



BANGLADESH SECURITIES AND EXCHANGE COMMISSION
Securities Commission Bhaban
E-6/C Agargaon, Sher-e-Bangla Nagar
Administrative Area, Dhaka 1207, Bangladesh



Directive

Dated, 14 January 2021

No. BSEC/CMRRCD/2021-386/03- Whereas, the Bangladesh Securities and Exchange Commission (hereinafter referred to as the 'Commission') deems it fit that in the interest of investors and the capital market, certain directives to be issued to the stock exchange(s), the depository, the issuer of listed securities including securities availing over-the-counter (OTC) facilities or any scheme of a mutual fund (herein after referred to as 'the issuer') with regard to dividend;

Now, therefore, in exercise of the power conferred by Section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Commission hereby directs the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Limited, the Central Depository Bangladesh Limited, the issuer or the asset manager or the trustee of any scheme of a mutual fund to comply the followings with regard to dividend, namely:-

- (1) The issuer shall formulate a dividend distribution policy which shall be disclosed in its annual report and official website;
- (2) The issuer shall pay off the annual or final dividend except the dividend on any scheme of a mutual fund to the entitled shareholder, within 30 (thirty) days of approval:

Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date.

Provided further that the dividend on any scheme of a mutual fund shall be paid off to the entitled unit holder, within 45 (forty five) days of approval by the board of trustee.

- (3) Cash dividend shall be distributed in the following manner and procedures, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of directors or board of trustee of the issuer, as the case may be, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the issuer, dedicated for this purpose;
- (ii) The issuer shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

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“মুজিববর্ষের অঙ্গীকার উন্নয়ন-অর্থায়নের উৎস হবে পুঁজিবাজার”



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Provided that the issuer may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- (iii) The issuer, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the issuer for such claim.

- (iv) The issuer, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder or unit holder;
- (v) The issuer shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- (vi) The issuer, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;
- (vii) The issuer shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account':



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Provided that the issuer shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

- (4) The issuer shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
- (5) The issuer, the CDBL and the exchange(s) shall follow the provisions of শ্রবিশদান ৪৬ of the ডিপজিটরি (ব্যবহারিক) শ্রবিশদানমালা, ২০০৩ for issuance of bonus shares:

Provided that the issuer shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- a) The issuer shall send at least 3 (three) reminders to the entitled shareholder;
- b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

- c) The issuer shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);
- d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

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“মুজিববর্ষের অঙ্গীকার উন্নয়ন-অর্থায়নের উৎস হবে পুঁজিবাজার”



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- (6) The issuer shall submit a compliance report to the Commission and the exchange(s) in a specified format at **Annexure-A** in respect of the provisions of clause (2), (3), (4) and (5) above, within 7 (seven) working days of completion of dividend distribution:

Provided that the issuer shall publish the compliance report in its website.

- (7) The issuer shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.
- (8) If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the Fund as directed or prescribed by the Commission:

Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.

- (9) If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned at clause (8):

Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the Commission.



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- (10) The issuer, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that the issuer or its agent or the CDBL or its DP shall keep confidentiality of information.

- (11) The CDBL or its DP shall update the information of BO account, bank account, mobile number, email address and contact address of shareholder or unit holder at least once in a year, and the CDBL shall provide such information to the issuer for the purpose of proper distribution cash dividend or stock dividend and other compliances:

Provided that in case of holding of paper share or unit of mutual fund, the issuer shall update the information as above.

- (12) In the event of any confusion or difference of opinion on any matter whatsoever, the decision of the Commission shall be final and binding on all concerned.

This Directive shall have immediate effect.

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-Ul-Islam
Chairman.



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Annexure-A

Dividend Distribution Compliance Report			
Under Clause (6) of the Directive No.BSEC/CMRRCD/2021-386/03, dated: 14/01/2021			
1	Name of the Issuer/Securities/Mutual Fund		
2	Particulars of Issuer DP		
3	Type of Dividend (Annual /Interim) (Put tick mark (a) on the recommended option)	a) Annual <input type="checkbox"/> b) Interim <input type="checkbox"/>	
4	Whether audited or not for Interim Dividend (Put tick mark (a) on the recommended option)	a) Audited <input type="checkbox"/> b) Unaudited <input type="checkbox"/>	
5	Date of recommendation of Dividend by the Board of Directors/Trustee:(Enclose copy of PSI)		
6	Whether Dividend recommended other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>	
7	Record date for entitlement		
8	Rate of Dividend recommended by the Board of Directors/Trustee		
9	Dividend recommended -Type (Put tick mark (a) on the recommended option)	a) Cash <input type="checkbox"/> b) Stock <input type="checkbox"/>	
10	Securities/mutual fund traded under which categories (Put tick mark (a) on the recommended option)	(a) A <input type="checkbox"/> (b) B <input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z <input type="checkbox"/>	
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL		
12	Date of approval of Dividend at AGM		
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)		
14	Date of commencement of disbursement of Cash and Stock Dividend		
15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	a) BEFTN <input type="checkbox"/> b) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/> d) Dividend Warrant <input type="checkbox"/> e) Any other mode <input type="checkbox"/>	
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]		
17	Paid-up-capital of the issuer- before corporate action/entitlement	TK- <input type="checkbox"/> <input type="checkbox"/>	
18	Numbers of securities/shares outstanding-before corporate action/entitlement:		
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration		
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock (nos)
	A. Mode of Dividend payment/credit for the concerned year:		Annexures
	a) through BEFTN or directly credited to respective BO		
	b) through Bank Transfer other than entitled BO-Margin loan		
	c) through Bank Transfer		
	d) through Mobile Financial Service (MFS)		
	e) through any other mode as approved by Bangladesh Bank		
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)		
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities		
21	Total Dividend paid/credited for the concerned year		
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)		



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Annexure-A			
23	Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year (as per Audited Accounts)		
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year		
	A. Mode of Dividend Receipts/payment/credit for the previous years:		
	a) through BEFTN or directly credited to respective BO		
	b) through Bank Transfer		
	c) through Mobile Financial Service (MFS)		
	d) through any other mode as approved by Bangladesh Bank		
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons		
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units		
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities		
25	Total Dividend paid/credited for previous years:		
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos		
27	Grand Total of unpaid/undistributed Dividend (22+26)		
	Aging of grand Total of unpaid/undistributed Dividend for previous years:		
	More than 3 years; balance		
28	More than 4 years; balance		
	More than 5 years & above; balance		
	Total of unpaid/undistributed Dividend for previous years		
	(Supporting bank statements and balances of securities with the Depository)		
Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts			
with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.			