

ORDER

Whereas, the Securities and Exchange Commission considers it to be expedient, in the interest of the capital market and the investors in securities, to further review and revise the Regulations concerning the members' margin of the stock exchanges;

Now, therefore, in exercise of power conferred by sub-section (4) of section 34 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), read with the regulations 9 of the Dhaka Stock Exchange (Members' Margin) Regulations, 2000 and the Chittagong Stock Exchange (Members' Margin) Regulations, 2000, the Securities and Exchange Commission hereby directs the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited to amend the Dhaka Stock Exchange (Members' Margin) Regulations, 2000 and the Chittagong Stock Exchange (Members' Margin) Regulations, 2000 respectively in the following manner, namely:-

1. Sub-regulation (3) of regulation 4 shall be substituted by the following new sub-regulation (3), namely-

“(3) Every member shall deposit the member's margin with the clearing house on the additional trade exposure at the following rates:-

Additional trade exposure	Member's Margin
(a) Above free limit but not exceeding taka 1(one) crore over free limit	40%
(b) Above taka 1(one) crore over free limit but not exceeding taka 2(two) crore over free limit	60%
(c) Above taka 2(two) crore over free limit but not exceeding taka 4(four) crore over free limit	80%
(d) Above taka 4(four) crore over free limit	100%.”.

2. Clause (a) of sub-regulation (1) of regulation 5 shall be substituted by the following new clause (a), namely-

“(a) Irrevocable and without recourse to the Drawer, Bank or Insurance Guarantee or Guarantee issued by the Non-Banking Financial Institution (NBFI) registered with the Bangladesh Bank, provided such NBFI is lawfully authorized in this behalf:

Provided further that such Guarantee shall be acceptable as member's margin for 50% (fifty percent) of the additional trade exposure in each trading day."

3. Sub-regulation (3) of regulation 5 shall be substituted by the following new sub-regulation (3), namely-

"(3) 50% (fifty percent) of the value of the instruments mentioned in sub-regulation (2) shall be considered as the value of the member's margin deposited under these regulations."

This Order shall have effect from November 28, 2010.

By order of the Securities and Exchange Commission

Md. Ziaul Haque Khondker
Chairman.