



# Bangladesh Securities and Exchange Commission

## NOTICE

**Dated 18 October 2026**

The Bangladesh Securities and Exchange Commission (BSEC) hereby publishes the following draft amendment to the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 in the newspaper as per requirement of sub-section (1) of section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), for eliciting public opinion, etc.

Opinion, advice or objection, if any thereon will have to be sent to the following address within two weeks from the date of publication of this Notice.

Address for sending opinion/advice or objection:

**Chairman**

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban

E-6/C, Agargaon

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Dhaka-1207

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Law Division

Capital Market Regulatory Reforms & Compliance Department

Regulatory Section

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## **Draft Notification**

Dated \*\*\*\* October 2026

No.- 53.02.0000.000.201.22.0109.03.000.272.000.- In exercise the powers conferred by section 33(1) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission (BSEC) hereby, proposes the following amendments to the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025, namely:-

01. A new clause (bb) shall be inserted after clause (b) of sub-rule (1) of rule 2 as follows:-  
  
“(bb) “capital-intensive company” means any company whose business operations require substantial investment in fixed assets, infrastructure or other long-term assets, and whose principal business activities involve the development, construction, establishment, operation, management or maintenance of large-scale infrastructure facilities or infrastructure-related assets, including, but not limited to, those relating to energy, utilities, telecommunications, hospitality, medical and healthcare facilities, water supply, sanitation and other essential infrastructure and infrastructure projects;”
02. Sub-clause (x) of clause (f) of sub-rule (1) of rule 2 shall be replaced by as follows:-  
  
“(x) Any national pension fund under national pension authority, or any recognized provident fund, approved pension fund and approved gratuity fund; and”
03. The second proviso of clause (f) of sub-rule (1) of rule 2 shall be replaced by as follows:-  
  
“Provided further that the institutional EI shall have qualified personnel to perform the valuation of equity securities;”
04. Clause (l) of sub-rule (1) of rule 2, the definition of “high net-worth individuals or HNI” shall be deleted.
05. Clause (m) of sub-rule (1) of rule 2 shall be replaced by the following clause (m) as follows:-  
  
“(m) “indicative price” means the offering price set by the issuer in consultation with the issue manager, after considering opinion received from the road show and which is also supported by specified valuation method(s);”

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06. A new clause (rr) shall be inserted after clause (r) of sub-rule (1) of rule 2 as follows:-

“(rr) “minimum asking price” means the minimum price not exceeding the indicative price as fixed by the issuer, in consultation with the issue manager for the purpose of allotting shares to the EIs through the bidding process;”

07. A new clause (tt) shall be inserted after clause (t) of sub-rule (1) of rule 2 as follows:-

“(tt) “offer for sale (OFS)” means an offer, made after the listing of an issuer company on a stock exchange, by its sponsors, directors or existing shareholders (collectively, called the “Offerors”), to sell such number of shares held by them as may be offered for sale in accordance with these Rules;”

08. A new clause (uu) shall be inserted after clause (u) of sub-rule (1) of rule 2 as follows:-

“(uu) “pre-IPO verification” means the process of independently examining, reviewing and corroborating the information, documents, records, financial and non-financial statements, and disclosures of an issuer company, to be conducted prior to the submission of an application for an initial public offering (IPO), for the purpose of ascertaining their accuracy, completeness, authenticity and compliance with applicable laws, rules, regulations, directives and other regulatory requirements;”

09. Clause (v) of sub-rule (1) of rule 2 shall be replaced by the following clause (v) as follows:-

“(v) “Pre-issue activities” means all activities undertaken in connection with the proposed issuance of equity securities of an issuer, commencing from the date of the meeting of the board of directors at which the intention or plan to issue such securities is formally disclosed or approved, as applicable, and continuing until the collection of subscriptions in respect of the relevant public offer;”

10. Clause (zl) of sub-rule (1) of rule 2 shall be replaced by the following clause (zl) as follows:-

“(zl) “strategic investor” means any person or entity that, by virtue of its expertise, experience, business network, technology, financial capacity, market access or other relevant resources, is capable of providing strategic guidance, technical or managerial support, business development assistance or other value-added contributions to an issuer company for the purpose of promoting its growth, expansion and long-term development.”

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11. Sub-rule (1) and sub-rule (2) of rule 3 shall be replaced by the following Sub-rule (1) and sub-rule (2) as follows:-

**“(1) Fixed price method:** Where the issuer shall determine the offer price of the equity securities to be offered through a public offer at par or at a discount to par value, as the case may be.

**(2) Book building method:** Where the issuer proposes to offer equity securities at a premium over the par value.”

12. A proviso shall be added after clause (a) of sub-rule (1) of rule 4 as follows:-

“Provided that an issuer, including a company engaged in power and energy-related activities, whose existing project or operational activities are time-bound may nevertheless be considered eligible if it has a demonstrable and adequately documented plan to undertake subsequent projects or continue its business operations beyond the tenure of its existing project or the expiry of its existing operational term;”

13. Clause (b) of sub-rule (1) of rule 4 shall be replaced by the following clause (b) as follows:-

**“(b)** it has a minimum existing pre-IPO paid-up capital of Tk. 30 (thirty) crore and shall offer at least 10% (ten percent) of its post-IPO paid-up capital through an initial public offering (IPO):

Provided that other than insurance company its post-IPO paid-up capital shall be at least Tk. 50 (fifty) crore;”

14. Clause (d) of sub-rule (1) of rule 4 shall be replaced by the following clause (d) as follows:-

**“(d)** it has obtained approval from its Board of Directors for the proposed public offer, including the size and method of the offer:

