

Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Issuer Companies Affairs Section
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নং-বিএসইসি/এনফোর্সমেন্ট/৩৬৪২/২০২৪/৬৮৭

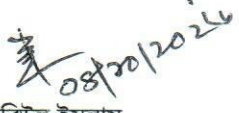
তারিখ: ০৪ অক্টোবর ২০২৬ ইং

Bangladesh Race Management PCL
Sky View Henolux Center
Office No: C-1, 1st Floor, 3/1
Purana Paltan, Dhaka-1000.

বিষয়: আদেশ।

কমিশনের আদেশ নং- বিএসইসি/এনফোর্সমেন্ট/৩৬৪২/২০২৪/৬৮৬ তারিখ: ০৪ অক্টোবর ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,


রবিউল ইসলাম
সহকারী পরিচালক (এনফোর্সমেন্ট)
টেলিফোন নাম্বার: +৮৮ ০২-৫৫০০৭১৩১-২
ই-মেইল: rabiul@sec.gov.bd

অবগতির জন্য অনুলিপি:

- ১। চেয়ারম্যান মহোদয়ের একান্ত সচিব (চেয়ারম্যান মহোদয়ের সদয় অবগতির জন্য), বিএসইসি।
- ২। পিও টু কমিশনার (এনফোর্সমেন্ট), বিএসইসি।
- ৩। পিও টু নির্বাহী পরিচালক (এনফোর্সমেন্ট), বিএসইসি।
- ৪। ☒ পিও টু নির্বাহী পরিচালক (আইসিটিডি), বিএসইসি।
- ৫। পিও টু নির্বাহী পরিচালক (এমআইএডি), বিএসইসি। (with reference to MIAD Note Ref: dated: 15 May 2024)
- ৬। ব্যবস্থাপনা পরিচালক, ঢাকা স্টক এক্সচেঞ্জ পিএলসি।

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তারিখঃ ০৪ অক্টোবর ২০২৬ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 এর Section 2 (cc) মোতাবেক কমিশন অর্থ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩-এর অধীনে গঠিত;

যেহেতু, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ এর ধারা ২(খ) মোতাবেক Bangladesh Race Management PCL একটি সম্পদ ব্যবস্থাপনা কোম্পানী;

যেহেতু, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন(মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৩৩(৩) মোতাবেক “সম্পদ ব্যবস্থাপক উহার প্রতিটি হিসাব বৎসরের নিরীক্ষিত হিসাব, হিসাব বৎসর শেষ হইবার তিন মাসের মধ্যে, কমিশন, ট্রাস্টি ও হেফাজতকারীর নিকট দাখিল করিবে।”

যেহেতু, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন(মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৩৩(৩) মোতাবেক Bangladesh Race Management PCL জুন ৩০, ২০২৩ ও জুন ৩০, ২০২২ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী নির্ধারিত সময়ের মধ্যে দাখিল করতে ব্যর্থ হয়েছে;

যেহেতু, Bangladesh Race Management PCL- জুন ৩০, ২০২৩ ও জুন ৩০, ২০২২ সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী নির্ধারিত সময়ের মধ্যে দাখিল করতে ব্যর্থ হওয়ায় সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৩৩(৩) লংঘন করেছে;

যেহেতু, উপর্যুক্ত আলোচ্য বিষয়ে আইন ভঙ্গের কারণে কমিশনের এনফোর্সমেন্ট বিভাগ কর্তৃক ০২ জুন, ২০২৬ তারিখ নং-বিএসইসি/এনফোর্সমেন্ট/৩৬৪২/২০২৪/৩৭৩ স্মারকমূলে Bangladesh Race Management PCL -কে ২২ জুন ২০২৬ তারিখে কারণ প্রদর্শনসহ শুনানীতে উপস্থিতি হতে বলা হয়। ২৭ জুলাই ২০২৬ তারিখে শুনানীতে উপস্থিত হয়ে কোম্পানীর পক্ষে AKM Mamunor Rashid, EVP & CEO (cc) ও Mohammad Ariful Islam, VP, Head Accounts ২৬ জুলাই ২০২৬ তারিখে পত্রের মাধ্যমে নিম্নলিখিত বক্তব্য দাখিল করেন;

“1) With due respect, Bangladesh RACE Management PCL (hereinafter referred to as "RACE", the "Asset Management Company" or the "AMC") respectfully submits the following explanation concerning the applicability of Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 (the "Mutual Fund Rules, 2001"), in response to the Show Cause Notice vide Memo No. BSEC/Enforcement/3642/2024/373 dated 02.06.2026.

