

বাংলাদেশ



গেজেট

অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

শনিবার, মার্চ ১, ২০১৪

[বেসরকারি ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ]

**DHAKA STOCK EXCHANGE
(SETTLEMENT GUARANTEE FUND) REGULATIONS, 2013
NOTIFICATION**

Dated: the December 04, 2013

In exercise of the powers conferred by section 34 (1) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) and read with section 23 of the Exchanges Demutualization Act, 2013, the Dhaka Stock Exchange Limited makes, with the prior approval of the Bangladesh Securities and Exchange Commission, the following regulations, namely:

1. Short title:

- (1) These Regulations may be called the Dhaka Stock Exchange (Settlement Guarantee Fund) Regulations, 2013
- (2) These Regulations shall come into effect on Demutualization Date.

2. Definitions:

- (1) In these Regulations, unless the context otherwise requires,
 - (a) "Board" means the Board of Directors of Dhaka Stock Exchange Ltd.;

- (b) "Commission" or "BSEC" means the Bangladesh Securities and Exchange Commission;
 - (c) "Demutualization Act" means the Exchanges Demutualization Act, 2013 (Act no. 15 of 2013);
 - (d) "Demutualization Date" means the date from which the Exchange stands demutualized in accordance with the provisions of section 10 of the Demutualization Act;
 - (e) "Exchange" or "DSE" means the Dhaka Stock Exchange Limited;
 - (f) "Fund" means the Settlement Guarantee Fund created in pursuance of these Regulations;
 - (g) "Settlement" means the process under which a trading contract is completed with the final, unconditional transfer of securities from the seller to the buyer and the final settlement of price payments in their respect;
 - (h) "Settlement Regulations" means the Dhaka Stock Exchange (Settlement of Transactions) Regulations, 2013;
 - (i) "Trading" means selling or buying of securities;
 - (j) "TREC" means Trading Right Entitlement Certificate as defined in the Demutualization Act, 2013;
 - (k) "TREC holder" means a person who holds a TREC issued by the Exchange;
- (2) Words and expressions used that are not defined herein but defined in the Companies Act, 1994 (XVIII of 1994), or the Securities and Exchange Ordinance, 1969 (XVII of 1969), or the Securities and Exchange Commission Act, 1993 (XV of 1993), or the Exchanges Demutualization Act, 2013 or Dhaka Stock Exchange (Automated Trading) Regulations, 2013 shall have the same meanings as are respectively assigned to them in the said Ordinance or Act or Regulations.

3. Objective of the Fund:

The objective of the Fund shall be to reduce the settlement risk in case of trades in the Exchange and to ensure settlement of the trades in the manner prescribed by these Regulations and the Dhaka Stock Exchange (Settlement of Transactions) Regulations, 2013.

4. Creation and Operation of the Fund:

- (1) There shall be a Fund by the name "Settlement Guarantee Fund of DSE" created by the Exchange with the contributions as prescribed in Regulation 5.
- (2) The Fund shall be managed by "Management Committee" of the Exchange. For this purpose, Management Committee means a Committee consists of Chief Regulatory Officer (CRO), Chief Financial Officer (CFO), General Managers (GMs) and any other person(s) nominated by the Managing Director/Chief Executive Officer (MD/CEO). The committee will be headed by the CRO.
- (3) The CRO or any person authorized by him shall be the signatory for any transaction from the Fund.
- (4) The CRO shall prepare and submit half yearly report on the status of the Fund to the Board .

5. Contribution to the Settlement Guarantee Fund:

- (1) The Fund shall comprise of contributions from the following sources:
 - (a) Initial contribution: The initial contribution shall comprise of contributions from the Exchange and TREC holders as follows:
 - (i) Taka 100,00,00,000 (Taka One Hundred Crore) from the Exchange;

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- (ii) Taka 5,00,000 (Taka Five lac) per TREC holders as subscription in the Fund out of which Taka 2,50,000 (Taka two lac fifty thousand) only will be collected on call made by the management and rest Taka 2,50,000 (Taka two lac fifty thousand) only will be collected between second and third years of formation of the Fund.
- (b) Regular contributions:
- (i) 5% of annual net profit of the Exchange will be transferred to the Fund as a regular contribution on annual basis.
 - (ii) Any income generated from of the Fund shall be attributable to this Fund.
- (c) Extraordinary guarantee calls: Extraordinary guarantee call shall mean a contribution that a TREC holder must transfer into the account of the Fund following the approval of the Board.
- (d) Penalties collected from TREC holders: All amount received as penalties under Regulation 18 of Settlement Regulations.
- (e) Default Interest: The default interest paid by a TREC holder under Regulation 15 of Settlement Regulations.
- (2) Each TREC holder shall be liable to make the payment of contribution to the Fund within 10 (ten) working days of receipt of request for contribution as provided herein above.
- (3) Without prejudice to the sources of contribution, the Fund may receive contribution from any other sources as may be approved by the Board from time to time.

6. Penalty for Delay:

Any delay in payment of contribution following the receipt of a call shall be subject to default interest at the rate of 0.10% per day on the amount from the due date.

7. Suspension:

(1) In the event a TREC holder fails to deposit the contributions specified in the Regulation 5 within 30 (thirty) working days of the receipt of a call and further fails to pay default interest, the Exchange shall have the power to suspend the TREC holder's right to trade on the exchange in accordance with Regulation 8 of the Dhaka Stock Exchange (Trading Right Entitlement Certificate) Regulations, 2013.

(2) In the event any amount from the Fund is utilized to meet unsettled exposure under Regulation 4 of the Settlement Regulations and the relevant TREC holder fails to reimburse the Fund at least equal to the unsettled amount with penalties on or before the relevant clearing date as defined in the Settlement Regulations the Exchange shall have the power to suspend trading of the respective TREC holder under Regulation 8 of the Dhaka Stock Exchange (Trading Right Entitlement Certificate) Regulations, 2013.

8. Utilization of the Fund:

Any amount credited to the account of the Fund may be utilized for such purposes as may be prescribed by the management committee including for the purpose of settlement of any unsettled exposure and any losses incurred thereof for a TREC holder.

9. Investment of the Guarantee Fund:

Any amount lying in the account of the Fund may be invested in such a manner as may be determined by the management committee.

10. Power of the Management Committee:

- (1) Subject to contrary direction by the Board the management committee shall deal with the Fund in such a manner as may be required for achieving the objective of the Fund for which it is created.
- (2) Without prejudice to the generality of the powers of the management committee under Sub-Regulation (1) the management committee shall have the following powers:
 - (i) Manage any disputes arising in respect of the Fund;
 - (ii) Take decision regarding use of the Fund;
 - (iii) Take decision regarding investment and utilization of the Fund;
 - (iv) Monitor the size of the Fund with the objectives of ensuring sufficiency of contributions for the settlement of trades on the DSE and the reduction of settlement risk;
 - (v) Propose any amendment to the Regulations; and
 - (vi) Propose to the Board changes to the amount of contribution to the Fund.

11. Measures in case the Fund is liquidated:

In case the Fund is liquidated, the balance in the Fund shall be returned to the Exchange and to the respective TREC holders to the proportion of each party's contribution on a pro-rata basis:

Provided that any amount collected as penalty of default interest shall vest in the Exchange in case of liquidation of fund without any pro-rata entitlement of the TREC holders.

12. Miscellaneous:

The Settlement Guarantee Fund will be reviewed at the time of the establishment of the new clearing house.

By order of the Board of Directors

PROFESSOR DR. SWAPAN KUMAR BALA, FCMA

Managing Director

Dhaka Stock Exchange Limited.