Provided that, where the public offer comprises both the issuance of new shares by the issuer and an offer for sale (OFS) of existing shares (i.e., in hybrid mode), the offerors under the OFS shall authorize the issuer to make the necessary arrangements for the sale of such shares, and such authorization shall be duly approved and recorded at a meeting of the Board of Directors;”

15. Clause (e) of sub-rule (1) of rule 4 shall be replaced by the following clause (e) as follows:-

**“(e)** it has profitable track record for at least in the latest financial year from its core business activities and has no accumulated loss at the time of application:

Provided that the Commission may, upon application by the issuer and on recommendation of the respective stock exchange, relax the requirements of this

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provision in respect of any regulated company, capital-intensive company having a minimum total asset base of Tk. 500 (five hundred) crore, or greenfield company, as the Commission may consider appropriate;

Provided further that any such regulated company, capital-intensive company or greenfield company shall disclose in its prospectus a business plan setting out the proposed measures to achieve profitability, preferably within 02 (two) years from the date of listing of its securities on a stock exchange. Such business plan shall be duly examined and verified by the pre-IPO verification auditor in accordance with the International Standard on Assurance Engagements (ISAE) 3400;”

16. Clause (h) of sub-rule (1) of rule 4 shall be replaced by the following clause (h) as follows:-

“(h) the issue manager or any of its related party is in no way connected with the issuer, nor does hold any of its securities prior to the public offer:

Provided that the related parties of the issue manager may participate in the bidding process under book building method with a declaration in the red-herring prospectus or prospectus to the effect that they shall not involve in any cartel or tacit collusion for influencing the bidding process;”

17. Clause (k) of sub-rule (1) of rule 4 shall be replaced by the following clause (k) as follows:-

“(k) it has got its latest financial statements audited by an auditor from the panel of auditors as declared by the Commission from time to time;”

18. Clause (m) of sub-rule (1) of rule 4 shall be replaced by the following clause (m) as follows:-

“(m) it has submitted an undertaking confirming that it shall comply with the corporate governance requirements prescribed by the Commission from time to time within 01 (one) year from the date of listing of its securities on a stock exchange;”

19. Clause (r) of sub-rule (1) of rule 4 shall be replaced by the following clause (r) as follows:-

“(r) it has not raised paid-up capital, whether for cash or for consideration other than cash, during the preceding 02 (two) years from the date of application for a public offer, except through the issuance of bonus shares;

Provided that the issuance of shares during the aforesaid period in exchange for valid consideration, other than intangible assets or intellectual property, in connection with a collaborative investment may be permitted with the prior approval of the Commission:

Provided further that the issuance of rights shares exclusively to existing shareholders, the issuance of shares to a strategic investor who has invested an

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amount equivalent to at least 1% (one percent) of the issuer's pre-IPO paid-up capital, or the issuance of shares to a foreign investor against cash consideration through banking channels may be permitted within 01 (one) year preceding the date of application for a public offer:

Provided further that this provision shall not apply to a company operating under a public-private partnership (PPP) arrangement recognized by Invest Bangladesh Authority, or to a company in which the Government holds a majority ownership interest or to a company in which the foreign shareholders hold a majority shares;

[**Explanation:** For the purposes of this provision, “Collaborative Investment” means an equity investment made in a company incorporated in Bangladesh through a joint venture arrangement, by an alternative investment fund, or by a foreign strategic investor.]”

20. The semi-colon (;) after clause (t) of sub-rule (1) of rule 4 shall be replaced by colon (:) and the following proviso shall be inserted as follows:-

“Provided that the issuer shall maintain a separate escrow account with a scheduled bank for depositing the subscription proceeds received from the public offer and shall, at the time of opening such account, issue written instructions to the bank that the funds deposited therein shall be debited or withdrawn or utilized only for the purposes and in the manner disclosed in the prospectus;”

21. The full stop (.) after clause (u) of sub-rule (1) of rule 4 shall be replaced by semi-colon (;) and a new clause (v) shall be inserted as follows:-

“(v) it has undergone pre-IPO verification conducted by an auditor duly appointed from the panel of auditors declared by the Commission from time to time, in accordance with the terms of reference (ToR) specified in **Annexure-J** of these Rules:

Provided that the report of such pre-IPO verification, duly bearing the name, enrolment number and signature of the engagement partner of the audit firm, shall be annexed to the prospectus separately from the statutory audit report:

Provided further that a declaration in the form specified in **Annexure-K**, duly signed by the pre-IPO verification auditor, shall be submitted along with the application.”

22. Clause (a) and (b) of sub-rule (2) of rule 4 shall be replaced by the following clause (a) and (b) as follows and clause (c) of sub-rule (2) of rule 4 shall be deleted:-

“(a) it has complied with the provisions of section 153 of the Companies Act, 1994 for issuance of shares at a discount to par value;

