

DIRECTIVE

Whereas, the Securities and Exchange Commission deems it to be proper that in the interest of capital market and investors in securities, certain further directives should be issued to the stock exchanges, stock brokers and merchant bankers in respect of certain issues related to trading in securities and margin facilities available on such trading;

Now, therefore, the Commission, in exercise of power conferred on it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd. (CSE) and their members conducting business as stock brokers and the merchant bankers to the effect that;-

- (1) Netting or adjustment facilities in any manner in respect of buy or sell of non-marginable securities (i.e. the securities for which no margin loan is available or the securities which are considered as non-marginable securities for settlement and clearing purposes under Member's Margin Regulations) as per the Margin Rules, 1999 and 1996, shall remain suspended until further order. Such securities shall not also be allowed to buy against pre-matured sell proceeds of any marginable securities.
- (2) The Dhaka Stock Exchange Ltd. shall calculate the Net Asset Value (NAV) of the listed securities based on the core operation related items of the respective companies, including Mutual Funds, based on the latest available financial statements, on weekly basis and disclose the same in the DSE's website at the end of last trading day of every week. The stock brokers of both DSE and CSE and the merchant bankers shall consider such disclosed NAV for the purpose of calculating the maintenance margin of their customers based on the aforesaid Rules and 1996.
- (3) The stock brokers and the merchant bankers concerned will apply the margin call requirements based on the above Rules and 1996 in respect of applicable cases. In case of failure to respond to such calls by the concerned customers within September 30, 2010, the stock brokers and the merchant bankers shall go for forced sell as per requirements of the said Rules and 1996. These shall be continued until further directive.

This directive shall have immediate effect.

By order of the Securities and Exchange Commission

Md. Ziaul Haque Khondker
Chairman.