

# Notification

No- SEC/CMRRCD/2001-63/Administration-

Date: 1<sup>st</sup> April 2003

In exercise of the power conferred by Section 17 of the Depositories Act, 1999, the Securities and Exchange Commission, subsequent to its earlier publication, makes the following regulations:-

## Chapter-One

### Preamble

**1. Short Title:** - These regulations may be called the Depository (User) Regulations, 2003.

**2. Definitions:-** (1) In these regulations, unless there is anything repugnant in the subject or context:-

(a) “Act” means the Depositories Act, 1999 (VI of 1999);

(b) “Electronic Communication” means any communication with electronic means including computers;

(c) “Bye-Laws” means the Depository Bye-Laws issued under the Act;

(d) “Schedule” means any schedule attached to these regulations ;

(e) “Administration Manual” means the Depository’s Administration Manual;

(f) “Person” includes company, statutory organization, partnership firm or any other institution.

(2) Words and expressions which are not defined in sub regulation (1) shall have the same meaning in these regulations as in the, Securities and Exchange Ordinance, 1969 (XVII of 1969), Securities and Exchange Commission Act, 1993 (XV of 1993) and Companies Act, 1994 ( XVIII of 1994) and rules and regulations issued thereunder.

**3. Declaration of State of Emergency** - (1) In the event of situations beyond control of the Depository (e.g. earthquake, act of sabotage, natural disasters, fires etc.), causing damage or disruptions in communication, electricity supply, telephone connection, the Depository may, in consultation with the Commission, declare a State of Emergency.

(2) The Depository may, in a declared state of emergency, take special temporary measures for transaction processing details of which the Depository shall inform in writing to the Commission forthwith (within 24 hours).

**4. Disaster Recovery system and procedure** – The Depository shall have adequate disaster recovery system to promptly deal with any disaster occurrence arising from any technical flaws or any other reason and the procedures pertaining to this shall be specified in the Administration Manual.

**5. Depository data security** – In addition to the disaster recovery system, the depository shall take all such steps so that the data preserved in the Depository is safe and secure, it is not destroyed or distorted, inward and outward data transmission of the Depository is encrypted and no-one can

access or use the said data in any way other than as per provisions of the Depositories Act, the Depositories Regulations including these Regulations or the Depository Bye-Laws or procedures prescribed thereunder.

**6. Internal evaluation, monitoring and control system**—The Depository shall have arrangement for adequate internal evaluation, monitoring and control system to ensure the security and control of the depository system and its operating procedures.

**7. Information, records etc. preservation system**— (1) The Depository shall preserve, inter alia, the following information, records etc. in accordance with the procedure of its Bye-Laws, viz.:

- (a) Records of securities dematerialised or rematerialised;
- (b) Names and addresses of transferors and transferees and date of transfer;
- (c) List or index of all Account Holders of securities;
- (d) Records of all instructions sent to and received from the Depository Participants, Issuers, Issuers' representatives and Account Holders;
- (e) Records regarding pledge;
- (f) Details of all participants;
- (g) Details of securities that are declared eligible for dematerialization;
- (h) Details of securities Lending and Borrowing, where applicable;
- (i) Such other information or records as the Commission may determine to be preserved from time to time.

(2) The Depository shall inform the Commission in advance in writing of the place where its information, records and documents will be preserved.

(3) Subject to the provisions of any other law, the Depository shall preserve its information, records and documents for a minimum period of seven years.

**8. Regular inspection** - To ensure its smooth operation, the Depository shall regularly inspect its systems, procedures, controls and safeguards and shall submit a copy of the inspection report to the Commission.

**9. Maintaining effective electronic communication links by the Depository** – The Depository shall ensure effective electronic communication links with the security Issuers, Depository Participants, Stock Exchanges, Clearing Corporation or House, Clearing Bank and any other Depository, including other persons, authorities or institutions as directed by the Commission.

**10. Cooperation with other persons or institutions**— The Depository shall cooperate with every Account Holder, Beneficial Owner (where applicable), Depository Participants, Issuer, Issuer's agent, Securities Custodians, Clearing Bank, Stock Exchanges, Clearing Corporation or House and any other Depository, including any other persons, authorities or institutions as directed by the Commission to ensure reliable, prompt and secured services.