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- (b) it has been rated at least investment grade in the long-term scale by a credit rating company registered with the Commission.”
23. Clause (a) and (b) of sub-rule (3) of rule 4 shall be deleted and the remaining clauses of the said sub-rule shall remain unchanged.
24. Clause (a) and (b) of sub-rule (4) of rule 4 shall be replaced by the following clause (a) and (b) as follows:-
- “(a) it shall offer its shares to eligible investors (EIs) at the respective prices quoted by them during the bidding process; and to mutual funds, general investors and other categories of investors at the cut-off price determined through bidding process;
- (b) if any company having a pre-IPO net worth of Tk. 500 (five hundred) crore or more may offer less than 10% (ten percent), but not less than 5% (five percent), of its post-IPO paid-up capital through an initial public offering (IPO);”
25. Two new clauses (bb), and (bbb) shall be inserted after clause (b) of sub-rule (4) of rule 4 as follows:-
- “(bb) any company having majority foreign shareholding, or registered with the Bangladesh Telecommunication Regulatory Commission (BTRC), with a minimum net worth of Tk. 300 (three hundred) crore, or any company having an annual turnover or total assets exceeding Tk. 500 (five hundred) crore, may offer its shares through a hybrid mode combining an initial public offering (IPO) and an offer for sale (OFS), provided that at least 5% (five percent) of its post-IPO paid-up capital shall be offered through the IPO;
- (bbb) Subject to compliance with clause (bb), the offerors under the OFS shall offer such number of shares as may be necessary to ensure that the aggregate number of shares offered through the IPO and the OFS represents at least 10% (ten percent) of the post-IPO paid-up capital of the issuer, and shall furnish an undertaking to offload such number of shares through the OFS:
- Provided that the offerors shall not offer, within 01 (one) year from the date of listing of the shares, more than 50% (fifty percent) of the post-IPO paid-up capital of the issuer through the OFS:
- Provided further that the issuer and the issue manager shall jointly coordinate and ensure the disclosure of complete, accurate and relevant information regarding the sale of securities by the offerors under the OFS;”

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26. The word “PPP Authority” shall be replaced by “Invest Bangladesh Authority” in clause (e) of sub-rule (4) of rule 4.
27. A new clause (cc) shall be inserted after clause (c) of sub-rule (5) of rule 4 as follows:-  
“(cc) the offer price and the justification therefor, taking into consideration the valuation method(s) as per Annexure-C, shall be disclosed in the prospectus;”
28. Sub-rule (1) of rule 5 shall be replaced by the following sub-rule (1) as follows:-  
“(1) The issuer shall appoint any merchant banker, registered with the Commission, as issue manager, for the purpose of making the public offer; and include detailed roles and responsibilities in the agreement including pre-issue activities:  
  
Provided that if the issuer appoints any other merchant banker(s), in due consultation with the issue manager, to perform specific roles or functions in connection with the public offer, such merchant banker(s) shall perform the respective roles or functions assigned to them:  
  
Provided further that the appointment of such other merchant banker(s) shall not relieve the issue manager of its ultimate responsibility and accountability for the public offer;”
29. The semi-colon (;) after sub-rule (2) of rule 5 shall be replaced by colon (:) and the following proviso shall be inserted as follows:-  
“Provided that where the issue manager appoints any merchant banker or other party to perform specific roles or functions in connection with the public offer, the fee payable to such merchant banker or other party shall be determined in accordance with the agreement between the issue manager and the respective merchant banker or other party, with prior intimation to the issuer, and shall be payable by the issuer or the issue manager, as specified in the agreement;”
30. The word “pre-IPO verification auditor,” shall be inserted after the word “credit rating company” in sub-rule (4) and its explanation of rule 5.
31. The word “any other expert” shall be replaced by “any other experts” and the word “pre-IPO verification auditor,” shall be inserted after the word “credit rating company” in sub-rule (5) of rule 5.
32. Two new sub-rule (6) and (7) shall be inserted after sub-rule (5) of rule 5 as follows:-

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- “(6) Prior to submission of an IPO application, the issuer shall complete a pre-IPO verification conducted by an auditor from the panel of auditors of the Commission, as declared from time to time;
- (7) The auditor shall conduct such verification, focusing particularly on the accuracy, authenticity, and completeness of the financial information presented in the financial statements and the prospectus of the issuer; and the auditor shall provide a report on such verification, which shall be disclosed in the prospectus and also to be submitted along with the IPO application.”
33. The word “issue manager as a” in the first paragraph of sub-rule (4) of rule 6 shall be deleted.
34. The word “issue manager as a” in the first paragraph of sub-rule (8) of rule 6 shall be deleted.
35. The word “immediate” shall be replaced by “immediately” in sub-rule (3) of rule 7.
36. The word “prospectus” shall be replaced by “red-herring prospectus or draft prospectus” in sub-rule (6) of rule 7.
37. Sub-rule (7) of rule 7 shall be replaced by the following sub-rule (7) as follows:-
- “(7) The Commission or the stock exchange(s) may require the issuer, its directors, officers, issue manager(s), auditor(s) (i.e., engagement partner), pre-IPO verification auditor, valuer(s), banker(s), underwriter(s), eligible investors (EIs), credit rating company, or any other relevant person to submit additional disclosures, information, documents, certifications or clarifications, as the case may be, or to incorporate or disclose such information in the draft prospectus or red-herring prospectus, in the case of an offer of equity securities, within such time as may be specified by the Commission or the stock exchange(s), as applicable. All communications to or from the stock exchange(s) shall be intimated to the Commission:
- Provided that, where any relevant information is required from any other regulatory or government authority, the stock exchange(s) may seek such information from that authority, with intimation to the Commission;”
38. Sub-rule (1) of rule 8 shall be replaced by the following sub-rule (1) as follows:-
- “(1) The issuer or the issue manager shall invite the EIs to attend the roadshow by publishing a notice in at least 03 (three) widely circulated national dailies, of which 02 (two) shall be in Bangla and 01 (one) in English, either printed or online version; allowing at least 10 (ten) working days’ notice. The invitation shall specify the time and venue of the roadshow, the link for attending the roadshow physically or virtually, as applicable, and the link for accessing the offer documents referred to in sub-rule (2);”

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39. Sub-rule (6) and (7) of rule 8 shall be replaced by the following sub-rule (6) and (7) as follows:-

“(6) The EIs, analysts, or any other interested persons intending to participate in the bidding may submit their respective valuations and proposed prices, together with justifications therefor, to the issuer or the issue manager, either electronically (in soft copy) through the recognized digital platform of the stock exchange, if any, or physically (in hard copy), within 3 (three) working days from the conclusion of the roadshow:

