

Bangladesh Securities and Exchange Commission

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

NOTIFICATION

5 February 2020

No. BSEC/CMRRCD/2009-193/2/Admin/---¹⁰³---.- Whereas, the Bangladesh Securities and Exchange Commission deems it fit that the consent already accorded by the Commission, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or to the public offer of securities for sale, or companies listed with stock exchange(s) shall be subject to certain further conditions in the interest of investors and the capital market;

Now, therefore, in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby imposes the following further conditions to the consent already accorded by it, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or to the public offer of securities for sale, or issuer companies listed with stock exchange(s), namely:-


- (a) No issuer company shall, except with the approval of the general body of its shareholders, enter into any contract for the sale or purchase of assets of 1% (one percent) or above of the total tangible assets as shown in the statement of financial position as of the end of the immediately preceding completed financial year or for supply of goods and materials amounting to 1% (one percent) or above of the revenue for the immediately preceding financial year with –
- (i) any director of the issuer; or
 - (ii) any firm in which any director of the issuer is a partner; or
 - (iii) any private company of which any director of the issuer is a director or member; or
 - (iv) any public company, the managing agent, manager or director who is accustomed to act in accordance with the directions or instructions of any director of the issuer; or



- (v) any other related party as defined in the International Financial Reporting Standards (IFRS);
- (b) No issuer company shall, except with the approval of the general body of its shareholders, enter into any contract for sale of more than 50% (fifty percent) of the total tangible assets as shown in the statement of financial position as of the end of the immediately preceding completed financial year whether such sale occurs in a single transaction or several transactions taking place within one year from the date of first transaction;
- (c) The issuer company shall, if it enters into any such contract, within thirty minutes from the execution of the contract, disclose about the nature and amount of the contract including description of the assets and declaration of any conflict of interest (e.g. conflict of interest due to significant control or influence, or due to any person mentioned at paragraph a(i)-a(v) above), to the Commission and the stock exchange(s) through fax and special messenger and publish the same in two widely circulated newspapers in Bengali and English;
- (d) The issuer company shall, after obtaining information from its directors and shareholders who hold 10% (ten percent) or more shares, excluding those held by the mutual funds, alternative investment funds, portfolio managers and stock dealers, furnish information on the shareholder's borrowing through pledge of share to lenders at the time of borrowing along with the cumulative borrowing, to the Commission and the stock exchange(s) at the end of each quarter of financial year as well as in the annual report.

The Notification No. SEC/CMRRCD/2008-183/Admin/03-30 dated 1 June 2009 (published in the Bangladesh Gazette on 29 June 2009) is hereby repealed.

By order of the Bangladesh Securities and Exchange Commission



Dr. M. Khairul Hossain
Chairman.