**11. Adjustment of clearing and settlement system** –The Commission shall inform the Depository as soon as possible of any proposed changes to the clearing and settlement procedures and the Depository shall take appropriate steps to promptly adjust its system to take account of any such changes that are approved by the Commission.

**12. Compensation System**– The Depository shall have adequate arrangements, which may include insurance to lawfully compensate any person suffering a loss on account of the Depository.

Provided that, the insurer, any of its subsidiary companies or any of their officials, shareholders or representatives, during the period of insurance, shall not be included or be in the Board of the Depository.

**13. Prohibition on delegation of duties and responsibilities of the Depository** - Without the prior approval of the Commission the Depository shall not delegate its depository functions to any other person.

**14. Depository winding up provisions** – A Depository that wishes to wind up its business shall first of all seek the permission of the Commission by an application in writing providing the following information:

- (a) Reason for winding up of the Depository;
- (b) A description of the process of winding up of the Depository;
- (c) A description of the procedure for preserving the safety and custody of the securities held at the Depository and the manner in which the securities shall be dealt with following the winding up of the Depository;
- (d) A detailed description of arrangements for fulfilling contractual obligations of the Depository in respect of security related matters with such persons and institutions and any other related entities; and
- (e) Any other information sought by the Commission:

Provided that, only after receipt of a written approval from the Commission, the Depository may commence its winding up process.

## **Chapter- Two**

### **Eligible Security**

**15. Depository Eligible Security** - A Depository, in accordance with its Bye-Laws, shall determine the securities that are eligible to be held in the Depository in dematerialised form i.e. eligible securities.

**16. Classification of eligible securities:** - A Depository may classify Eligible Securities into the following types and may, subject to the Bye – Laws, determine the type of Securities that may be held by each Participant, viz.:

- (a) Securities listed on a Stock Exchange;

(b) Securities issued by the Government as bond market securities or such other securities designated as bond market securities;

(c) Other securities, which may include equity and bond securities, mutual fund units, commercial papers etc.

**17. Securities eligible for listing** - (1) Once the Commission has granted a Business Commencement Certificate to a Depository, the Commission shall set a date within which all securities or a particular security listed on a Stock Exchange shall be declared to be eligible securities. After that date all or any particular security shall not be transacted in the Stock Exchanges except in dematerialized form.

Provided that, the Commission, if it deems fit, may change the above date or exempt specific securities from eligible securities.

Provided further that, following the date of approval of the Depository Bye-Laws by the Commission, all new securities listed in the Stock Exchanges shall be deemed to be eligible securities, which shall not be traded in the Stock Exchanges except in dematerialised form.

(2) Subject to provision of aforesaid sub regulation (1), a Stock Exchange shall refrain from providing continued listing facility to any securities that have not been declared an Eligible Security.

**18. Agreement between the Depository and issuer for holding securities in the Depository** - The Depository and the security issuer shall enter into an agreement as specified in the Depository Bye-Laws for holding securities in the Depository.

Provided that, where the Depository is itself the Issuer, such an agreement shall not be required, but provisions of such agreement shall be applicable to the Depository as an issuer.

**19. Depositing of sponsors and directors securities of the issuer in the Depository**- Any security, when declared an eligible security, and an agreement is entered into, as per the Bye-Laws of the Depository, between the Depository and the relevant issuer, the securities of the sponsors and directors of the relevant issuer shall be dematerialised forthwith for holding in the Depository.

### **Chapter- Three**

#### **Accounts Maintenance**

**20. Facilities of Accounts** - (1) A Depository may provide facilities for the following types of accounts:

(a) **Clearing Accounts** - Trading Participants, Custody Participants, Settlement Agent Participants and Full Service Participants may use this account to settle transactions in the Stock Exchanges.

(b) **Principal Accounts** - Trading Participants, Custody Participants and Full Service Participants may use this account to hold their own securities;

(c) **Customer Accounts** - Full Service Participants and Custody Participants may use this account to hold securities in the names of investors.

