

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



অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

মঙ্গলবার, জানুয়ারি ২৬, 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

DIRECTIVE

13 December 2020

No. SEC/CMRRCD/2009-193/16/Admin/113—Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as “the Commission”) is satisfied that in the interest of investors and development of the securities market, the stock exchange(s) and stock broker(s) (hereinafter also referred as “broker”) registered with the Commission shall comply with certain requirements and obtain approval of the Commission prior to opening digital booth (hereinafter referred to as “booth”) of the stock broker;

Now, therefore, in exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Commission hereby directs the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and stock brokers thereof, to comply with the following, namely :—

1. Requirement for approval of opening digital booth.—

- (a) Any stock broker may apply to the Commission in Form-A with a copy to the stock exchange concerned for opening and operating a digital booth as a digitalized business center of the stock broker :

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Provided that the stock broker shall take recommendation of the stock exchange concerned for opening a digital booth.

- (b) The digital booth shall be directly controlled by the Head Office or any branch of the broker, and which shall not be operated by any third party.
- (c) The digital booth shall be opened in the area of city corporation, municipality, and union parishad headquarter and similar types of areas abroad:

Provided that in case of establishing digital booth outside the country, the stock broker shall take necessary permission of the authority(/ies) of the country concerned, after getting approval of the Commission.

- (d) The stock broker shall have requisite infrastructure & facilities, financial soundness and manpower to operate the booth.
- (e) The stock broker shall deposit Taka one (01) lakh for each booth in Bangladesh and Taka 10 lakh for each booth outside of Bangladesh to the exchange as collateral:

Provided that the collateral amount will be refunded at closure of the booth.

- (f) For a booth outside the country, the broker shall submit a declaration in non-judicial stamp of Tk. 300 (Taka three hundred) duly enlisted in the diary of a notary public to the effect that it shall solely be liable for any unsettled claim or legal claim or unpaid amount to the client:

Provided that the declaration shall be signed by Managing Director or Chief Executive Officer or any official or any director of the stock broker as authorized by the Board of Directors.

- (g) The stock broker shall have the following requisites:
 - (i) official Facebook page and website.
 - (ii) an active dedicated mobile phone in each of the booth for customer service.
 - (iii) detailed information of services to be provided by the booth in the website in a separate visible menu along with “Frequently Asked Questions (FAQ)”.

- (iv) separate facilities for providing services to the female clients and physically challenged clients in each booth.
 - (v) a clearly visible signboard in front of the booth mentioning the name of the stock broker, registration number, details of local address including contact number and email address.
 - (vi) at least one authorized representative for each booth.
 - (vii) at least one virtual trading monitor or display ticker in each booth.
 - (viii) uninterrupted internet and other necessary services in each booth.
 - (ix) any other, as determined by exchange or Commission from time to time.
- (h) The stock broker shall submit the following documents to the Commission immediate to the approval but before starting the operation of the booth:
- (i) a copy of the lease or rental agreement for establishing the booth unless not owned by the stock broker.
 - (ii) a copy of trade license from the local authorities for starting the operation of the booth.
 - (iii) an authenticated copy of permission of concerned authority for opening a booth abroad.
 - (iv) any other, as determined by exchange or Commission from time to time.

2. Operation of digital booth, etc.—

- (a) The operation of the booth shall be limited to opening and closing of accounts, trading, account's balance verification and transactions disposal related services for resident and Non-Resident Bangladeshi (NRB) and foreign investors.
- (b) The broker is encouraged to provide all the services of the booth in digital form.
- (c) In the booth, cash transactions for trade shall be limited to maximum Tk. 2.0 lakh in rural area, Tk. 8.75 lac in city corporation or municipality area for a single client in a daily basis:

Provided that transaction limit for the client in the booth abroad is applicable as per regulations of the country concerned:

Provided further that no transaction limit is applicable for the transactions made through any banking channel.

- (d) The booth both at home and abroad shall maintain adequate compliant addressing capacities and sufficient facilities & systems for the verification of national identity (NID) and KYC in the application.
- (e) The stock broker shall take necessary precautions so that rumors, rumor based information and information without reliable source cannot be circulated or spread from the booth among the clients and investors.
- (f) The stock broker shall display the copy of its registration certificate provided by the Commission and a copy of the identity card of the authorized representative(s) assigned for the booth in a visible place of the booth.
- (g) The stock broker shall display in an easily visible place the list of services to be provided by booth along with appropriate fees and charges.
- (h) The supporting activities related to inward and outward remittances for the clients of the booth, if required, shall be supported or performed by the Head Office or the concerned branch of the broker.
- (i) Before starting the operation of the booth, in the respective locality, the stock broker at its own initiative shall undertake one or more financial literacy program among the prospective investors for building up awareness.
- (j) The stock broker shall arrange financial literacy programs for creating awareness among the investors after initiating the booth operations and such formal program shall be held at least two times in each year:
Provided that the financial literacy programs shall be both in on-line and off-line platform to ensure participation of all investors.
- (k) The stock broker shall ensure the insurance requirement in overseas operation, if applicable, as per the requirement of the concerned authority of the respective country.

3. Money Laundering and Risk Management.—

- (a) The stock broker shall ensure trading of the securities required to be conducted using B.O account both in on-line and off-line.
- (b) Considering the risk associated with money laundering, the transactions in the booth shall follow and abide by the rules, regulations and guidelines regarding anti-money laundering.
- (c) The stock broker shall ensure proper safety and security measures for each booth and its data server from fire, system hacking, and other internal and external risk factors.
- (d) The transactions or buy and sale of securities shall be executed keeping in cognizance of the Head Office or branch controlling the booth and the transfer of securities shall be performed through depository account maintained with the depository.

