

NOTIFICATION

Dated the 28 March,2001

No,SEC/CFD-71/2001/Admin/09-In exercise of the power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission makes, after prior publication, the following further amendments in the Securities and Exchange rules, 1987,namely :--

In the said rules, in rule 12,after sub rule (3A), the following new sub rule (3B) shall be inserted namely:-

“(3B)Where the Commission, on examination of the audited financial statements of an issuer of a listed security, finds that the audit has not been conducted, or the audit report has not been prepared, in accordance with the provisions of these rule, or where, in the opinion of the commission, the audited financial statements do not reflect the true state of affairs of the issuer and the financial statements are deficient in from or contents for which the concerned partnership firm of chartered accountants or its partners are jointly and severally liable, it may, by order in writing giving reasons therefor, declare the firm of chartered accounts which, or the auditor who, conducted the audit, ineligible for acting as auditor of any issuer of a listed security for a period not exceeding five years:

Provided that before making any such order, the Commission shall refer the matter to the Institute of Chartered Accountants of Bangladesh constituted under the Bangladesh Chartered Accountants Order, 1973 (P.O.No.2 of 1973), with a request to take appropriate disciplinary action against the firm of Chartered Accountants and the partners concerned within a period of sixty days from the date of such reference and the Commission may make the said order after the expiry of the said period if no action is taken by the institute or if, in ifs opinion action taken by the institute is not satisfactory.

Provided further that no such order shall be made without giving the firm of Chartered Accountants or auditor concerned a reasonable opportunity of being heard.”

By order of the Commission
Manir Uddin Ahmad.
Chairman
Securities and Exchange Commission.