**(d) Omnibus Accounts** – Full Service Participants and Custody Participants may use this account in order to hold securities of a number of investors together.

**(e) Direct Accounts** - The Depository may use these accounts to directly hold securities of the investors.

(2) The Depository shall have facilities for readily identifying any account.

(3) All Accounts shall be opened in accordance with the procedures specified in the Bye-Laws.

**21. Direct Accounts** - (1) A Depository may open only one Direct Account in the name of each person.

(2) Direct Account Holders shall not hold securities of other persons in their accounts.

(3) The Depository shall transfer securities of Direct Account Holders only in accordance with their written instructions.

(4) The Depository shall provide every Direct Account Holder with a monthly statement in respect of trades transacted showing all securities transactions on the account since the last statement. If there are no transactions on the Account, statements may be provided on a quarterly basis.

**22. Reconciliation of accounts** – The Depository and its Participants shall have such systems / arrangements in place through which it is possible to correctly reconcile between the Issuer, Depository and the Depository Participant the accounts relating to the securities. The Issuer shall reconcile the balance of dematerialized securities with the Depository each time any security is entered in its Depository Register or any security is removed from the Depository Register.

**23. Execution of agreements by the Depository Participants with account holders** – The Depository Participant shall, in accordance with the format specified in the Depository Bye-Laws, enter into agreements with all the account holders.

**24. Opening of separate accounts etc. by the Depository Participant for each account holder -**

(1) The Depository Participant shall, in the manner specified in the Bye-Laws, open separate accounts for all its account holders, segregate their securities in accordance with separate accounts and shall not mix up the securities of one account with another.

(2) The Depository Participant shall, on receipt of instructions from account holders in the format specified in the Depository Bye-Laws, execute the transfer of securities in their accounts.

**25. Providing statements etc. by the Depository Participants** - The Depository Participant shall provide account statements to all its account holders at specific intervals as per the agreement with them as provided in the Depository Bye-Laws.

**26. Opening of accounts etc. with Depository Participant** - (1) A person, wishing to avail services of the Depository, may open account with any Depository Participant of his choice:

Provided that, no person, other than institutional investors, shall be allowed to open more than one account with the same Participant.

(2) Persons and institutional investors shall apply to the Depository Participant of their choice for opening accounts by filling up the form specified in the Bye-Laws and the Depository Participant shall promptly act in accordance therewith.

(3) The account maintained with the Depository Participant can be closed by applying for closure of the account in the relevant form, as specified in the Bye-Laws, and the Depository Participant shall promptly take necessary steps in accordance therewith.

Provided that, if there are any pledged securities in the relevant account, that account shall not be closed without the prior approval of the Pledgee.

## **Chapter- Four**

### **Depository Participants**

**27. Registration of Depository Participants** – (1) No person shall act as a Depository Participant without receipt of a registration certificate under these Regulations.

(2) To Register as a Depository Participant:

(a) an application shall be made to the Commission in the form as prescribed in **Schedule-‘1’** through the Depository along with the recommendation of the Depository registered with the Commission;

(b) the said application shall be attached with all documents and information mentioned in the Form and a bank draft or a pay order as fee payable in favour of the Securities and Exchange Commission in the amounts stated below:

In the case of Trading Participants ..... Tk. 5,000/-

In the case of Other Participants ..... Tk. 10,000/-

(c) upon the receipt of an application, the Depository shall fill in the relevant portion of the application and submit it to the Commission along with the bank draft or pay order within seven working days;

(d) if the Depository, for any reason, decides that the application is not fit to be recommended to the Commission for registration, it shall inform the applicant within seven working days in writing giving reasons thereof and a copy of it shall be sent to the Commission simultaneously along with the draft or pay-order received.

Provided that, upon removal of the reasons for which the application was not recommended to the Commission, the applicant may resubmit his application, and in that case he will not have to pay the fee again.

