

Regulation and Management of involvement of private operation in the Securities Market



Annex-VI

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MEMBER TYPE

Classification of a member:

(i) Broker

(ii) Dealer

- Member with only broker license.
- Member with broker, Depository participant license
- Member with broker, Dealer, Depository participant and merchant banking license.
- Member with only broker, Depository participant and merchant banking license.

Cont.-3



Cont... MEMBER TYPE

- ❑ Institutional member
 - Banking
 - Non-Banking financial Institution
- ❑ Non-institutional member.
- ❑ All member firm have to be form a company as per company act.



Merchant Banking

- ❑ Merchant Banking with broker license under same management.

- ❑ Function of Merchant Banking:
 - o Portfolio Management
 - o Issue Management (Minimum one issue management should be conducted by a merchant bank within a calendar year)

 - o Underwriting



Function of the Member

- ❑ To open clients account on behalf of investors.
- ❑ To execute buy/ sell on behalf of clients.
- ❑ To provide confirmation after execution of trade.
- ❑ To clearing and settlement the executed trade with the exchange.
- ❑ To provide all necessary information regarding capital market.
- ❑ Comply with all rules and regulations of regulatory authority with in the stipulated time.
- ❑ To open beneficial owner (BO) account.



Compliance by the member

- The member are required to comply with the rules and regulations of Securities & Exchange Commission (SEC). These rules are subject to continuous amendment.



Guideline for compliance

- ❑ Customer account information must be updated.
- ❑ Buy/Sale order book and register must be updated.
- ❑ Telephonic / E-Mail / Fax order acceptable but written confirmation will be obtain with in 24 hours.
- ❑ Trade confirmation report transmit with in the 24 hours after execution of trade to the customer.
- ❑ Dealer shall be allowed to transact in the name of company by furnishing Form “D” for every trade.
- ❑ Consolidated customers bank account and Company bank account separately maintain by the company.



Cont...Guideline for compliance

- ❑ Separate preservation of securities of customer.
- ❑ Book of accounts should be maintain by a member.
 - Cash book and Bank book
 - General Ledger
 - Client Financial ledger.
- ❑ Preparation of financial Statement and submit to the exchange within 4 month of the compilation of a financial year.
- ❑ Documents for Authorized Representative (AR) by a member and submit to Exchange for Authorized representative license from SEC.
- ❑ Margin arrangement with client by margin agreement.



Scope of trade from deferent location in the country by a member

- ❑ Nation-wide online trading network with fully automated screen-based trading facilities.

Present coverage in major cities:

- **Dhaka, Chittagong, Sylhet, Rajshahi, Khulna, Barisal, Tangail and Coxsbazar**



Thank you very much