Provided that the red-herring prospectus shall contain a detailed summary report of the IPO valuations submitted by the EIs through the recognized digital platform of the stock exchange, including statistical presentations of the 5<sup>th</sup> percentile, 25<sup>th</sup> percentile (first quartile), mean, median, 75<sup>th</sup> percentile (third quartile), and 95<sup>th</sup> percentile, and other relevant statistical measures;

(7) The issue manager, in consultation with the issuer, shall determine the indicative price:

Provided that the indicative price shall be disclosed in the red-herring prospectus and shall be supported or justified by at least 04 (four) valuation methods, of which 02 (two) shall be an absolute valuation methods and 02 (two) shall be a relative valuation methods, as specified in **Annexure-C**:

Provided further that, in determining the indicative price, the issue manager, in consultation with the issuer, shall select the valuation method(s) most appropriate for the issuer, having regard to the sector in which the issuer operates and the nature of its business, and shall disclose the justification for selecting such method(s);”

40. Sub-rule (3) of rule 9 shall be replaced by the following sub-rule (3) as follows:-

“(3) The stock exchange(s) shall conduct a visit to the factory, operational or business premise(s) of the issuer and review the financial statements and other documents submitted by the issuer, either independently or with the assistance of an expert review panel, if any, or sectoral expert, where necessary.

Provided that the stock exchange(s) shall complete such visit and review within 20 (twenty) days from the date of receipt of the application;”

41. The word “pre-IPO verification auditor,” shall be inserted after the word “valuer” in sub-rule (5) and its explanation of rule 9.

42. The full stop (.) after sub-rule (6) of rule 9 shall be replaced by semi-colon (;) and a new sub-rule (7) shall be inserted as follows:-

“(7) The Commission may provide its observations on the application for a public offer to the stock exchange(s), and the stock exchange(s) shall, taking into consideration

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of such observations, make a recommendation for listing or rejection of the application in accordance with sub-rule (6).”

43. Sub-rule (4) and (5) of rule 10 shall be replaced by the following sub-rule (4) and (5) as follows:-

“(4) The bidders shall bid on the basis of the indicative price for the portion of shares allocated to EIs, and no bid below the minimum asking price shall be accepted;

(5) The bidders shall participate in the bidding process by specifying the bid price and the intended quantity of shares;”

44. Sub-rule (10) and (11) of rule 10 shall be replaced by the following sub-rule (10) and (11) as follows:-

“(10) All bids shall be recorded in descending order of bid price, from the highest to the lowest;

(11) Upon completion of the bidding period, the cut-off price shall be determined at the nearest integer to the lowest bid price at which the total amount offered to EIs is fully exhausted:

Provided that the bidders entitled to receive shares shall be allotted shares at their respective bid prices and for their respective bid quantities, in descending order of individual bid prices, from the highest to the lowest, until the quota allocated to the EI category is fully exhausted:

Provided further that while determining the cut-off price, if the bid quantity of shares at same price is more than the remaining quantity till exhaustion of the quota for EIs portion, shall be allotted on pro-rata basis;”

45. Sub-rule (17) of rule 10 shall be replaced by the following sub-rule (17) as follows:-

“(17) If the public offer falls below 10% (ten percent) of post IPO paid up capital other than OFS as minimum requirement at clause (b) of sub-rule (1) of rule 4 due to cut off price, except clause (b), (bb), and (bbb) of sub-rule (4) of rule 4, required additional equity securities shall be offered to the general investors and such changes shall be included in the final draft prospectus accordingly:

Provided further that if the offer is under hybrid mode as per sub-rule (1) of rule 10A, such public offer shall be at least 5% (five percent) of post IPO paid-up capital of the issuer;”

46. A new rule 10A shall be inserted after rule 10 as follows:-

**“10A. Offloading of shares under Offer for Sale (OFS). –**

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- (1) In hybrid mode, completing IPO process under book building method, upon receipt of subscriptions in respect of at least 5% (five percent) of the post-IPO paid-up capital offered to the public, the issuer shall be eligible for listing on the relevant stock exchange(s), subject to fulfilment of the applicable listing regulations and other relevant requirements;
  - (2) Upon listing of such equity securities, the relevant stock exchange(s) shall announce the first trading day and publish a notice on its trading platform specifying the reference price and other relevant information;
  - (3) The cut-off price as determined through the bidding process shall serve as the reference price for the first trading day;
  - (4) The offerors shall offload shares through the OFS in accordance with their respective commitments within 30 (thirty) trading days from the first trading day of listing, and the committed portion of shares shall remain free from the applicable lock-in requirements during such period;
  - (5) On the first trading day, the offerors shall make offer for sale (OFS) at least 25% (twenty-five percent) of the total number of shares committed to be offloaded under the OFS, and the remaining shares shall be offloaded under OFS within the subsequent 29 (twenty-nine) trading days;
  - (6) No offeror of the issuer company shall be permitted to purchase any shares of the issuer company for a period of 01 (one) year from the date of listing;
  - (7) The selling broker(s) appointed by the offeror(s) shall submit a report to the relevant stock exchange(s) on a daily basis, specifying the number of shares sold on that day, the cumulative number of shares sold and the number of unsold shares, until completion of the minimum offloading requirement specified under sub-rule (5);
  - (8) Upon completion of the committed offloading under sub-rule (4), the selling broker(s) shall submit a detailed report to the relevant stock exchange(s) within 3 (three) working days. The issuer and the issue manager shall jointly submit a detailed report of offloading of shares to the Commission and the relevant stock exchange(s) within 7 (seven) working days from the date of completion of such offloading;
  - (9) In the event of any ambiguity or where clarification is required in respect of the procedures for price discovery, offloading, trading, settlement or any other matter relating to the OFS, the Commission may, from time to time, issue such orders or directions as it deems appropriate.”
47. Sub-rule (4) and (5) of rule 12 shall be deleted.
48. The word “to the websites” shall be replaced by “in the websites” in the first paragraph of sub-rule (1) of rule 14.