**28. Eligibility for registration as a Depository Participant**- Any Person shall be eligible for registration as a Depository Participant under these regulations, if –

(1) the applicant belongs to one of the following categories, viz. :-

(a) a financial institution as defined in The Financial Institutions Act, 1993 (XXVII of 1993);

(b) a bank company as defined in The Bank Companies Act, 1991(XIV of 1991);

(c) an insurance company as defined in The Insurance Act, 1938 (IV of 1938);

- (d) any Company incorporated under the Companies Act 1994 (XVIII of 1994) or any statutory organization established or formed under any other law;
- (e) any Clearing Corporation, Stock Exchange Clearing House as approved by the Commission;
- (f) any corporate stock dealer, stock broker, merchant banker, asset manager, custodian or any other capital market intermediaries, registered with the Commission.

Provided that, in the case of stock-dealer or stock-broker, his minimum capital shall have to be Taka twenty-five lac paid in cash, of which at least 75% shall be maintained as net worth at all times:

Also provided that, in the case of stock dealers or stock brokers wishing to be Trading Participants, the above condition shall not apply:

Provided further that, in the case of Stock Dealers or Stock Brokers the requirement of being a corporate entity mentioned in Regulation 28, Sub Regulation (1) (f) shall be applicable subject to the relevant provisions of the Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorized Representatives) Rules 2000;

(g) any other institution as specified by the Commission from time to time in this regard; and

(2) the applicant has the infrastructure, security system and proper manpower as specified in the Bye-Laws of the Depository.

**29. Categories of Depository Participants** – A Depository, in terms of its Bye-Laws, may classify Participants in the following categories, viz. :-

(a) **Trading Participant** – Only stock dealers or stock brokers shall be participants of this category and shall, apart from operating their own Accounts, operate Clearing Accounts to settle Stock Exchange transactions;

(b) **Full Service Participant**- Participants of this category shall operate their own Accounts, Clearing Accounts and the Accounts of the investors;

(c) **Custody Participant**- Participants of this category shall, apart from their own accounts, operate Custody Accounts of their customers and Clearing Accounts of stock brokers or stock dealers;

(d) **Settlement Agent Participant**– Participants of this category must be approved by the Commission and shall operate Accounts for providing services relating to settlement of Stock Exchange transactions only on behalf of stock brokers or stock dealers registered with the Commission.

**30. Registration as Depository Participant** – (1) Upon receipt of an application for registration as a Depository Participant, if the Commission is satisfied that the application is fit to be accepted under these regulations, the Commission shall grant it within ten working days of its receipt and issue a registration certificate in the Form given in **Schedule- ‘2’** in favour of the applicant.

(2) If the Commission requires any further information for the consideration of an application, it may call for the same within seven days of receipt of the application; and upon receipt of the said information within the time specified by the Commission and if the application is found fit to be accepted, the Commission shall grant it and issue a registration certificate to the applicant within ten working days of receipt of the additional information.

(3) If the Commission, upon consideration of an application for registration, takes a decision to the effect that the application is not fit to be granted under these regulations or its granting shall not be in the interest of the capital market or public interest, it may reject the application, giving reasons in writing, within fifteen working days of the receipt of the application, or within ten working days of receipt of the additional information under the sub-regulation (2).

Provided that, the applicant may, upon removal of the said reasons, resubmit the application to the Commission through the Depository.

(4) A registration certificate granted by the Commission shall be effective in terms of the conditions specified therein and shall remain valid for one year from the date of issuance.

(5) If any information furnished by the Depository Participant subsequently changes, the Depository Participant shall inform forthwith the Depository and the Commission of the changes in writing.

(6) A registration certificate may be renewed for a year by submitting an application through the Depository in the Form as per **Schedule –‘3’** along with a bank draft or a pay order in favour of the Commission as annual renewal fee in the amounts stated below:

In the case of Trading Participants ..... Tk. 2,000/-

In the case of Other Participants ..... Tk. 4,000/-

(7) The application for renewal of the registration certificate, as mentioned in sub-regulation (6) has to be submitted to the Commission one month prior to the expiry of the registration certificate; in case of failure to do so, a fine of Tk. 500/-, for each day of delay shall have to be deposited at the Commission.

**31. Agreement with Customers** – (1) Participants maintaining Customer and Omnibus Accounts shall have written agreements with each of their customers.