2) At the outset, we express our sincere gratitude to the Hon'ble Commission for kindly considering our application dated 21.06.2026 and rescheduling the Show Cause Hearing to 27.07.2026, thereby affording us an opportunity to place the following explanation on record.

3) At the outset, the Mutual Funds under management of Bangladesh RACE Management PCL are as follows:

Sl.	Name of Funds	Fund Nature	Trustee
1	EBL First Mutual Fund	Closed-end	Investment Corporation of Bangladesh
2	Trust Bank First Mutual Fund	Closed-end	Investment Corporation of Bangladesh
3	IFIC Bank First Mutual Fund	Closed-end	Investment Corporation of Bangladesh
4	First Janata Bank Mutual Fund	Closed-end	Investment Corporation of Bangladesh
6	EXIM Bank First Mutual Fund	Closed-end	Investment Corporation of Bangladesh
7	Popular Life First Mutual Fund	Closed-end	Bangladesh General Insurance Company
8	PHP First Mutual Fund	Closed-end	Bangladesh General Insurance Company
9	EBL NRB Mutual Fund	Closed-end	Bangladesh General Insurance Company
10	AB Bank IST Mutual Fund	Closed-end	Bangladesh General Insurance Company
11	RACE Financial Inclusion Unit Fund	Open-end	Sentinel Trustee & Custodian Services Ltd.

We reference these funds hereafter as the “RACE Mutual Funds”

- 4) It is further submitted that the Bangladesh Securities and Exchange Commission vide Memo No. BSEC/Enf/4068/2025/1153 dated 16.10.2025 called RACE for a Hearing regarding, inter alia, the applicability of Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001. RACE appeared before the Commission at the Hearing held on 10.11.2025 and submitted its detailed written explanation vide Letter No. RACE/COM/BSEC/ENF/2025/11 dated 06.11.2025, wherein RACE submitted, amongst others, that it prepares and submits more than 170 reports per annum per Mutual Fund to the Commission, the Trustees, Custodians and other stakeholders, including the reports referred to in the present Show Cause Notice, and placed before the Commission the relevant facts and circumstances relating to its reporting obligations. Thereafter, after considering the allegations, the physical hearing and the written explanation submitted by RACE, the Bangladesh Securities and Exchange Commission vide Memo No. BSEC/Enf/4068/2025/464 dated 14.07.2026 was pleased to dispose of the said proceedings. However, the present Show-cause Notice has been issued without consideration of the previous Show Cause proceedings dated 16.10.2025, the explanations submitted by RACE therein, and the subsequent disposal thereof by the Commission, notwithstanding that the issues relate to the reporting obligations of the Asset Management Company under Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001.
- 5) To further demonstrate RACE's consistent compliance with Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, we respectfully submit the following table of the audited financial statements of the Mutual Funds managed by RACE to the Commission for the last five financial years. During this period, RACE submitted a total of 57 audited financial statements relating to the Mutual Funds under its management, each accompanied by the relevant covering letter, reference number and date of submission. These clearly establish that RACE has consistently complied with its statutory obligations under Rule 33 by ensuring the timely submission of the audited financial statements of the Mutual Funds. The documents submitted pertain exclusively to the audited financial statements of the respective Mutual Funds.

