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Securities and Exchange Commission

Jiban Bima Tower
10, Dilkusha (15th and 16th Floor)
Dhaka-1000

NOTIFICATION

Dated the 28 March, 2001

No. SEC/CFD-71/2001/Admin/07- In exercise of the power conferred by section 33, read with section 20A, of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission makes, after prior publication, the following rules, namely:-

1. Short title and application--

- (1) These rules may be called the ¹[Securities and Exchange Commission (Issue of Capital) Rules, 2001].
- (2) ²[They shall apply for issue of capital by a company, or a proposed company, unless otherwise it is either exempted by the Securities and Exchange

¹ Amended vide notification no. SEC/CMRRCD/2003-109/376/Admin-03/12, dated 13 December 2004 published in the official Gazette on 17 January 2005.

² Substituted vide notification no. SEC/CMRRCD/2003-109/376/Admin-03/12, dated 13 December 2004 published in the official Gazette on 17 January 2005.

Commission or governed/regulated by the Commission through any other rules, notification or order issued from time to time];

2. Definitions.-

- (1) ³[In these rules, unless there is anything repugnant in the subject or context, “company” means a company as defined in the ⁴Kv`úvbx AvBb, 1994 (1994 m`bi 18 bs AvBb)];
- (2) Words and expressions used herein but not defined shall have the same meanings as are respectively assigned to them in the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission Act, 1993 (XV of 1993) and the Companies Act, 1994 (XVIII of 1994).

3. Application for consent to the issue of capital in Bangladesh.-

- (1) A ⁴[*] company (hereinafter referred to as the applicant) intending to issue capital in Bangladesh shall make an application to the Securities and Exchange Commission for consent.
- (2) The application shall contain the following particulars, namely:-
 - (a) name of the company;
 - (b) address of the registered office;
 - (c) telephone number;
 - (d) fax number and e-mail number, if any;
 - (e) date of incorporation;

³ Substituted vide notification no. SEC/CMRRCD/2003-109/376/Admin-03/12, dated 13 December 2004 published in the official Gazette on 17 January 2005.

⁴ Deleted vide notification no. SEC/CMRRCD/2003-109/376/Admin-03/12, dated 13 December 2004 published in the official Gazette on 17 January 2005.

- (f) date of commencement of business;
- (g) authorized capital;
- (h) paid up capital;
- (i) amount of capital to be issued;
- (j) face value of shares; and
- (k) period within which capital to be issued.

(3) The applicant shall furnish the following documents along with the said application, namely:-

⁵[(a) certified copy of memorandum and articles of association, or attested copy

of the draft memorandum and articles of association; as the case may be;]

¹[(b)certified copy of certificate of incorporation and certificate of commencement of business, where applicable, or receipt issued against filing for incorporation of a proposed company, as the case may be;]

(c) list of directors;

¹[(d)audited/provisional financial statements;]

(e) statement relating to purpose of raising capital;

¹[(f) copy of the resolution of the board of directors deciding to raise capital, attested by the managing director, in case of an existing company;]

(g) certificate of the banker to the effect that the amount shown against paid-up capital was deposited in the company's bank account (in case of capital raised for cash consideration only);

(h) vendor's agreement in case of raising of capital in kind; and

⁵ Clause (a), (b), (d) and (f) of sub-rule-3, of rule-3 substituted vide notification no. SEC/CMRRCD/2003-109 /376/ Admin-03/12, dated 13 December 2004 published in the official Gazette on 17 January 2005.

(i) short description of the business.

4. Consideration of the application and decision thereon.-

(1) On receipt of the application under rule 3, the Commission shall examine it, and if it is satisfied that all the requirements of rule 3 are fulfilled, it shall accord consent in writing to the issue of capital in Bangladesh, as prayed for, within sixty days of receipt of the application.

(2) If the Commission finds that the application does not fulfill all the requirements of rule 3, it may, within thirty days of receipt of application, direct the applicant to fulfill the requirements within such time as the Commission may determine, and on fulfillment of such requirements the Commission shall accord the consent as prayed for within thirty days of such fulfillment.

(3) The Commission may call for further information, in addition to the requirements of rule 3, if it so deems necessary.

(4) If the Commission finds that the application does not fulfill all the requirements of rule 3, or where a director to fulfill such requirements has been given under sub-rule (2) and the applicant has failed to fulfill such requirements, it may reject the application, stating the reasons therefore.

5. Review.-

The applicant whose application has been rejected by the Commission under rule 3(4) may apply to the Commission for review of its decision within thirty days from the date of such rejection, and the decision of the Commission thereon shall be final.

6. Fee.-

(1) The applicant shall pay an amount of taka five thousand (nonrefundable) as application fee, along with the

application, by way of pay order or demand draft issued in favor of the Commission.

- ⁶(2) If consent is accorded to the issue of capital by the Commission, the applicant shall pay, within fifteen days of the issuance of the letter of consent, a fee at the following rate on the capital to be issued (debt or equity) through a bank draft or payment order issued in favour of the Securities and Exchange Commission:
Upto first Tk. 5 crore-@ 0.1%;
For any subsequent amount-@0.02%
- (3) If the applicant fails to pay the fee under sub rule (2) within the specified time, the consent accorded shall stand cancelled.

7. Submission of financial statements, etc.-

- (1) The company to which consent to the issue of capital is accorded shall complete audit of its financial statements and, hold its annual general meeting within such period as may be specified by the Commission at the time of according the consent.
- (2) The said company shall submit a copy of such audited financial statements and a copy of its annual report and the minutes of its annual general meeting within fourteen days of the completion of the audit or, as the case may be, holding of the annual general meeting.
- (3) The Commission may, on application and on good cause shown, extend the time for auditing the financial statements or submission of the financial statements to the Commission, as the case may be.

- (4) The said company shall furnish the Commission the following information, along with the supporting documents and evidence, namely:-
- (a) change of registered address;
 - (b) change of directors;
 - (c) appointment of managing director;
 - (d) change of business or opening of new business;
 - (e) any material change that affects the affairs of the company.

By order of the Commission

Manir Uddin Ahmad
Chairman
Securities and Exchange Commission

⁶ Replaced vide Notification No. SEC/CMRRCD/2003-109/03/09 dated 4th March 2003, published in the Bangladesh Gazette on May 4, 2003