



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন



DHAKA STOCK EXCHANGE LIMITED



“মুজিববর্ষের অঙ্গীকার
উন্নয়ন-অর্থায়নের উৎস হবে পুঁজিবাজার”

Awareness Program on Dealing with Investors

Presented by

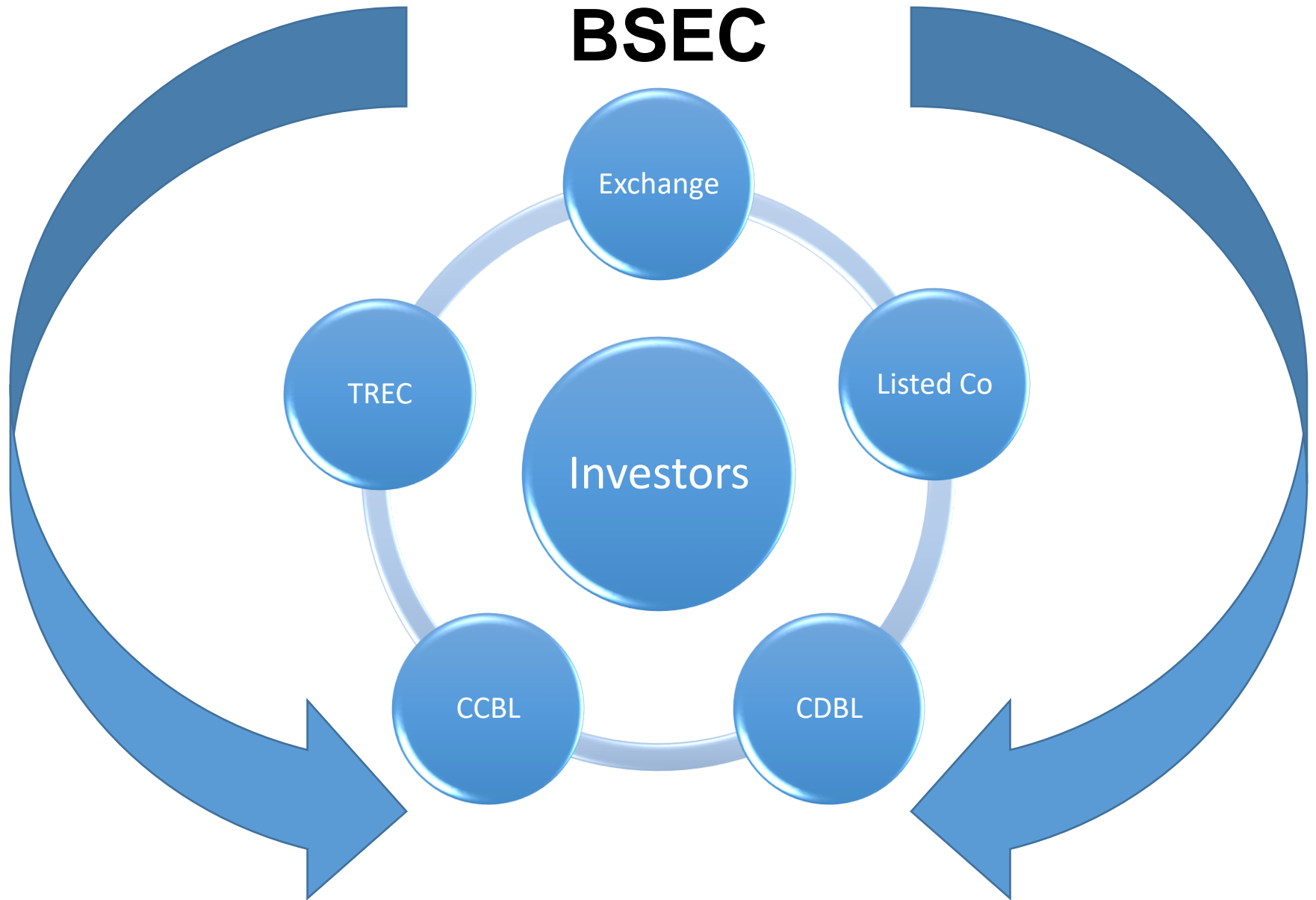
Abdul Matin Patwary FCMA
CFO DSE

World Investor Week 2020

Flashback:

Deadline	<ul style="list-style-type: none">• 5 to 11 October 2020
Organizer	<ul style="list-style-type: none">• International Organization of Securities Commissions (IOSCO) and BSEC
Purpose	<ul style="list-style-type: none">• Promoting financial & investor education and disseminating the events key messages
Key theme	<ul style="list-style-type: none">• Online investing, initial coin offerings, the basics of investing, Ed-Tech issues
No. of jurisdiction	<ul style="list-style-type: none">• 115
No. of participants	<ul style="list-style-type: none">• 108 million (2019)
WIW supporters	<ul style="list-style-type: none">• Sustainable Stock Exchanges Initiative (SSE), World Bank Group, International Forum for Investor Education, Inter-American Development Bank, IFRS, G20

Dealing with Investors - Parties



Provisions of Securities Laws for Protection of Interest of Investors

SI #	Name of law	Relevant Reference of Law
1	The Securities and Exchange Ordinance, 1969	20A - Power of commission to issue direction in certain cases
		2CC - Power of commission to impose conditions over other law
2	Securities and Exchange Commission ACT, 1993	Preamble - Purpose of establishment of the commission
3	The Companies Act, 1994	233 - Protection of minority interest
4	The Exchanges Demutualization Act, 2013	Preamble - Development of the capital market, good governance
		19 - Obligation in performing operation of the exchange
5	DSE (Board and Administration) Regulations, 2013	8(3) - Responsibility of directors of stock exchange
		10(5)(a) - Responsibility of MD of Exchange
6	DSE (TREC) Regulations, 2013	5(3) - Qualification for TREC : Exchange may specified certain standard
7	DSE (Investors' Protection Fund Regulations), 2014	3 - Purpose of the creation of IPF
8	Corporate Governance Code dated 3 June 2018	Preamble - Purpose of establishment of corporate governance code

Stock Exchanges – Major Responsibilities



Responsibilities of Exchange

TREC Holder Affairs

- ❑ Set minimum admission standards and eligibility criteria for TREC holders;
- ❑ Formulate rules and regulations relating to proprietary and client level trading by the TREC holders;
- ❑ Create awareness about the code of conduct amongst the TREC holders;
- ❑ Formulate comprehensive guidelines for TREC holders to meet all obligations to investors in conformity with applicable laws;
- ❑ Develop detailed system for TREC holders to keep proper records of all transactions and orders and client profile; and
- ❑ Monitor compliance of all the requirements for TREC holders in accordance with the securities laws and recommend/initiate enforcement actions in case of noncompliance.

Responsibilities of Exchange

Listing/Company Affairs

- ❑ Set listing standards and making efforts to continuously enhance the same;
- ❑ Ensure continuous and timely disclosure of material information by the listed companies;
- ❑ Ensure compliance of listing regulations; take steps in case of non-compliance of listing regulations;
- ❑ Ensure compliance of corporate finance requirements by the listed companies;
- ❑ Ensure compliance with the Code of Corporate Governance by the listed companies; and
- ❑ Recommend / initiate enforcement action against noncompliant listed companies within the jurisdiction allowed under the securities laws.

Responsibilities of Exchange

Monitoring and Surveillance of the Market

- Ensure continuous monitoring and surveillance of trading activities;
- Investigate violations of trading rules and disciplinary requirements;
- Ensure that proper systems for detecting violations/ market malpractices are in place and in operation;
- Ensure compliance with the capital adequacy regime;
- Monitor compliance of all the requirements related to trading in accordance with the securities laws and recommend/initiate enforcement actions in case of noncompliance.