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49. The word “15 (fifteen) working day” shall be replaced by “15 (fifteen) working days” in sub-rule (5) of rule 14.
50. Sub-rule (1) and (2) of rule 16 shall be replaced by the following sub-rule (1) and (2) as follows:-

**“(1) Distribution of securities under fixed price method: -**

| Eligible Investors (EIs) | Mutual Funds, General Investors (GIs) & Others |                               |     |                         |
|--------------------------|------------------------------------------------|-------------------------------|-----|-------------------------|
|                          | Mutual Funds                                   | Permanent Employees of Issuer | NRB | General Investors (GIs) |
| 10%                      | 10%                                            | 5%                            | 10% | 65%                     |

**(2) Distribution of securities under book building method: -**

| Eligible Investors (EIs) | Mutual Funds, General Investors (GI) & Others |                               |     |                         |
|--------------------------|-----------------------------------------------|-------------------------------|-----|-------------------------|
|                          | Mutual Funds                                  | Permanent Employees of Issuer | NRB | General Investors (GIs) |
| 35%                      | 10%                                           | 5%                            | 10% | 40%                     |

51. The semi-colon (;) after sub-rule (5) of rule 16 shall be replaced colon (:) and a new proviso shall be inserted as follows:-

“Provided that the asset manager of the mutual fund shall upload the Net Asset Value (NAV) of the respective mutual fund, calculated on the basis of fair value or market value, as applicable, as of the date of subscription to the public offer, in the ESS;”

52. Sub-rule (6), and (7) of rule 16 shall be replaced by the following sub-rule (6), and (7) as follows:-

“(6) Any unsubscribed portion in Mutual Funds, Permanent Employees, and NRB shall be transferred to the General Investors portion under fixed price and book building method;

(7) In case of over subscription, the equity securities shall be allotted on pro rata basis to the EIs, Mutual Funds, and Permanent Employees under fixed price and book building method:

Provided that the equity securities shall be allotted on lottery basis to the General Investors and NRBs under fixed price and book building method:

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Provided further that the stock exchange shall develop the lottery system for the allotment of equity securities to General Investors and NRBs under both the Fixed Price and Book Building methods, the algorithm and functionality of which shall be verified by the Bangladesh University of Engineering and Technology (BUET), and which shall incorporate an audit-trail facility maintaining a chronological record of all relevant activities, with the processes relating to the subscription and allotment of equity securities being conducted in a fully automated manner;”

53. Sub-rule (10) of rule 16 shall be replaced by the following sub-rule (10) as follows:-

“(10) The application, subscription, allotment of shares, and refund of subscription money by mutual funds under a public offer shall be processed through the Electronic Subscription System (ESS):

Provided that mutual funds shall be registered in the ESS for the purpose of allotment under the quota allocated to the mutual funds;”

54. A new sub-rule (11) shall be inserted after sub-rule (10) of rule 16 as follows:-

“(11) The application and subscription procedures applicable to permanent employees, NRBs, and General Investors (GIs) shall be specified in the consent letter issued by the Commission.”

55. The semi-colon (;) after clause (a) of sub-rule (1) of rule 17 shall be replaced colon (:) and a new proviso shall be inserted as follows:-

“Provided further that the committed quantity of securities of an offeror under OFS shall be free from lock-in for the period of 30 (thirty) trading days from the first trading day;”

56. The word “1 (one) year” shall be replaced by “6 (six) months” in clause (d) of sub-rule (1) of rule 17.

57. Clause (f) of sub-rule (1) of rule 17 shall be replaced by the following clause (f) as follows:-

“(f) shares allotted to EIs under book building method shall be subject to lock-in in the following manner:

- (i) 50% (fifty percent) of the allotted shares to the respective EI shall be free from lock-in and opened for trading on the first trading day;
- (ii) 25% (twenty-five percent) of the allotted shares to the respective EI shall be locked in for 60 (sixty) days; and
- (iii) the remaining 25% (twenty-five percent) of the allotted shares to the respective EI shall be locked in for 90 (ninety) days;”

58. Sub-rule (2) of rule 17 shall be replaced by the following sub-rule (2) as follows:-

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“(2) Shares held by strategic investors shall be subject to lock-in for 02 (two) years from the first trading day at the stock exchange(s);”

59. A new sub-rule (2a) shall be inserted after sub-rule (2) of rule 17 as follows:-

“(2a) Shares held by foreign investors shall be subject to lock-in for 3 (three) years from the date of investment made or 2 (two) years from the first trading day at the stock exchange(s), whichever comes later;”

60. Sub-rule (3) of rule 17 shall be replaced by the following sub-rule (3) as follows:-

“(3) Ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned at sub-rule (1), sub-rule (2) and sub-rule (2a) above.”