Sl.	Financial Year	Fund Name	Report Name	Letter Reference	Submission Date
1	2023-2024	EBL 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
2		Trust Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
3		IFIC Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
4		1st Janata Bank Mutual Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
5		Popular Life 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2025/130	27-Oct-24
6		PHP First Mutual Fund	Audited Financial Statement Submission	RACE/COM/2025/130	21-Jul-25



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7		EBL NRB Mutual Fund	Audited Financial Statement Submission	RACE/COM/2025/130	21-Jul-25
8		AB Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2025/130	21-Jul-25
9		First Bangladesh Fixed Income Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
10		EXIM Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
11		RACE Speical Opportunities Unit Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
12		RACE Financial Inclusion Unit Fund	Audited Financial Statement Submission	RACE/COM/2024/	27-Oct-24
13		EBL 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
14		Trust Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
15		IFIC Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
16		1st Janata Bank Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
17		Popular Life 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
18	2022-2023	PHP First Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
19		EBL NRB Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
20		AB Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
21		First Bangladesh Fixed Income Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
22		EXIM Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
23		RACE Speical Opportunities Unit Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
24		RACE Financial Inclusion Unit Fund	Audited Financial Statement Submission	RACE/COM/2023/171	24-Sep-23
25	2021-2022	EBL 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
26		Trust Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22



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27		IFIC Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
28		1st Janata Bank Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
29		Popular Life 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
30		PHP First Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
31		EBL NRB Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
32		AB Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
33		First Bangladesh Fixed Income Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
34		EXIM Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
35		RACE Speical Opportunities Unit Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
36		RACE Financial Inclusion Unit Fund	Audited Financial Statement Submission	RACE/COM/2022/189	29-Aug-22
37		EBL 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
38		Trust Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
39		IFIC Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
40		1st Janata Bank Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
41		Popular Life 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
42	2020-2021	PHP First Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
43		EBL NRB Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
44		AB Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
45		First Bangladesh Fixed Income Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
46		EXIM Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21
47		RACE Speical Opportunities Unit Fund	Audited Financial Statement Submission	RACE/COM/2021/195	22-Sep-21

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48	2019-2020	EBL 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
49		Trust Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
50		IFIC Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
51		1st Janata Bank Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
52		Popular Life 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
53		PHP First Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
54		EBL NRB Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
55		AB Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
56		First Bangladesh Fixed Income Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20
57		EXIM Bank 1st Mutual Fund	Audited Financial Statement Submission	RACE/COM/2020/156	30-Sep-20

- 6) As a registered entity, the Company is required to comply with the **Risk Based Capital Adequacy Rules, 2019** (the "Rules"). The Rules apply to several categories of regulated entities under Rule 6(1)–(7), including (i) Stock Brokers (Category 1), (ii) Merchant Bankers and Portfolio Managers (Category 2), and (iii) Asset Managers (Category 3). The Company falls under Category 3, namely, an Asset Manager.
- 7) It is respectfully submitted that there is a fundamental distinction between Categories 1 and 2 (Stock Brokers and Merchant Bankers/Portfolio Managers) and Category 3 (Asset Managers). In the case of Stock Brokers and Merchant Bankers/Portfolio Managers, client assets (Assets Under Management or "AUM") are maintained on the entity's balance sheet. In contrast, the AUM of an Asset Manager is maintained off the balance sheet. Consequently, any changes in the AUM of Categories 1 and 2 are reflected in the entity's balance sheet and naturally flow through the other financial statements, including the statement of profit or loss, statement of cash flows, and statement of changes in equity, in accordance with the applicable accounting standards (IFRS/IAS).
- 8) However, in the case of the Company, the largest component of the Total Risk Requirement ("TRR") is the Liability Risk Requirement ("LRR"), which is calculated based on the AUM in accordance with Schedule D, Part A of the Rules. Since the AUM of an Asset Manager is maintained off the balance sheet, the Company's TRR comprises both on-balance-sheet and off-balance-sheet components.

