

DIRECTIVE

Whereas, the Securities and Exchange Commission deems it to be proper that in the interest of capital market and investors in securities, certain further directive for clarification of certain issues, in continuation of the Commission's directive No. SEC/CMRRCD/2009-193/63 dated September 06, 2010, should be issued to the merchant bankers, stock exchanges and stock brokers in respect of certain issues related to trading in securities and margin facilities available on such trading;

Now, therefore, the Commission, in exercise of power conferred on it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the merchant bankers, the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd. (CSE) as well as their members conducting business as stock brokers to the effect that;-

1. While deciding status as non-marginable securities, the merchant bankers/brokerage houses shall consider price earning ratio above allowable limit calculated on the basis of diluted Earning per Share (EPS) on income from continuing core operations; and if diluted EPS is not available then basic EPS shall be considered.
2. Dhaka Stock Exchange Ltd. shall calculate margin maintenance figure based on Net Asset Value (NAV) of the listed securities as per last available annual/audited/un-audited financial statements and closing price of the last trading day of the week and disclose the same in the DSE's website at the end of each week which shall remain effective during the following week. Asset Revaluation Surplus, if any, shall not be considered in computation of NAV of the concerned company. In case of Mutual Funds, DSE shall calculate margin maintenance figure based on the latest disclosed Net Asset Value (NAV) at market price of the concerned Mutual Fund and the closing price of the relevant fund at the end of the week.

This directive shall have immediate effect.

By order of the Securities and Exchange Commission

Md. Ziaul Haque Khondker
Chairman.