

## **Dhaka Stock Exchange (Board and Administration) Regulations, 2000**

In exercise of the powers conferred by section 34 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Dhaka Stock Exchange makes, with the approval of the Securities and Exchange Commission, the following regulations, namely: -

**1. Short title.** – These regulations may be called the Dhaka Stock Exchange (Board of Directors and Administration) Regulations, 2000.

**2. Overriding effect.** -These regulations shall have effect notwithstanding anything contained in the articles of association of the Dhaka Stock Exchange or in any regulations or bye-laws thereof.

**3. Definitions.** – In these regulations, unless the context otherwise requires

- (a)“ articles” means the articles of association of the Exchange;
- (b)“Chief Executive Officer” or “CEO ” means the Chief Executive Officer of the Exchange;
- (c)“Commission” or “SEC” means the Securities and Exchange Commission established under the Securities and Exchange Commission Act, 1993 (XV of 1993);
- (d)“ Board of Directors” means the Board of Directors of the Exchange;
- (e)“ Exchange” or “Dhaka Stock Exchange” means the Dhaka Stock Exchange Limited;
- (f)“ elected Director” means an elected member of the Board of Directors;
- (g) “issuer” means the issuer of the security listed with the Exchange;
- (h)“ member” means a member of the Exchange;
- (i) “ Memorandum” means the memorandum of the Exchange;
- (j) “Non-elected Director” means a member of the Board of Directors other than the elected Director.

**4. Constitution of Board of Directors of the Exchange:** –

- (1) Of the total number of members of the Board of Directors as specified in the articles, fifty percent shall be elected Directors and fifty percent non-elected Directors.
- (2) The non-elected Directors shall be selected by the elected Directors with the prior approval of the Commission.
- (3) Of the total number of non-elected Directors-
  - (a) One shall be selected from among investors of listed securities;
  - (b) One shall be selected from among the listed issuer companies; and
  - (c) The remainders shall be selected from among distinguished persons who are not associated either with the Exchange or with any of its members.
- (4) An elected Director shall hold office for the period specified in the articles.
- (5) A non-elected Director shall hold office for a period of 3 (three) years commencing from the date of approval of the Commission which may be extended for another term with the prior approval of the Commission:  
Provided that the Commission may remove any non-elected Director at any time, if it is deemed necessary in the interest of the capital market, and the consequent vacancy shall be filled by the elected Directors within sixty days from the order of removal with the prior approval of the Commission and, in case of failure to do so, the Commission may appoint a person to fill the vacancy.
- (6) The Chief Executive Officer shall be an ex-officio Director of the Board of Directors without any right to vote.

**5. Quorum.**— At least one-third members of the Board of Directors, which shall include at least one from the non-elected Directors, shall constitute a quorum of any meeting of the Board of Directors.

**6. Powers of the Board of Directors. —**

- (1) The Board of Directors shall be vested with the policy making and resource mobilization powers necessary for the governance of the Exchange.
- (2) The Board of Directors shall approve the annual budget statements of the Exchange and take all measures necessary for the promotion of the objects and purposes of the Exchange.
- (3) The Board of Directors shall make and amend all regulations and bye-laws of the Exchange and issue such orders and directions and make such decisions as it may deem appropriate for the purposes of the Exchange.
- (4) The Board of Directors shall prescribe and impose penalties for the violation of regulations and bye-laws adopted by the Exchange and for neglect of or refusal to comply with the orders, directions or decisions issued or made by it there under.
- (5) The Board of Directors shall exercise such other powers as may be necessary to ensure that the Exchange is professionally and efficiently run and managed.
- (6) In the discharge of its functions, the Board of Directors shall not, in any manner, interfere with the exercise of powers and discharge of functions by the Chief Executive Officer and other officers and staff in respect of carrying on the administration and business of the Exchange.