nd

- 9) In fact, in response to your letter dated 23.05.2026 bearing Memo No. BSEC/SMMID/ORF/2020/2024/70/239, titled "Regarding Abnormal Capital Adequacy Ratio (CAR), Total Risk Requirement (TRR) Mismatch, and Possible Non-Compliance with the RBCA Rules, 2019," the Company submitted the completed Statement of Total Risk Requirement. The Company's Capital Adequacy Ratio (CAR) for March 2026 stood at 443.26%, which further increased to 455.65% in June 2026. These figures demonstrate that the Company has maintained capital well above the minimum regulatory requirement prescribed under the Rules.
- 10) In view of the foregoing, it is respectfully submitted that Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 does not require submission of the audited financial statements of the Asset Management Company. Rather, RACE has consistently complied with Rule 33 by ensuring the timely submission of the audited financial statements of the Mutual Funds under its management, as evidenced by the records placed before the Commission. Accordingly, the allegation of non-compliance in relation to the audited financial statements of the Asset Management Company is misconceived.
- 11) Nevertheless, RACE remains fully committed to regulatory compliance and transparency. Whenever the Commission requires any information, records or audited financial statements of the Company under any applicable statutory provision or in the exercise of its lawful powers, RACE shall continue to extend its fullest cooperation and furnish the requested documents.
- 12) **It is respectfully submitted that the present responses are being provided without prejudice and solely for the purpose of compliance, and should not be used to initiate or justify any action that may, in any manner, prejudice the rights of Bangladesh RACE Management PCL.**

We respectfully submit that on 1st November 2023 on this matter, the BSEC Commissioner Dr. Shaikh Shamsuddin Ahmed convened a meeting between RACE CEO and other AMC CEOs and concerned BSEC high officials - Mr. Mohammad Rezaul Karim, ED Investment Management Division, Mr. Md. Saifur Rahman, ED Issuer Company Affairs Division and Ms. Farhana Faruqui, Director, SMMI department. During the meeting the matter of AMC submission of reports and financials with respect to Rule Mutual Fund Rules 33 was discussed. Here it was decided by the BSEC officials that the Rule is applicable to RACE Mutual Funds financials and not that of the AMC. It was ruled so with the understanding that AMC financials are not amalgamated with mutual funds under management. A task force was further formed to make universal by report name what would be required of Mutual Funds and AMCs in future.

We continue to remain fully committed to regulatory compliance, transparency, and the protection of investor interests, and therefore seek your kind cooperation in this matter."

যেহেতু, Bangladesh Race Management PCL -এর উপর্যুক্ত বক্তব্য থেকে প্রতীয়মান হয় যে, উপস্থাপিত অভিযোগসমূহ সঠিক ও ইচ্ছাকৃত এবং যা পুঁজিবাজার উন্নয়নের পরিপন্থী, সেহেতু এক্ষেত্রে Bangladesh Race Management PCL -এর ব্যাখ্যা কমিশনের নিকট গ্রহণযোগ্য হিসেবে বিবেচিত হয়নি;

যেহেতু, Bangladesh Race Management PCL -এর উপর্যুক্ত কর্মকাণ্ডের ফলে সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৩৩(৩) লংঘন করেছে;

যেহেতু, Bangladesh Race Management PCL -এর উপর্যুক্ত কর্মকাণ্ড বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ এর ধারা ১৮ অনুযায়ী শাস্তিযোগ্য অপরাধ;

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যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন ও বিধি-বিধান পরিপালনে আলোচ্য ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে আলোচ্য Bangladesh Race Management PCL - কে অর্থদন্ড প্রদান করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ এর ধারা ১৮ এ প্রদত্ত ক্ষমতাবলে-

- Bangladesh Race Management PCL- কে ৫.০০ (পাঁচ) লক্ষ টাকা অর্থদন্ডে দণ্ডিত করল যা অত্র আদেশের ৩০ (ত্রিশ) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে জমা প্রদান করতে হবে, অন্যথায় সিকিউরিটিজ আইন মোতাবেক পরবর্তী আইনানুগ ব্যবস্থা গ্রহণ করা হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,


04.10.24

মো: নাফিজ আল তারিক, সিএফএ, এফআরএম
কমিশনার

বিতরণ:

- ১। **Bangladesh Race Management PCL**
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