Responsibilities of Exchange

Enforcement and Compliance

- ❑ Establish compliance procedures to ensure that the procedures reflect current laws and provide adequate guidance to the employees about what is permissible conduct;
- ❑ Supervise system audit of brokers/dealers and introduce a system of regular inspection of brokers/ dealers;
- ❑ Continuously liaise between the BSEC and the TREC holders etc. on compliance related issues;
- ❑ Ensure that adequate systems and procedures are in place and maintained by supervisory personnel;
- ❑ Ensure that all applicable rules/regulations/ procedures/ directives, code of conduct and any amendments therein are strictly adhered to by all personnel;

Responsibilities of Exchange

Enforcement and Compliance

- Initiate enforcement actions or recommend enforcement actions to BSEC, whichever is applicable, such as imposition of penalties, suspensions etc. Cases requiring litigation shall be forwarded to the Litigation Wing;
- Disseminate material disciplinary actions through website for the information of general public.
- Maintain and publication of a database of past enforcement actions in accordance with the dissemination policy approved by the Board; and
- Ensure that all post-trade information/reports are made available to investors by TREC holders in line with prescribed rules/regulations.

Responsibilities of Exchange

Investors Complaints, Arbitration and Litigation

- ❑ Establish a dispute resolution mechanism;
- ❑ Handle and process investor complaints;
- ❑ Conduct preliminary enquiries, hearings and mediations;
- ❑ Coordinate arbitration proceedings;
- ❑ Ensure implementation of arbitration awards etc; and
- ❑ Initiate /defend legal proceedings in respect of enforcement actions of Enforcement and Compliance Wing.

Awareness Program

Create awareness among market participants including TREC holders, regarding the Code of Conduct and other compliance issues through regular seminars, newsletters and workshops.

Stock-Broker/TREC - Responsibilities

- Accepting a customer to open a customer account for trading;
- Executing the customer's order for buy or sell as per their written or telephonic order;
- Buy or sell securities at the optimum market rate;
- Justify a security before the transaction and be sure about its authenticity and never does the transaction of the defective security.
- Would not attract anyone to buy or sell securities only for gaining brokerage or commission or won't provide any false or misleading quotation or any false information .
- Providing trade confirmation report on the executed order with details within 24 hours of trading,

Stock-Broker/TREC - Responsibilities

- Making timely payment against sell of security, or delivery of security bought;
- Provide clients the bills for all transaction of the clients.
- Maintain register covering names, addresses and code numbers of clients;
- Maintain register based on agreement, securities and clients;
- Maintain list of authorized representative with their roles and responsibilities;
- Keep separately the customer's securities from others' securities;
- Keep separately the customers' money through consolidated customer's bank account from the broker's money;
- Update KYC database properly and timely.

Stock-Broker/TREC - Responsibilities

- Maintain honesty, goodwill, efficiency and credibility in dealing with client.
- Engage in fair practices;
- Would not reveal any information of clients to anyone or misuse the information regarding the personal investment due to the business relationship.
- Would not apply any trick for self interest, make any transaction to deceit investor or spread rumor for self interest or destroy the balance in the market.
- Can not create any artificial market individually or with others which will be harmful for the general investors.
- Settle the customer's complaint, if any, against the stock-broker concerned;
- Informing about the doubtful activities to the Exchange & Commission in written.