(2) The format of the agreement shall be in accordance with the Bye-Laws of the Depository.

**32. Control of Accounts by the Depository Participants-** (1) Securities of customers must be segregated from securities of the Participants except where these are held in Clearing Accounts.

(2) Trading Participants, Custody Participants, Settlement Agent Participants and Full Service Participants may open Clearing Accounts for settling their trades in accordance with the Bye-Laws.

(3) Full Service Participants and Custody Participants may open accounts in the name of the investors, and may open Omnibus Accounts subject to mutual agreement.

(4) Settlement Agents Participants may open Clearing Accounts for their customers i.e. stock brokers or stock dealers.

(5) Securities shall be transferred from the account of the customer to the Clearing Account only after a sell order is received by the stock broker or stock dealer. When the sell order is executed, the securities shall be transferred to the Clearing Account before the end of the business day. When the sell order is cancelled, securities must be returned to the Customer Account from the Clearing Account before the end of the business day.

Provided that, in the case of institutions registered with the Commission providing custodial services, the existing rules in this regard applicable to them shall continue to apply.

(6) Trades transacted through the Stock Exchanges shall be settled as per the relevant Settlement Rules.

(7) Participants, at all times, shall keep records of ownership of the securities held in the Clearing and Omnibus Accounts and shall be obliged to provide it upon demand of the Depository or the Commission.

**33. Maintaining effective electronic communication links etc. by the Depository Participant -** The Depository Participant shall, as per the Depository Bye-Laws, ensure effective electronic communication link with the Depository of which it is a Participant.

**34. Preservation of records and information etc. by the Depository Participant –** (1) The Depository Participant shall have arrangement of adequate internal evaluation and audit to ensure proper preservation of records and information, in accordance with the procedure prescribed in the Bye-Laws.

(2) The Depository Participant shall reconcile his records with the Depository on a daily basis.

(3) The Depository Participant shall submit periodic returns to the Depository in prescribed format, as per the provision of Depository Bye-Laws.

(4) On demand by the Commission, every Depository Participant shall provide forthwith information as may be specified in the letter of request from the Commission.

(5) Depository Participant shall maintain and keep up to date, inter alia, the following information for inspection and examination by the Commission, the Depository or Commission's appointed person or organization viz.:

(a) Information relating to all transactions with the Depository and account holders.

(b) All records relating to securities dematerialised and rematerialized through the Depository Participant.

(c) Copies of all instructions received from and all statements of accounts provided to every account holder; and

(d) All information relating to pledge.

(6) Depository Participant shall inform in advance the Commission and the Depository in writing of the place where all its records and information are preserved and inform the Commission and the Depository, forthwith, of any changes therein.

(7) Subject to the provisions of any other law, the Depository Participant shall preserve records, information and documents for a minimum period of seven years.

**35. Maintenance of separate records Depository wise-** A Participant of more than one Depository shall maintain records and information etc., as specified in regulation 34, separately in respect of each Depository.

**36. Inspection of activities of the Depository Participant-** The Depository Participant shall be obliged to let any authorised person appointed by the Commission or the Depository to enter its office and inspect its activities, records etc. at any time.

**37. Prohibition of delegation of function of the Depository Participant –** No Depository Participant shall assign or delegate its functions of a Depository Participant to any other person, without the prior approval of the Depository.

## **Chapter – Five**

### **Securities Dematerialisation or Rematerialization**

**38. Depositing securities for dematerialization etc. –** (1) When the Depository declares any security eligible for dematerialization, the owner of that security can open an account with the Depository or its Participant and deposit securities that are in his own name or in the name of his customer, if he is a custodian, to the issuer for dematerialization.

**39. Rematerialization of Security -** If any person wishes, he may convert the dematerialised securities in his account again into rematerialized form in accordance with the Bye-Laws.

**40.** The procedures for securities dematerialization and rematerialization shall be as specified in the Bye-Laws.

## **Chapter- Six**

### **Securities Ownership Changes**

**41. Assurance of payment in case of change in security ownership-** The Depository shall ensure that, it has such system in place that in respect of transactions in the stock exchanges, security ownership will be transferred only after receipt of confirmation of payment, where applicable.