61. Rule 19 shall be replaced by the following rule (19) as follows:-

#### “19. Fees for public offer and listing of securities. -

| Type of fees                              | Fixed Price Method                                                                                                                                                                                                                            | Book Building Method                                                                                                                                                                                                                         |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issue Management fee</b>               | As per Agreement                                                                                                                                                                                                                              | As per Agreement                                                                                                                                                                                                                             |
| <b>Underwriting fee</b>                   | Maximum 0.5% (point five percent) on 35% (thirty five percent) of the public offer amount.                                                                                                                                                    | Maximum 0.5% (point five percent) on 35% (thirty five percent) of the amount of Mutual Funds, General Investors and Others category.                                                                                                         |
| <b>Registrar to the Issue fee</b>         | 0.30% (point thirty percent) of the public offer amount or Tk. 15 (fifteen) lac, whichever is lower: Provided that Registrar to the Issue shall provide the fees & charges for the ESS service as per the agreement within the above ceiling. | 0.30% (point thirty percent) of the public offer amount or Tk. 20 (twenty) lac, whichever is lower: Provided that Registrar to the Issue shall provide the fees & charges for the ESS service as per the agreement within the above ceiling. |
| <b>Application fee for the Commission</b> | Tk. 100,000.00 (non-refundable)                                                                                                                                                                                                               | Tk. 100,000.00 (non-refundable)                                                                                                                                                                                                              |
| <b>Consent fee for the Commission</b>     | 0.30% (point thirty percent) on the public offer amount                                                                                                                                                                                       | 0.30% (point thirty percent) on the public offer amount (including premium).                                                                                                                                                                 |
| <b>Fees for Stock Exchange(s)</b>         | As per the relevant Listing Regulations of the Stock Exchange.                                                                                                                                                                                |                                                                                                                                                                                                                                              |
| <b>Pre-IPO verification fees</b>          | As per agreement                                                                                                                                                                                                                              |                                                                                                                                                                                                                                              |

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|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Other fees</b> | As per relevant contracts or as approved by the Commission |
|-------------------|------------------------------------------------------------|

62. A new sub-rule (2a) shall be inserted after sub-rule (2) of rule 23 as follows:-

“(2a) Notwithstanding the amendment to the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025, all applications submitted to the Commission under the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2025, before the effective date of the amendment shall be deemed to have been submitted under the amended Rules; provided that the issuer shall update its application to comply with the additional requirements introduced by the amended Rules, except for the requirement of pre-IPO verification by an audit firm.”

63. Clause (7) of Annexure-A shall be replaced by the following clause (7) as follows:-

“(7) List of plant & machineries, along with dates of purchase, sellers name, address, condition when purchased (i.e. brand new/reconditioned/second hand), country of origin, (if imported, then country name), useful economic life at purchase and remaining economic life, purchase price and written down value, PSI certificate for all imported items from any internationally recognized/certified agency, and relevant documents:

Provided that information regarding aforementioned plant & machineries shall be submitted only for those, which represent at least 75% of the of the total value of plant and machineries of the issuer;”

64. Clause (11) of Annexure-A shall be replaced by the following clause (11) as follows:-

“(11) Banker’s letter confirming opening of separate bank account (i.e. Escrow Account) for Public Offer purpose;”

65. Clause (18) of Annexure-A shall be replaced by the following clause (18) as follows:-

“(18) pre-IPO verification report by the Auditor;”

66. Clause (21) and (22) of Annexure-A shall be replaced by the following clause (21) and (22) as follows:-

“(21) Credit rating report;

(22) An undertaking from board of directors of the issuer that Corporate Governance Code or rules of the Commission shall be complied within the deadline as prescribed under these rules;”

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67. The starting paragraph of clause (30) of Annexure-A shall be replaced by the following starting paragraph as follows:-

“(30) The following documents of the issuer on latest basis:”

68. The sub-clause (k) of clause (30) of Annexure-A shall be deleted.

69. Annexure-C shall be replaced as follows:-

#### **Annexure - C**

### **GUIDELINES FOR JUSTIFICATION OF VALUATION OF PUBLIC OFFER**

[See rule 4 (5) (cc), 7 (5), 8(4), & 8 (7)]

- (1) The issuer company, in consultation with the issue manager, shall justify the value of the equity securities by applying at least 04 (four) valuation methods, comprising at least 02 (two) absolute valuation methods and 02 (two) relative valuation methods, which are most suitable for the issuer company according to its nature of operation, size of business, and other relevant factors.
- (2) The issuer company may select any widely recognized and generally accepted absolute valuation methods, including, among others, the following:
  - (i) Discounted cash flow method like Free Cash flow to Equity (FCFE) method & Free Cash flow to Firm (FCFF) method;
  - (ii) Residual Income Model (RIM);
  - (iii) Asset-Based Methods;
  - (iv) any other recognized absolute valuation method appropriate to the intended company;
- (3) The issuer company may select any of the globally accepted relative valuation methods, among others, the following are to name a few:
  - (i) Price-to-Earnings (P/E) based valuation method;
  - (ii) Price-to-Book (P/B) based valuation method;
  - (iii) Price-to-Cash Flow (P/CF) based valuation method where cash flow means cash flow from operating activities;
  - (iv) Enterprise Value to EBITDA (EV/EBITDA);

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- (v) Enterprise Value to Sales (EV/Sales) based valuation method, for capital intensive, mature and profitable companies; and
  - (vi) any other comparable company or transaction multiples appropriate to the intended company;
  - (4) Under relative valuation, the issuer company shall justify the selection of comparable companies or transactions and the valuation multiple(s) applied, taking into consideration the relevant financial, operational and market characteristics, including revenue, earnings, profitability, growth, capital structure, business model, size, liquidity, industry characteristics and other relevant factors;
  - (5) In applying the absolute valuation method, the issuer company shall, inter alia, disclose in the draft prospectus the basis and justification for the key assumptions, estimates, sources, methodologies used in the valuation, including the discount rate, revenue growth rate, and other relevant assumptions.
  - (6) The valuation shall be based on financial and other relevant information available with a clearly specified valuation date in the valuation report, and the issuer company and the issue manager shall ensure consistency, adequacy and reliability of the information and assumptions used in the valuation.
  - (7) The issue manager shall review and assess the appropriateness of the valuation methodologies, assumptions, comparable companies or transactions and other material inputs used in determining the value of equity securities and shall provide its comments and justification in the draft prospectus.
70. Clause (II) under the heading “**Operating Efficiency Ratios:**” of Annexure-G shall be replaced by the following clause (II) as follows:-

