

## Modus Operandi for OTC Operation

1. A company not listed on/delisted from the regular market will apply for registration with OTC market through a stock broker as per the OTC Rules.

However as per SEC's directive no SEC/CMRRCD/2001-16/168 dated 1<sup>st</sup> October 2009 Chittagong Stock Exchange Ltd. is providing OTC facilities for transaction of those "Z" category securities trading of which were under suspension or halted.

2. Licensed stock brokers and dealers may submit order in the prescribed form along with the scrips to the stock exchange.
3. Stock Exchange will disseminate the sale offer through the website and news of availability of securities on the OTC through the regular news dissemination system.
4. The web page will contain the following information:
  - a. Securities Name
  - b. Quantity
  - c. Price and
  - d. Brief Corporate profile
5. Buyer Broker may confirm purchase of the offer full or in part.
6. Buyer Broker will make full payment to the Exchange on the day of buy of securities at OTC including the commission and contract charges as applicable.
7. The scrips will be delivered to the buyer after confirmation of the bank re credit of the amount in the account of stock exchange.
8. The buyer broker will submit the securities for registration in the name of new beneficiary owner within 3 working days of taking delivery from the Exchange.
9. The acknowledgement of the company re receipt of the securities should be submitted to the exchange within two working days after issuance of the receipt. In case the buyer broker fails to submit the receipt, the Exchange will make payment of the due amount to the selling stock dealer/stock broker by cheque on the sixth

working day following the day of receipt of securities by the buying broker/dealer from the Exchange.

10. If there is any difficulty in transferring the shares, the issuer company or buying broker will send the written objection along with acceptable evidence to the Exchange.
11. If there is no complaint from the buyer broker, the Exchange will pay the seller broker on the first working day following the receipt of confirmation of transfer of shares from the issuer company.
12. If the buying broker after confirming purchase fail to make the payment in full or any part thereof, a penalty as decided by the Exchange will be imposed to compensate the seller with costs, in addition to the realizable expenses of OTC operating exchange. In this case the order will be placed on the system again.
13. Settlement of dematerialized securities transacted on Over –the- Counter (OTC) under the Securities and Exchange Commission (Over –the- Counter) Rules 2001, shall be in accordance with the existing mechanism and procedure followed by the Exchanges for listed dematerialized Securities

*Application by the De listed/ Unlisted public limited company  
for registration on CSE OTC  
[To be printed on companies' letterhead]*

Date:

The Chief Executive Officer  
Chittagong Stock Exchange  
Agrabad, Chittagong

Dear Sir

We hereby apply for registration of securities of our ..... (Name of the company) to provide us the OTC facilities in your Exchange. We furnish necessary papers and documents as required as per annexure A. The recommendation of one of your Brokers/Dealer ..... is appended below:

We assure you that we will abide by the securities related laws , rules , regulations, etc. for which we shall be prepared to extent all possible assistance & cooperation to all concerned upon request.

Necessary submission of unconditional undertaking under the common seal of the company duly signed and a remittance of Taka ..... towards initial registration fees are furnished.

Yours faithfully

Signature of the Authorised Person

Name  
Designation

Recommendation of Stock Broker/Dealer

We ..... do hereby recommend to register the securities of ..... to avail CSE OTC facilities as we/our customers are willing to place the sale order of the securities to the market.

Signature and Name of the nominated Director:

Name of the Broker/Dealer:

### ANNEXURE A to OTC Application

The following particulars and authenticated copies of documents shall be annexed to the listing application:

1. Certificate of incorporation
2. Memorandum and Article of Association
3. Copy of audited accounts for the last 3 completed year
4. A brief history of the Company since incorporation giving details of its activities including any re-organization changes in its capital structure and borrowings
5. Certified copies of the agreements with the financial institution for, if any
6. Name and address of the directors and persons or institutions holding 10% or more of any class of equity security as on the date of application together with the number of shares or debentures held by each
7. Particulars of security for which listing are sought
8. Reason for delisting, if applicable. Companies delisted recently from CSE will not need to provide this statement
9. For the Pre-IPO share, please furnish a statement on your plan to go public and apply for listing on the main market
10. For Pre-IPO shares, please furnish the relevant permission from the Securities & Exchange Commission

The Exchange may ask for additional information /documents from time to time

Undertaking of the OTC registered company

*[To be printed on 100 taka Stamp Paper]*

We hereby undertake unconditionally to abide by all securities related laws, rules, regulations, resolutions in respect of reports, periodicals, price sensitive information etc. issued by the authorities concerned, including the Chittagong Stock Exchange.

We further undertake:

- i. That subject to the sub-clauses below , our securities shall be registered with Chittagong Stock Exchange for OTC facilities at the discretion of the exchange
- ii. That the exchange shall not be bound by our request to discontinue/halt/suspend the securities from OTC facilities except in the case of re-listing or listing of the concern securities with any exchange within Bangladesh
- iii. That the exchange shall be authorised and have the right, at any time and without serving notice if it be deemed proper, to discontinue /halt/suspend OTC facilities of our securities from the exchange for any reason which the exchange consider sufficient in public interest.
- iv. That necessary registration and other fees, as determined by the Chittagong Stock Exchange from time to time shall be paid by us in due time.

Signed by:

Name:

Signature :

Common Seal of the Company

Witness:  
(Recommending Stock Dealer/Stock  
Broker)