Requirements for filing application for consent to an issue of capital through IPO	
SL	**General Requirements for IPO**
1	it is a public limited company established with a view to perpetual business operation and a going concern
2	it has 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: Provided that post -IPO paid-up capital shall be at least Tk. 50 (fifty) crore.
3	its sponsors and directors shall hold collectively at least 30% (thirty percent) of the post-IPO paid up capital at all times;
4	it has obtained approval from its Board of Directors relating to public offer along with the offer size and method
5	it has profitable track record for at least in the latest financial year from its core business activities and has no accumulated retained loss at the time of application: Provided that this provision shall be relaxed for regulated company and green field company: Provided, however, that such regulated company or green field company shall have to disclose a business plan in the prospectus to bring the company into a profitable venture;
6	it has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus;
7	it has utilized at least 90% (ninety percent) of the proceeds previously raised through issue of capital;
8	the issue manager or any of its related party or connected persons is in no way connected with the issuer or any of its connected person nor does hold any of its securities prior to the public offer: Provided that the above provision may be relaxed for the related party or connected person of the issue manager to participate in the bidding process under book building method with a declaration in the red-herring prospectus or prospectus to the effect that they don't involve in any cartel or tacit collusion for influencing the cut off price;
9	it has prepared its financial statements in accordance with the requirements of the Securities and Exchange Rules, 2020, the applicable International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as adopted in Bangladesh, and shall have such financial statements audited in conformity with the International Standards on Auditing (ISA), the Financial Reporting Act, 2015, the Companies Act. 1994, and other applicable legal and regulatory requirements: Provided that a declaration, duly signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the issuer, shall be submitted confirming that the financial statements of the issuer have been prepared in full compliance with the financial reporting and auditing standards issued or endorsed by the Financial Reporting Council (FRC): Provided further that a compliance certificate, issued by the statutory auditor of the issuer, shall have to the effect that the audit of the issuer's financial statements has been conducted in conformity with the auditing standards prescribed or endorsed by the FRC: Provided further that the statutory auditor of the issuer shall be responsible for the accuracy, authenticity and assurance of its audit report.
10	it has got cost audit by professional accountants as per the Companies Act, 1994, if applicable;
11	it has got its latest financial statements audited by the panel auditors as declared by the Commission from time to time;
12	it has been regular in holding annual general meeting (AGM);
13	it has complied with the provisions of Corporate Governance Code as published by the Commission from time to time;
14	the issuer or any of its directors and shareholders holding 5% (five percent) or more shares are not loan defaulter as per the latest CIB report of Bangladesh Bank;
15	35% (thirty five percent) of the issue has been underwritten on a firm commitment basis by the underwriter(s);
16	it has complied with all the requirements of these Rules in preparing prospectus;

17	it has complied with the provisions of guidelines regarding valuation of assets, as published by the Commission from time to time;
18	it has not raised paid-up capital in cash or other than cash consideration except issuance of bonus shares within the preceding 2 (two) years from the date of application for public offer: Provided that issuance of shares in exchange of valid consideration except intangible assets or intellectual property for other forms of collaborative investments may be allowed within the said period subject to prior approval of the Commission: Provided further that issuance of right shares only to the existing shareholders and/or any shares issued to any strategic investor in cash consideration through banking channel may be allowed before 1 (one) year from the date of application for public offer: Provided further that in case of issuance of shares by any company under public private partnership (PPP) recognized by PPP Authority or having majority holding by the state or foreign shareholders this provision is not applicable; [Explanation: Collaborative investment means any equity investment is made to any company registered in Bangladesh in collaboration with joint ventures or by any alternative investment fund or by any foreign strategic investor.]
19	it has to submit its history of raising of capital since inception duly attested by the Managing Director or Chief Executive Officer of the issuer: Provided that in case of raising of capital through cash consideration, the banker's certificate and auditor's certificate showing the amount of deposit equivalent to the paid-up capital, duly attested by the Managing Director or Chief Executive Officer of the issuer shall be submitted: Provided further that the issuer shall submit the bank statements of last 5 (five) years or shorter period of operation, as applicable in support of the banker's certificate and auditor's certificate: Provided further that in case of raising of capital through other than cash consideration, the vendor's agreement along with relevant documents certified by Registrar of Joint Stock Companies and Firms (RJSC&F), amount of capital raised equivalent to the paid-up capital, duly attested by the Managing Director or Chief Executive Officer of the issuer shall be submitted;
20	it has declared that the issuer shall be responsible for submitting a report to the Commission on utilization of public issue proceeds duly audited by a panel of auditors of the Commission within 10 (ten) days of the end of each quarter with a confirmation to the effect that the public issue proceeds has been utilized according to the use of proceeds mentioned in the prospectus;
21	it has fully converted its convertible securities, if any, into ordinary shares within the financial year based on which it intends to go for public offer.