**“II. Operating Efficiency Ratios:**

- (i) Days Sales Outstanding (DSO);
  - (ii) Days Payable Outstanding (DPO);
  - (iii) Days Inventory Outstanding (DIO);
  - (iv) Cash Conversion Cycle (CCC);
  - (v) Asset Turnover Ratio.”
71. Sub-clause (iv) and (v) of clause (III) under the heading “**III. Profitability Ratios:**” of Annexure-G shall be replaced by the following sub-clause (iv) and (v) as follows:-

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- “(iv) Return on Assets Ratio, where Return means EBIT less Tax;
- (v) Return on Equity Ratio, where Return means Profit After Tax (PAT);”
72. Clause (h) under the heading “**Front Cover Page:**” of Annexure-H shall be replaced by the following clause (h) as follows:-
- “(h) Credit Rating status and name of the credit rating company(s).”
73. The word “PRE-IPO VERIFICATION AUDITOR,” shall be inserted after the word “AUDITOR(S)” IN Sub-clause (vii) of clause (A) under the heading “**(A) Preliminary Information and declarations:**” of Annexure-H.
74. Sub-clause (x) of clause (A) under the heading “**(A) Preliminary Information and declarations:**” of Annexure-H shall be replaced by the following sub-clause (x) as follows:-
- “(x) The following clause on ‘Issuer’s Absolute Responsibility’ clause shall be incorporated in a box format in bold type:
- “The issuer, having made all reasonable inquiries, scrutiny and diligence, accepts full responsibility for and confirms that this red-herring prospectus or prospectus contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus or prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts and figures, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.”**
75. Sub-clause (30) of clause (C) under the heading “**(C) Table of Contents:**” of Annexure-H shall be replaced by the following sub-clause (30) as follows:-
- “(30) Description of securities outstanding or being offered or to be offered under OFS
76. A new sub-clause (34) of clause (C) under the heading “**(C) Table of Contents:**” of Annexure-H shall be inserted as follows:-
- “(34) Pre-IPO Verification Report”
77. Sub-clause (14) (f) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (14) (f) as follows:-

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- “(f) Loan/investment (shari’ah based) status of the issuer, its directors and shareholders who hold 5% (five percent) or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;”
78. Sub-clause (20) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (20) as follows:-
- “(20) **Corporate Governance:** A detailed disclosure of existing practice of corporate governance in the issuer company and its time bound plan to comply with the Corporate Governance requirement of the Commission within the prescribed deadline of these rules.”
79. The full stop (.) after sub-clause (22) (g) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced with semi-colon (;) and a new sub-clause (22)(h) shall be inserted as follows:-
- “(h) Pre-IPO Verification Auditor;”
80. The heading of sub-clause (26) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following heading as follows:-
- “(26) **Description of the Issue and Offer for Sale (OFS), if any:**”
81. Sub-clause (26) (b) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (26) (b) as follows:-
- “(b) Number of securities to be issued; and also, the number of securities to be offloaded under OFS, if any;”
82. Sub-clause (27) (1) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (27) (1) as follows:-
- “(1) A maximum of 50% (fifty percent) of the proceeds from an IPO/RPO may be used for repayment of the issuer’s outstanding loans/investments, subject to the following conditions:
- (a) Repayment of loans/investments shall be permitted only where such loans/investments were utilized for any project or for the Balancing, Modernization, Rehabilitation, and Expansion (BMRE) purposes of the issuer, supported by an auditor’s report confirming the proper utilization of such loans/investments; and
  - (b) The loans/investments proposed to be repaid shall not have been classified as non-performing or rescheduled:

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Provided that a certificate issued by the concerned lending bank or financial institution, as applicable, confirming that the loans/investments proposed to be repaid out of the proceeds of the public offer have not been classified or rescheduled, shall be submitted:

Provided further that the certificate referred to above shall be duly signed by the Managing Director or Chief Executive Officer (CEO) of the concerned bank or financial institution.”

83. Sub-clause (27) (2) (c) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (27) (2) (c) as follows:-

“(c) If one of the objects of the public offer is investment in a joint venture, a subsidiary, or any acquisition, details of the form of investment, the nature of the benefits expected to accrue to the issuer as a result of such investment, and a brief description of the business and financial position of the relevant venture or entity shall be disclosed:

Provided that such investment shall not exceed 70% (seventy percent) of the total funds realized through the public offer:

Provided further that a statement of the utilization of the aforesaid investment, audited by an auditor from the panel of auditors of the Commission, shall be submitted to the Commission and the stock exchange within 90 (ninety) days after full utilization of the funds;”

84. The starting paragraph of sub-clause (31) (j) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following starting paragraph as follows:-

“(j) The following statements of the issuer on latest basis:”

85. Sub-clause (31) (j) (xi) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be deleted.

86. Sub-clause (32) of clause (D) under the heading “**(D) Detailed disclosures:**” of Annexure-H shall be replaced by the following sub-clause (32) as follows:-

“(32) Credit Rating Report;”

87. Clause (5) of Annexure-I shall be replaced by the following clause (5) as follows:-

“(5) Name of the credit rating company along with rating assigned with date of validity;”

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88. Clause (18) of Annexure-I shall be replaced by the following clause (18) as follows:-

“(18) Public issue application process including subscription process under lottery system;”

89. A clause (19) shall be inserted after clause (18) of Annexure-I as follows:-

“(19) Process of Offer for Sale (OFS), if any.”

