

DIRECTIVE

Whereas, the Securities and Exchange Commission, in the interest of investors and capital market, considers it to be appropriate that the proportion of credit facilities extended by the members of stock exchanges under the Margin Rules, 1999 should be revised further;

Now, therefore, the Commission, in exercise of its power conferred on it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd, and their members, to the effect that, the members of the stock exchanges shall not extend credit facilities to their approved clients (a) beyond 0.5 (zero point five) time of clients' margin/clients' deposit (i.e. credit facilities shall be on 1:0.5 basis); and (b) during the first 30 (thirty) trading days of opening the clients' account and depositing clients' own fund into such account for trading purpose, under the Margin Rules, 1999, until further order.

They shall also ensure compliance of the relevant formula applicable for determination of market price of portfolio/securities for the purpose.

This shall have effect from November 22, 2010.

This Directive shall supersede the previous Directive No. SEC/CMRRCD/2001-43/47 dated July 08, 2010.

By order of the Securities and Exchange Commission

Md. Ziaul Haque Khondker
Chairman.