**7. Appointment, removal, etc. of the Chief Executive Officer.-**

- (1) Subject to the prior approval of the Commission, the Board of Directors shall appoint a person as a full-time Chief Executive Officer of the Exchange.
- (2) The person appointed as the CEO shall not be a member of the Exchange, nor shall he, in any way whatsoever, be associated with any member of the Exchange or with any issuer, and shall not engage himself in any business, directly or indirectly, including trading or dealing in any securities.
- (3) The tenure of office of the CEO shall be three years, which may be renewed with the prior approval of the Commission.
- (4) If the CEO fails to discharge his duties effectively and diligently or is found guilty of misconduct, the Board of Directors may, subject to the prior approval of the Commission, remove him from his office by a resolution passed by it in a special meeting convened for the purpose by the votes of at least two-third of its total membership: Provided that no decision for his removal shall be taken except after giving him a reasonable opportunity of being heard and also after taking into consideration his submissions and explanations at the hearing.
- (5) The CEO may resign from his office by at least a three months' notice in writing addressed to the President of the Exchange with a copy to the Commission.
- (6) The senior-most officer of the Exchange shall act as CEO during the period the office of the CEO remains vacant or the CEO is unable to discharge his functions due to absence, illness or any other cause.
- (7) The Commission may appoint the CEO if the Board of Directors fails to do so within ninety days of occurrence of the vacancy in that office.

**8. Powers of the Chief Executive Officer. —**

- (1) The Chief Executive Officer shall have full powers to give effect to the policies, directives, guidelines and orders issued either by the Commission or by the Board of Directors from time to time, to implement the provisions of laws, rules, regulations and bye-laws and to take such other actions as may be required for these purposes: Provided that in case of conflict between any policy, directive, guideline or order issued by the

Board of Directors and also by the Commission on any matter, the policy, directive, guideline or order issued by the Commission shall prevail.

(2) The CEO shall be responsible for-

- (a) Free, fair, transparent and efficient operation of the Exchange;
- (b) Effective administration and efficient financial and general Management of the Exchange;
- (c) Market related information technology and surveillance of trade in the Exchange;
- (d) Taking disciplinary measures in appropriate cases against persons Violating the Exchange regulations or bye-laws;
- (e) Controlling and directing the officers and staff of the Exchange; and
- (f) Representing the Exchange before the Commission and other authority concerned.

(3) The CEO shall be a member of all committees constituted by the Board of Directors: Provided that he shall be excluded from any such committee which is constituted by the Board of Directors for conducting any enquiry for taking any disciplinary action against him.

(4) In case of emergency, the CEO may exercise any other power not specifically vested in him if he is of the opinion that immediate action is necessary, subject to informing the President of the Board of Directors and the Commission simultaneously, but such action shall have to be confirmed by the Board of Directors in its meeting that shall be held next after the exercise of such power.

(5) The CEO shall regularly submit reports to the Board of Directors, with copy to the Commission, in respect of the activities and functions of the administration and also regarding implementation status of the policies, directives, guidelines and orders issued by the Board of Directors or the Commission.

#### **9. Selection and Disciplinary Committees for officers and staff.-**

(1) The Board of Directors shall constitute-

- (a) Selection committee for appointment and promotion of officers of the Exchange other than the CEO;
- (b) Disciplinary committee for disciplinary action against those officers.

(2) The Chief Executive Officer shall constitute-

- (a) Selection committee for appointment and promotion of staff of the Exchange;
- (b) Disciplinary committee for disciplinary action against those staff.

(3) The committee constituted under sub-regulation (1) shall be headed by the CEO and shall consist of members half of whom shall be from the elected Directors and half from non-elected Directors.

(4) The committee constituted under sub-regulation (2) shall consist of officers of the Exchange and shall be headed by a senior officer of the Exchange to be nominated by the CEO.

(5) The CEO shall make appointments and promotions and take disciplinary actions only on the basis of the recommendation made by the selection committee or disciplinary committee, as the case may be:

Provided that the CEO shall furnish to the Board of Directors a copy of the disciplinary committee's recommendation for disciplinary action against any staff.

**10. Exclusion of members from certain committees.-** No member shall be included in any committee which is constituted for any matter in which he has any personal interest.

**11. Furnishing notices to the Commission.-** Notice of all meetings of the Board of Directors, together with the annexures, shall be furnished to the Commission at the time of issue thereof.

**12. Termination of tenure of the existing nominated and appointed Directors.** Notwithstanding anything contained in the articles, the tenure of the nominated and appointed Directors holding office immediately before the coming into force of these regulations shall stand terminated on the date of selection of the non-elected Directors.

By order of the Board of Directors

Md. Shahiq Khan  
President  
Dhaka Stock Exchange Ltd.