90. Two new **Annexure-J** and **Annexure-K** shall be inserted after Annexure-I as follows:-

**Annexure -J**

### Term of Reference (ToR) for Pre-IPO Verification

[See rule 4 (1) (v)]

The auditor conducting the pre-IPO verification shall, among other matters, provide assurance on the following issues in the pre-IPO verification report, which shall be disclosed in the prospectus:

| Sl. | Major areas                                                 | Key matters to examine or verification                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | <b>Preparation and Presentation of Financial Statements</b> | Accuracy of Financial Statements, IFRS/IAS compliance, consistency of accounting policies, and estimates, verification of unusual entries, year-end adjustments, provisioning policy and provision maintained                                                                                                                                                                                                                           |
| 2   | <b>Revenue or Sales Verification</b>                        | Existence, occurrence, cut-off, cash/bank realization, sales returns, discounts, channel-wise sales, Reconcile with VAT return and cash, One off or non-recurring revenue or expenses items                                                                                                                                                                                                                                             |
| 3   | <b>Receivables &amp; Payables</b>                           | Ageing, confirmations, recoverability, related-party balances, subsequent realization                                                                                                                                                                                                                                                                                                                                                   |
| 4   | <b>Inventory &amp; Fixed Assets</b>                         | Physical verification, ownership, acquisition cost, valuation, depreciation, obsolete stock, capitalization, impairment, etc.                                                                                                                                                                                                                                                                                                           |
| 5   | <b>Cash &amp; Bank balances</b>                             | Bank confirmations, unexplained transfers, restricted funds, unusual transactions, cash sales                                                                                                                                                                                                                                                                                                                                           |
| 6   | <b>Borrowings &amp; Liabilities</b>                         | All loans/ investments status (outstandings confirming from the lender), financing cost (whether it is capitalized or not), related-party loans, security/charges documents, covenant compliance, contingent liabilities, litigation by any lenders and current status, Classification Status of Loans/investments, Loan/investment sanctions, collateral, utilization of loans/investments verified with sanction letter of the lender |
| 7   | <b>Related-Party Transactions</b>                           | Transactions with Directors/sponsors/group companies and all other related parties, e.g., purchases, sales, service purchase/provided, supplies, loans, guarantees, common ownership, transfer pricing                                                                                                                                                                                                                                  |
| 8   | <b>Tax, VAT &amp; Customs</b>                               | Verify Income tax, VAT, supplementary duty (SD), customs duties, assessments, disputes, arrears and contingent tax liabilities                                                                                                                                                                                                                                                                                                          |

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|    |                                                               |                                                                                                                                                                                                                                                             |
|----|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9  | <b>Corporate &amp; Legal Due Diligence</b>                    | Incorporation, commencement, shareholding, RJSC records, board/AGM compliance, litigation, licenses/registration                                                                                                                                            |
| 10 | <b>Sponsor/Director Due Diligence</b>                         | Ownership, source of investment, loans, defaults, connected businesses, regulatory history, credentials                                                                                                                                                     |
| 11 | <b>Business &amp; Operational Verification</b>                | Factory/site visit, capacity, production, utilization, machinery, employees, customers, suppliers, market position, intangible assets and functionality                                                                                                     |
| 12 | <b>Verification of Capital &amp; Shareholding</b>             | Raising of total Paid-up capital in cash or kind, share transfers, bonus/right issues, private placement, share premium, ownership chain, preference share (convertible or not), utilization of paid-up capital, revaluation, retained earnings & reserves, |
| 13 | <b>Verification of Application Documents for Public Offer</b> | All the documents to be submitted along with the application as per <b>Annexure -A</b>                                                                                                                                                                      |
| 14 | <b>Prospectus &amp; Disclosure Verification</b>               | Every material financial/non-financial statements and information reconciled to the source documents                                                                                                                                                        |
| 15 | <b>Fraud, Governance &amp; Red-Flag Review</b>                | Fraud indicators, management override, window dressing, fictitious sales/assets, earnings manipulation, loan diversion                                                                                                                                      |

## **Annexure-K**

### **Pre -IPO Verification certificate to be furnished by the Auditor in the red-herring prospectus/ prospectus** [See rule 4 (1) (v)]

To  
The Chairman  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of ..... equity securities of Tk. ....by ..... (Name of the Issuer).**

**Dear Sir,**

We, the auditors appointed to conduct the pre-IPO verification of the above-mentioned forthcoming public issue, hereby state and confirm as follows:

We have examined all documents submitted with the application for the above-mentioned public issue, visited the factory and/or business premise(s) of the issuer, and interviewed the Chairperson, directors, and key management personnel of the issuer and, where applicable, the key management personnel of its holding company, as well as other relevant stakeholders and agencies, including but not limited to lenders, bankers, creditors, debtors, the issue manager, regulators, major customers, and suppliers, for the purpose of verifying the documents and information required under the terms of reference (ToR) set out in Annexure-J and the other applicable requirements for

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pre-IPO verification under the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025.

Based on our examination and verification of the documents, information, and other materials furnished by the issuer and relevant stakeholders in connection with the public offer, including those relating to the objects of the issue, we have finalized our observations and opinions on each matter specified in the ToR set out in **Annexure-J** and the other applicable requirements for pre-IPO verification, as detailed below:

| Sl. | Subject Matters/Key Areas | Observation/Opinion | Comments (if any) |
|-----|---------------------------|---------------------|-------------------|
| 1   |                           |                     |                   |
| 2   |                           |                     |                   |
| 3   |                           |                     |                   |
| 4   |                           |                     |                   |

For and on behalf of

[Name of Audit Firm]

Signature:

Name of Auditor (i.e., Engagement Partner):

Designation:

Enrolment No.:

Firm Registration No.:

Date:

Place:

Seal of the Audit Firm

By Order of the Bangladesh Securities and Exchange Commission,

Masud Khan  
Chairman.