**42. Transfer of security ownership from one account to another etc. in case of off market Transaction–** (1) Depository Participants shall not transfer securities without the written instruction of their Account Holders.

(2) If an Account Holder or Direct Account Holder wants to transfer securities from his account to another account, he shall fill up the form specified in the Bye-Laws and submit it along with, where applicable, a letter of approval from the Stock Exchange or the Commission to the Depository Participant or the Depository. The Depository Participant or the Depository shall immediately confirm the authenticity of the information provided in the form submitted and, upon finding it in order, shall record it in its system.

(3) If any Account Holder or Direct Account Holder wants to transfer securities to his account, he shall fill up the form as specified in the Bye-Laws and submit it to the Depository Participant or the Depository and the Depository Participant or the Depository shall record it in its system.

(4) If a person wishes, he may give standing instructions regarding securities transactions to the Depository Participant, either for a specific period of time or for all times, in which case he does not have to fill up the form specified in the Bye-Laws every time.

(5) When the instructions of transferor and transferee for security transfer and transmission match, then the securities shall be automatically transferred without delay from one account to another.

(6) If the Depository fails to transfer or transmit security because of an error in record entry, it shall deposit the security in a provisional account until a proper examination and investigation has been carried out.

(7) On the death of any Account Holder or Direct Account Holder, his legal heir can apply to the Depository Participant or the Depository holding the securities in custody for transmission of the securities by filling up the form specified in the Bye-Laws. The transmission will be effected following the verification of relevant documents by the Participant, in the case of Account Holders or the Depository, in the case of Direct Account Holders.

**43. Providing information to the Issuer on the ownership of securities recorded in the Depository Register** – (1) Every Depository shall regularly provide the Issuer with information on ownership of securities of that Issuer recorded in the Depository Register (viz. name, address, number of securities etc.) through the System, in order that the Issuer can send half-yearly report, annual report, cash or stock dividend, submit returns to the Registrar etc. and the Issuer shall act according to that information.

(2) All procedures relating to exchange of information shall be as specified in the Bye-Laws.

## **Chapter – Seven**

### **Providing Other Facilities**

**44. Pledge facilities** - (1) A Depository or Depository Participant may provide pledge facilities to its customers.

(2) A Depository or Depository Participant shall execute the pledge, upon receipt of the Pledge Request Form as specified in the Depository Bye-Laws, duly signed by the pledgor and the pledgee.

(3) The Security under pledge shall remain in the name of the pledgor on the Depository Register.

(4) The security while under pledge may be transferred on the instruction of the pledgee in the manner as specified in the Bye-Laws.

**45. Securities Lending and Borrowing facilities:** -The Depository may, with the prior permission of the Commission, provide facilities of lending and borrowing of securities as per the provisions of rules introduced by the Commission on securities lending and borrowing.

**46. Bonus and Rights Shares issue** – If an Issuer, whose securities are held in the Depository, issues any bonus or rights shares then the allotment of those securities shall be through the System in the Depository, which shall be effected following the receipt and verification of the relevant documents along with the written instructions of the Issuer.

**47. Dividend Distribution** – At the request of the Issuer, dividend warrants in respect of dividends declared by the Issuer may be distributed through the Depository. But in such cases, the responsibility of timely distribution of dividends and the submission of report following the distribution to the Commission shall, as usual, rest with the Issuer.

## **Chapter Eight**

### **Miscellaneous**

**48. Depository Services Fees** – The Depository may receive the fees specified in **Schedule-‘4’** for the services provided by it.

Provided that, if the Depository requires to realize money under heads other than the fees mentioned (such as recoverable costs, deposits etc.) it shall be specified in the Bye-Laws.

**49. Public inspection** - The Depository shall keep available for public inspection the following information and records during office hours:

- (a) List of Eligible Securities;
- (b) Names, addresses and telephone numbers of the Depository Participants;
- (c) Depositories Act, Depositories Regulations, Bye-Laws, Manuals etc.;
- (d) Depository Register; and
- (e) Any other information, records etc. as directed by the Commission.