Rights of Investor & shareholder

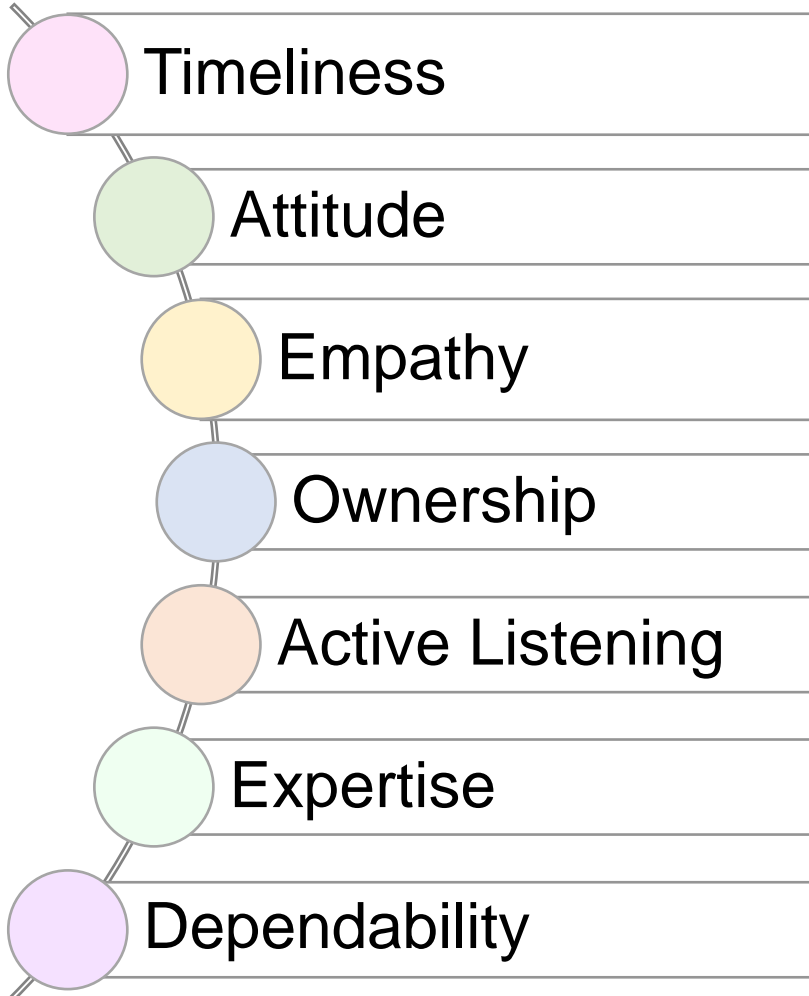
- ❑ To receive the shares on allotment or purchase within the stipulated time.
- ❑ To receive copies of the Annual Report including true and fair Financial Statements and Auditor's Report.
- ❑ To receive dividends in due time once approved in general meetings.
- ❑ To receive corporate benefits like rights, bonus, etc. once approved.
- ❑ To receive offer in case of takeover, delisting etc.
- ❑ To participate/vote in general meetings either personally or through proxy.
- ❑ To inspect the statutory registers at the registered office of the company.
- ❑ To inspect the minute books of the general meetings and to receive copies thereof.
- ❑ To proceed against the company, if in default, by way of civil or criminal proceedings.
- ❑ To receive the residual proceeds in case of winding up.

Rights of Bondholders

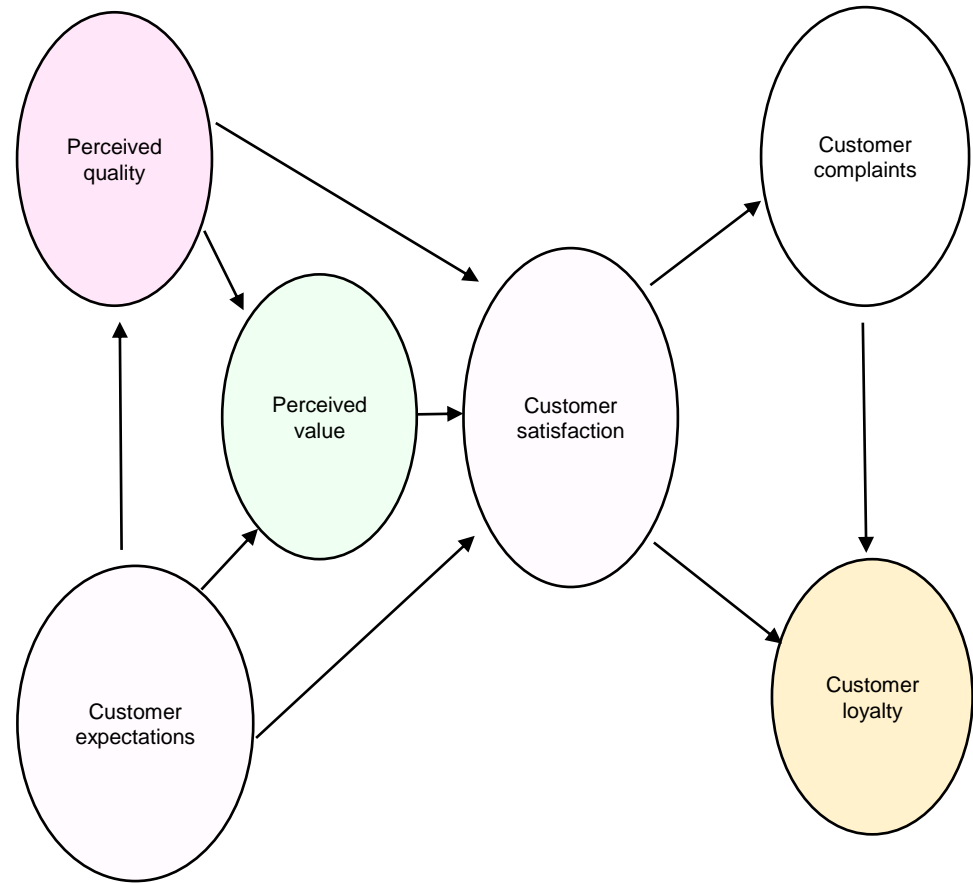
- To receive interest/redemption within the stipulated time.
- To receive a copy of the trust deed on request.
- To apply before the Trustee in case of default in redemption of debentures on the date of maturity.
- To apply for winding up of the company if the company fails to pay its debt
- To approach the Debenture Trustee for grievances.

