

CDBL Operating Instruction – 130 - 19

21st May 2019

To: All Depository Participants

Block Module of CDS

Kindly be informed that Bangladesh Securities and Exchange Commission (BSEC) issued a directive under reference no. BSEC/CMRRCD/2009-193/216 dated 15 May 2019 (enclosed herewith) to all Listed Companies and Asset Managers to block securities of their respective Company / Mutual Fund held in the BO Accounts of their Sponsors/ Directors/ Placement share/unit holders through the 'BLOCK' module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

According to the BSEC's directive, upon receiving declaration and/or requisite Government tax, if any, from the Sponsors/Directors/Placement holders for buying/selling or otherwise disposing off their securities, the Stock Exchange shall allow crediting of the declared buy quantity of the securities or debiting the declared quantity of sale or otherwise dispose off of the securities to or from the concerned BO Accounts through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

As soon as a BO Account is blocked Central Depository System (CDS) will send an alert to the mobile number and Email ID (stored in CDS as provided by the DP) of the respective Depository Participant and the Block Setup Today Report (DPR5) will be provided to the DP's CDS Terminal next working day.

If any Sponsors/Directors/Placement holders decide to buy/sale or otherwise dispose off their securities, the Stock Exchange shall allow crediting of the declared buy quantity of the securities or debiting the declared quantity of sale or otherwise dispose off of the securities to or from the concerned BO Accounts through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

As soon as Stock Exchange will allow DEBIT or CREDIT in a blocked BO Account Central Depository System (CDS) will send an alert to the mobile number and E-Mail ID of the respective Depository Participant. And Release Debit/Credit Setup Today Report (DPR2 & DPR3) will be provided in the DP's CDS Terminal next working day.

In this connection a new column namely 'Block Balance' is incorporated in DPA6 Daily BO-ISIN Holdings report which was already communicated to you via email on 9th May 2019. This 'Block Balance' column is also provided in the BO-ISIN inquiry screen to identify block share quantity, if any. A new Print button is provided in the BO-ISIN inquiry screen to print shareholdings report with all types of balances for a BO-ISIN.

Following three new reports are incorporated in the Central Depository System (CDS):

- i) Block Setup Today (DPs) DPR5
- ii) Release DEBIT Limit Setup Today (DPs) DPR2
- iii) Release CREDIT Limit Setup Today (DPs) DPR4

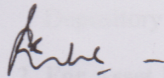
In order to facilitate the BO to change the DP, blocked securities can be transferred from Block BO Account to Link BO Account only via TRANSMISSION option of Transfer & Transmission module of CDS and the blocked securities will be transferred as 'Blocked' status. In order to do so the Link BO Account must be blocked by the respective issuer prior the transmission;

All DPs are requested to monitor Block Setup Report generated for their DPs daily and take necessary action to halt buy/sale of the blocked securities held in the BO Account in order to avoid settlement failure of the transactions. Prior to selling/buying from/to blocked securities from/to any BO Account please ensure that stock exchange allowed Debit/Credit quantity through the block module of CDS. In addition, you are suggested to check Free Balance via online BO-ISIN inquiry module before selling any securities.

If you have any queries on the Block Module please call Mr. Moinul Haque, (01911 367826) or Mr. Shihab Bari (01714303340) or Mr. Kazi Minhaz Uddin (01715578700) who will be pleased to assist you.

Thanking you.

Yours sincerely,



Shuvra Kanti Choudhury, FCA
Managing Director & CEO

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban
E-6/C Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

No. BSEC/CMRRCD/2009-193/216

15 May 2019

DIRECTIVE

Whereas, the Bangladesh Securities and Exchange Commission is satisfied that in the interest of investors and securities market and for the development of securities market, certain direction shall be given to the listed companies and asset managers, whose shareholders and unit holders of mutual fund respectively are subject to lock-in and/or declaration prior to buy or sell;

Now, therefore, in exercise of the power conferred on it by section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Commission hereby directs all listed companies, asset managers and stock exchanges, namely:-

1. For Listed Companies.-

Block securities of the respective company held in the BO accounts of the sponsor shareholders, directors and placement holders through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

2. For Asset Managers.-

Block units of the respective listed mutual fund held in the BO accounts of the sponsor unit holders and placement holders through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

3. For Stock Exchanges.-

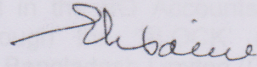
- (1) Upon receiving declaration and/or requisite Government tax, if any, from the sponsor shareholders or sponsor unit holders or directors or placement holders for buying or selling or otherwise disposing of their securities, the stock exchange shall allow crediting the declared quantity of buy, or debiting the declared quantity of sale, or otherwise disposing of the securities to/from the concerned BO account

through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL).

- (2) Upon receiving official communication from the listed companies or asset managers to un-block a blocked BO account due to changes in directorship, or blocked inadvertently, or for any other valid reason, the stock exchange shall un-block the BO account through the Block Module of Central Depository System (CDS) of Central Depository Bangladesh Limited (CDBL) after examination.

This shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission



Dr. M. Khairul Hossain
Chairman.