4. Complaints handling, monitoring by stock exchange.—

- (a) Each booth shall have its own compliant handling mechanism and shall maintain a digital platform for receiving complaints:
Provided that the stock broker shall preserve the proper documentation of each settlement of complaints received in the digital complaint platform.
- (b) The stock broker shall report to the stock exchange about the operations of the booth as well as the settlement of complaints or unsettled claims or complaints along with reason(s) for remaining unsettled for every quarter within ten (10) working days of end of the quarter.
- (c) The stock exchange shall submit a summary of all reports received under clause (b) above to the Commission within fifteen (15) working days from receiving the reports.
- (d) The Commission shall take penal action for any non-compliances or unsettled claims in due course under the provisions of Securities and Exchange Ordinance, 1969.

5. Closure and relocation of booth.—

- (a) In case of closure of operation of any booth, the relevant stock broker shall inform the clients, stock exchange concerned and the Commission within three (03) months prior to the scheduled date of closure and shall carry forward the process of closure of operation without hampering the interest of the clients:

Provided that before closure of operation of the booth, the stock broker shall ensure the transfer of securities in the link B.O account of the clients concerned, if required.

- (b) Immediately after completion of procedure of direction at clause (a), the stock broker shall inform the concerned stock exchange about the details of the closure of operation of the booth and the stock exchange shall report the same to the Commission about the details of the closure process within seven (07) working days of receiving the complete information.
- (c) For relocation of the booth, the stock broker shall make an application in Form-B to the Commission along with recommendation of the stock exchange concerned and after getting permission from the Commission, the process of relocation may be started.

6. Withhold, Cancellation of approval.—

- (a) The stock broker shall start their operation within six (06) months from the date of approval of the Commission; otherwise, the approval shall be cancelled automatically after six (06) months of approval.
- (b) The Commission may withhold the operation of a booth for any non-compliance or for any reasonable ground:

Provided that prior to withholding the approval, the stock broker shall be provided an opportunity of being heard.

Form- 'A'

Application for opening of digital booth

1. Name of the stock broker:
2. Number of booth /branch:
3. Address of recommended booth (mailing address), (according to the chart below):

Name of the building (if any):
Holding number:
Road number (if any):
Village/Area (if any):
Ward number:
Union/City Corporation/Municipality:
Police station:
District:
Country:

4. Objective of establishing digital booth:
5. Distance from the Head Office/ controlling branch office:
6. Detailed information on the relationship between any owners of the selected building with the stock broker or its director, if any:
7. Rental and other expenses for the proposed digital booth:
8. Description of the expenses for opening the proposed digital booth:
(Detailed information on the sections of expenses shall be attached separately with this form following the structure of the table below.)

Sl. No.	Head of expense/ Description	Amount of expenses (Taka)	Comments
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9. Measures to be taken for ensuring security:
(Security guard/ Arm guard, CCTV, etc.)

10. Number of employees in the booth:
11. Other information, if any:
12. Facilities for fire extinguishing and fire hazard prevention:
13. Emergency contact number(s) and address(es) of nearest hospital, police station, and fire service station:
14. Information those are not available during application shall submit to the stock exchange and Commission before launching of operation.

I hereby declare that the information given in this application is true and correct to the best of my knowledge and belief.

Date: _____

(Applicant's Signature and Seal)

15. Recommendation by stock exchange :

We hereby certify that, the applicant _____ (name of the applicant) is a TREC holder, holding number of TREC_____
Date_____. We have no objection on opening of aforesaid digital booth and we are also giving our recommendation for opening the said digital booth.

Chief Executive Officer/ Secretary

(Name)

Designation & Seal

Date:

Form-‘B’

Application for relocation of digital booth

1. Name of the stock broker:
2. Reference of approval letter of digital booth:
3. Address of recommended booth (mailing address) (according to the chart below):

Name of the building (if any):
Holding number:
Road number (if any):
Village/Area (if any):
Ward number:
Union/City Corporation/Municipality:
Police station:
District:
Country:

4. Distance between current building and proposed building:
5. Is the proposed building suitable for transferring booth:
6. Detailed information on the relationship with any directors of the selected building with the stock broker, if any:
7. Rental information regarding transferring digital booth:

Rental information	Current address	Proposed address
7.1 Size of floor space :		
7.2 Rent (Per square feet):		
7.3 Other charges:		
7.4 Amount of advance payment:		
7.5 Rate of rental increment:		
7.6 Rental Period:		

8. Number of manpower in digital booth:

9. Description of the expenses for transferring digital booth:

(Detailed information on the sections of expenses shall be attached separately with this form following the structure of the table below.)

Sl. No.	Head of expenses/ Description	Amount (Figure in Taka)	Comments
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10. Reason for transferring digital booth:

11. Actions/steps/measures shall be taken for ensuring security:

(Security guard/ Arm guard, CCTV, etc.)

12. Facilities for fire extinguishing and fire hazard prevention:

13. Emergency contact number(s) of nearest hospital, police station, and fire service station:

14. When clients of present location has been informed about relocation decision:

15. Other information, if any:

I hereby declare that the information given in this application is true and correct to the best of my knowledge and belief.

Date: _____

(Applicant's Signature and Seal)

16. Recommendation by stock exchange:

We hereby certify that, the applicant _____ (name of the applicant) is a TREC holder, holding number of TREC _____ Date _____. Providing recommendation for transferring digital booth.

Chief executive officer / Secretary

(Name)

Designation & Seal

Date :

This Directive shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-UI-Islam
Chairman.