting to the Commission as per rule 5(13) of these rules.
- (3) The Board shall furnish the half-yearly financial statements and annual audited financial statements of the Fund to the Commission as per Rule 11(2) and 11(4) of these rules respectively.
- (4) The Board shall furnish the annual report of the Fund to the Commission at least 14 (fourteen) days before the annual meeting of the Board of Governors of the Fund.
- (5) The Board shall also furnish any other report as directed by the Commission from time to time.
- (6) The Fund shall have a digital information and data repository and management system.
- (7) The Fund shall have an official website.

**13. Inspection of the Fund:**

- (1) The Commission may authorize any person or any institution to inspect at any time, if it is necessary to conduct inspection on the affairs as well as operations of the Fund for the interest of investors and the capital/securities market;
- (2) Without prejudice to the provisions of sub-rule (1), every member of the Board or member of the management committee or Chief of Operation or operation management service provider or officer or auditor of the Fund shall furnish such documents, information or explanation relating to the affairs as well as operations of the Fund as the Commission or the inspection officer may require, at any time, in writing.

**14. Power of the Commission and the Fund:**

- (1) The Commission, in the interest of investors and development of capital/securities market, at any time, may issue order or directive for carrying out the purpose of these rules.
- (2) The Fund, with prior approval of the Commission, at any time, may issue order, directive or any clarification for carrying out the purpose of these rules.

**15. Winding up of the Fund:**

- (1) If all the claims of investors are settled in full from the Fund, the Fund may be wound up, dissolved or liquidated as per order of the Commission;
- (2) If all the claims of investors are not settled in full, but it deems appropriate to wind up the Fund in the public interest and the capital/securities market, the Board or Chief of Operation with prior consent of the Commission, may publish the public notice of winding up at least in two widely circulated national dailies (one in Bangla and another in English) inviting applications from the investors for their claims, if any, through concerned issuer giving at least 6 (six) months for such applications from the date of notice.
- (3) If the notice of winding up the Fund is published, —
  - (a) the Board or Chief of Operation shall not do any of the following activities from the date of such notice:
    - (i) buying and selling of securities for or from the Fund;
    - (ii) making investments and providing loan from the Fund;
    - (iii) securities lending & borrowing (SLB) activities;
    - (iv) any operating activities of the Fund; and
    - (v) any activities as directed by the Commission.
  - (b) the Board or Chief of Operation shall make repayment of all the loans or credit facilities availed from within the notice period as mentioned in sub-rule (2) above;
  - (c) the Board or Chief of Operation shall also recover all the lent monies within the notice period as mentioned in sub-rule (2) above;
  - (d) the Board or Chief of Operation shall make repayment of borrowed securities within the notice period as mentioned in sub-rule (2) above;
  - (e) the Board or Chief of Operation shall also recover all the lent securities within the notice period as mentioned in sub-rule (2) above; and
  - (f) the Board or Chief of Operation shall also make disinvestment /encashment of all of its investments within the notice period as mentioned in sub-rule (2) above.

- (4) The Board or Chief of Operation shall make a final list of valid claimants confirming total payables against the claims (in amount and securities) within 30 (thirty) working days of end of the notice period as mentioned in sub-rule (2) above.
- (5) The Board or Chief of Operation shall also prepare the financial statements of the Fund using cut-off date as the last date of making final list of valid claimants as mentioned in sub-rule (4) above and submit it to the Commission, within 30(thirty) days of cut-off date as mentioned in sub-rule (4) above.
- (6) The Board or Chief of Operation shall, after getting consent from the Commission, simultaneously sell the securities and other assets of the Fund and pay off the claims of the claimants from the Fund in accordance with the claims settlement procedures as mentioned in rule 10 of these rules.
- (7) The Board or Chief of Operation shall prepare the final financial statements of the Fund using cut-off date as the last date of completion of selling of securities or other assets of the Fund and settlement of claims and the final financial statements shall be audited within 30 (thirty) days of cut-off date as above and an application of winding up the Fund along with a copy of audited financial statements shall be submitted to the Commission within seven days thereof.
- (8) The Commission, on due consideration of the application and if satisfied, may declare winding up the Fund.
- (9) After Commission's declaration of winding up of the Fund, the Board or Chief of Operation shall meet all the expenses and debts or liabilities, if any and the rest Fund shall be vested as per law of the land and accordingly the Fund and its Board or its management committee or operation management service provider shall cease to perform its activities.

**16. Commission's decision shall be final on certain matter:**

Notwithstanding anything contained in these rules, in the event of any confusion or difference of opinion or any matter whatsoever, the decision of the Commission shall be final and binding on all concerned.

By Order of the Bangladesh Securities and Exchange Commission

**Professor Shibli Rubaiyat-Ul-Islam**

Chairman.