**50. Complaints and Redressal** – The Depository shall record all complaints filed with it and shall forthwith take appropriate action to redress the complaints.

**51. Submission of Reports to the Commission** – (1) The Depository shall submit, inter alia, the following reports to the Commission:

- (a) A statement of change of ownership of securities arising from off market transactions of the previous working day – within the next working day;
- (b) A statement of failed trades in the Stock Exchanges on the previous day for not having securities in the transferor’s account– within the following working day;
- (c) Report of any disciplinary action taken against any Participant – within the next three working days;
- (d) Immediate report informing of any disaster occurrence in the system; and
- (e) Depository’s half-yearly report within the next one-month and annual financial statement – within next three months.

(2) The Depository shall be required to provide any other information sought by the Commission from time to time.

**52. Rights and Obligations of the Depository and Others** – The rights and obligations of the Depository, the Depository Participant, Issuer and agent of the Issuer shall be determined according to the Depositories Act, Depositories Regulations, along with these Regulations, Depository Bye – Laws and lawful agreements executed between the parties concerned.

Provided that, should any conflict arise in this regard, the decision of the Commission shall be final.

**53. Penalty** – The Commission may suspend or cancel Registration Certificate of a person contravening any provision of these Regulations or any directive issued thereunder, or may take further punitive measures against any person accused in an investigation by the Commission.

Provided that, no penal action shall be taken against the person concerned without giving him a show cause notice and a reasonable opportunity of being heard.

Provided further that, the affected person may appeal to the Commission under the Securities and Exchange Commission (Appeal) Regulations, 1995, which shall be settled as per the said Regulations.

**54. Publication of English translation** – After the commencement of these Regulations, the Commission shall, by notification in the Bangladesh Gazette, publish an authentic text of an authorized translation in English of these Regulations which shall be called the Authentic English Text of these Regulations.

Provided that, in the case of any conflict between these Regulations and the said English Text, these Regulations shall prevail.

**Schedule - 1**

[Regulation 27, sub-regulation (2)]

**Application for Registration as Depository Participant**

[In case of statutory organizations, banks or insurance companies, stock dealers or stock brokers, providing information specified in serial numbers 1 – 7 shall suffice]

1. **Name of the applicant** :
  
2. **Address of the applicant** :  
(Change in address shall be informed in writing to the Commission and the relevant Depository within three working days)
  
3. **The Depository in which the applicant desires to be a Participant**
  - a) Name & address :
  - b) Code Number :
  - c) Date code conferred :
  
4. **Registration applied for in which category of service provider?** : .....Participant
  
5. **Legal status of the applicant** : Company / Statutory Organization  
(Cross out not applicable. In case of statutory organizations, banks or insurance companies, attested photocopy of the relevant Act / Registration Certificate and last audited annual report to be enclosed)
  
6. **Name and authority of the signatory on behalf of the applicant** :  
(Please attach copy of authority)
  
7. **Applicant's**
  - a) Office Phone, Fax and E-mail :
  - b) Chief Executive Officer's residence Phone, Fax and E-mail :
  
8. **If the applicant is a Company, provide the names, addresses of directors giving details of shareholding or business relationship with any other company / institutions** :
  
9. **Applicant's experience in the securities business (if any)** :
  
10. **Net worth of the applicant (as on .....)** :  
[Audited financial statement to be submitted]
  
11. **Is the applicant; a Merchant Banker, Portfolio Manager, Trusty of a Mutual Fund, Custodian or Asset Management Company?** :

- 12. At any time has the applicant or any of its directors been penalised under any criminal offences involving forgery, perjury or fraudulent activities? If so, when, where, what type of crime? :
- 13. Is the applicant or any of its directors at any time been declared insolvent or of unsound mind by any court? If so, when, where? :
- 14. Is the applicant or any of its directors a bank defaulter? If so, which bank and what amount? :
- 15. **Authorised representative of the applicant (if any)**
  - a) Name :
  - b) Father's Name :
  - c) Permanent Address :
  - d) Current Address :
  - e) Office Address :
  - f) Educational qualification :
- 16. **Number of employees of the applicant** :
- 17. **Other information** :

I declare that, the information stated above are true to the best of my knowledge and belief.

