

**DIRECTIVE**

Whereas, the Securities and Exchange Commission, in the interest of investors and capital market, considers it to be appropriate that the members of stock exchanges i.e. stock brokers should determine the market price of portfolio/securities for the purpose of margin requirement under the Margin Rules, 1999;

Now, therefore, the Commission, in exercise of its power conferred by section 20A of the Securities and Exchange Ordinance, 1969(XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. and their members to the effect that, the members of the stock exchanges i.e. stock brokers shall calculate the market price of portfolio/securities for the purpose of margin requirement in respect of their approved clients in the following manner, namely;-

- (a) The stock brokers shall calculate the market price of portfolio/securities to determine the Margin Requirement in the following manner (i.e. method):  
$$\frac{\text{"Closing Price of the Securities + Net Asset Value (NAV)"}}{2}$$
- (b) All corporate benefit, such as dividend, bonus, rights etc. entitled according to book closure/record date will be added with portfolio value.
- (c) If the above method can not be applied in course of valuation of government securities and open-end mutual fund securities, in that case the stock brokers will follow objective consideration process to determine their market price.

It is further directed that the stock brokers shall not provide margin facilities to any member of the Board of Directors of its own company, officer and staff employed in the company management, their parent, spouse, son, daughter, sister, brother, son-in-law, daughter-in-law and other relatives as per directive issued by the Commission from time to time.

This shall have effect from 1<sup>st</sup> April 2010.

By order of the Securities and Exchange Commission

Md. Ziaul Haque Khondker  
Chairman.

**Distribution:**

1. Dhaka Stock Exchange Ltd.
2. Chittagong Stock Exchange Ltd.
3. Central Depository Bangladesh Ltd.
4. Bangladesh Association of Publicly Listed Companies
5. Bangladesh Merchant Bankers Association