SL	**Additional requirements for the companies except green field company under fixed price method**
1	it may offer its shares at par or at premium (above par) or at discount (below par);
2	its post-IPO paid -up capital shall not exceed of Tk. 125 (one hundred and twenty-five) crore: Provided that any regulated company having pre-IPO paid up capital more than Tk. 125 (one hundred and twenty-five) crore may also offer its share: Provided further that any regulated company having accumulated loss has to have positive projected net profit after tax in the projected financial statements as attached in the prospectus within the next 2 (two) years of IPO which shall be duly examined or verified in accordance with International Standard on Assurance Engagements (ISAE) 3400 by the panel of auditors of the Commission; and
3	in case the offer made at premium: (i)its post-IPO paid -up capital shall not exceed of Tk. 125 (one hundred and twenty-five) crore; (ii)it has been in commercial operation at least for preceding 3 (three) years; (iii)it has made net profit after tax and positive net operating cash flows at least for immediately preceding 2 (two) financial years; and (iv)it has been rated by a credit rating company registered with the Commission with at least single A rating in the long-term scale.
SL	**Additional requirements for green field company under fixed price method**

1	it shall offer its shares at par or at discount;
2	its post-IPO paid -up capital may be exceeded Tk. 125 (one hundred and twenty-five) crore;
3	it has positive projected net profit after tax in the projected financial statements as attached in the prospectus within the next 2 (two) years of IPO which shall be duly examined or verified in accordance with ISAE 3400 by the panel of auditors of the Commission;
4	collective contribution of its sponsors, sponsor group, strategic investors and directors to the company, in the form of equity or as paid-up capital shall not be less than 75% (seventy five percent) of its post IPO paid-up capital which shall be retained till the company reports net profit after tax for 2 (two) consecutive financial years including profit from its core business activities after IPO;
5	its sponsors and directors shall have successful business track record of running any company, as service provider, manufacturer or industrial units etc., justifying by various parameters such as operational profitability, positive net operating cash flows, positive earnings per share (EPS) and dividend payout, etc.:
6	its management shall have sufficient skills and experience to run such green field company;
7	detailed plan of operation for green field company including Engineering, Procurement and Construction (EPC) contract, if required, shall be in place;
8	the green field company shall provide a declaration in the cover page of the Prospectus in bold letter, among others, as follows: "**It is a green field company/not yet completed one year of operation, which is envisaged to start commercial operation by…… (date is preferred). The risks associated with the green field company are much higher than a company that has already commenced its commercial production/operation**."
SL	**Additional requirements for book-building method**
1	it shall offer its shares at cut off price only
2	if any company having pre-IPO paid-up capital or net worth of Tk. 500 (five hundred) crore or more, it may offer less than 10% (ten percent) but not below 5% (five percent) of its post IPO paid-up capital
3	it has been in commercial operation at least for preceding 3 (three) years
4	it has made net profit after tax and positive net operating cash flows at least for immediately preceding 2 (two) financial years
5	the provision under clause (c) and (d) are not applicable for any company under public private partnership (PPP) recognized by PPP Authority; or having majority holding of the state or foreign shareholders
6	it has been rated by a credit rating company registered with the Commission with at least single A rating in the long-term scale
7	it has made separate agreement with the issue manager for the role of issue management and registrar to the issue
SL	**Additional requirements for repeat public offer (RPO)**
1	information concerning the repeat public offer shall be disseminated as price sensitive information immediately upon board decision as well as upon approval at the general meeting and approval of the Commission, in accordance with the relevant Rules and Regulations
2	there should be an explicit announcement while disseminating the information in first 2 (two) events under sub-rule (a) that the repeat public offer shall be subject to approval of the Commission;
3	such offer has been approved by the board, the shareholders in a general meeting, and the consent to which is obtained from the Commission;
4	90% (ninety percent) of the proceeds of previous public offer or rights issue, as the case may be, have been utilized and relevant reports were duly submitted to the Commission;
5	the issue has been underwritten at least 35% (thirty five percent) on a firm commitment basis by the underwriter(s);
6	the issuer has been rated at least with investment grade by a credit rating company registered with the Commission.