For and on behalf of .....

Date.....

.....  
Seal and signature of the applicant

**Recommendation / Comments of the Depository**

Date:.....

.....  
Seal and signature of the Chief Executive Officer

**Schedule – 2**  
[Regulation 30, sub – regulation (1)]  
**Certificate of Registration of Depository Participant**



Securities and Exchange Commission  
Certificate of Registration of Depository Participant

Registration Certificate no.-----

Date of grant of Registration Certificate-----

As per Regulation 30, of the Depositories (User) Regulations 2003, the Securities and Exchange Commission hereby grants a certificate of registration to .....  
(insert name and address)

to act as a ..... Participant of .....  
(name of the Depository)

This registration certificate is valid up to ..... and thereafter it may be renewed in the  
(date)  
format specified at the back of this certificate.

For and on behalf of  
Securities and Exchange Commission

-----  
Signature of the registration officer

Name :- -----

Designation -----

Seal

## Renewal of Certificate

Registration Certificate No. -----

Date -----

Renewed up to	Changes in address, legal status etc. (if applicable)	Renewal Officer's signature and seal

**Schedule – 3**  
[Regulation 30, Sub – Regulation (6)]  
**Renewal of Registration Certificate of Depository Participant**

Application for renewal of the registration certificate of a Depository Participant

- 1. Category and name of the applicant :
- 2. Registration certificate number :
- 3. Date of grant of the registration certificate,  
date of the last renewal and expiry date :
- 4. Change in address (if any) :
  - (a) Permanent :
  - (b) Present :
  - (c) Office :
  - (d) Telephone, Fax, E – mail :
- 5. Brief description of any change in the legal  
status of the organization or structural changes  
of the Participant :  
(In case of any change the Depository and the  
Commission shall be informed in writing within three  
working days, with copies of relevant documents)

I declare that, the information stated above is true to the best of my knowledge and belief.

For and on behalf of .....

Date:.....

.....

Seal and signature of the applicant

**Recommendation of the Depository**

This is to certify that ..... is this Depository's  
(insert name and address)  
..... Participant.

It is recommended that the Securities and Exchange Commission renew its registration certificate  
up to .....  
(date)

Date:.....

.....

Seal and signature of the Chief Executive Officer

**Schedule – 4**  
[Regulation 48]

**Depository Services Fees**

Serial No.	Type of Fees	Rate	Minimum Fees -Taka	Basis of Fees	Payable By	When Payable
1.	Demat Fee	Tk 0.00025	5	Market value of Securities	Participant	Month end
2.	Transaction Fee	Tk 0.00025	5	Market value of Securities	Participant / Account Holder	Month end
3.	Custody Fee	Per year 0.050%	5	Market value of Securities	Participant / Account Holder	Month end (Calculated on daily basis)
4.	Depository Connection Fee	Per Month Tk 500	-	Fixed Monthly Fee for the first connection	Participant / Issuer	Monthly in advance
5.	Depository Additional Connection Fee	Per Month Tk 5000	-	Fixed Monthly Fee for each additional connection	Participant / Issuer	Monthly in advance
6.	Annual fee on face value of issued Eligible Security:			Fixed annual fee for each eligible security	Issuer	Annually in advance
	-Up to Tk. 5 crore	Tk 25,000	-			
	-Above Tk 5 crore up to Tk 20 crore	Tk 50,000	-			
	-Above Tk 20 crore	Tk 1,00,000	-			
7.	Fresh Issue / IPO Fee	Tk. 0.00025	-	Issue Price	Issuer / Participant	With Application / Month end
8.	Remat Fee	Tk 0.10	100	Per security	Participant / Direct Account Holder	Month end
9.	Documentation Fee	Tk 2,500	-	One time, fixed	Participant / Issuer / Direct Account Holder	On account opening
10.	Application / verification fee for statement	Tk 10	-	Per page	Account Holder	With application

For and on behalf of the Securities and Exchange Commission

Manir Uddin Ahmad  
Chairman