Customer Satisfaction

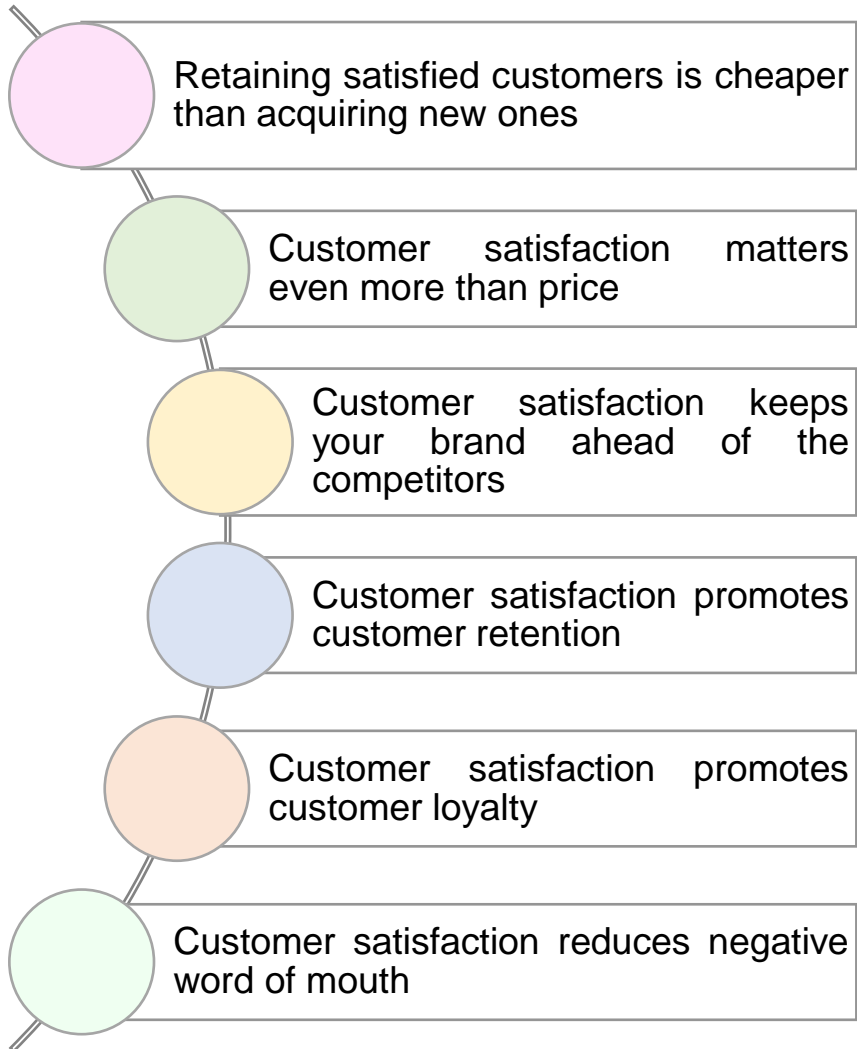
Critical Success Factors



Customer Satisfaction Model



Why achieving customer satisfaction is important?



If you build a great experience, customers tell each other about that. Word of mouth is very powerful -

Jeff Bezos Amazon



Way Forward - Conclusion





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শতবর্ষ 100

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Thank You



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WORLD
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WEEK 2020



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