

রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ



গেজেট

অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

সোমবার, অক্টোবর ১০, ২০২২

[বেসরকারি ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ]

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Notification

Date: 12 September 2022

No. BSEC/CMRRCD/2009-193/41/Admin/135—In exercise of the powers conferred by section 33(1) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Bangladesh Securities and Exchange Commission makes, after prior publication, the following rules, namely:—

1. **Short title.**—These rules may be called the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022.

2. **Definitions.**—(1) In these rules, unless there is anything repugnant in the subject or context,—

- (a) “Associate” means any partner, employee, officer of a company, and a related body corporate over which the directors and subscribers to the Memorandum of Association and Articles of Association can exercise significant influence;
- (b) “Best efforts” means a commitment by an underwriter to the issuer to make its highest effort to sell as much as possible of such securities under the qualified investor offer (QIO);
- (c) “Subscription collection agent to the issue” means any stock exchange or stock-broker or portfolio manager so named in the prospectus to collect subscription money for the securities under QIO;

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- (d) “Commission” means the Bangladesh Securities and Exchange Commission (BSEC) established under the Bangladesh Securities and Exchange Commission Act, 1993 (Act No. XV of 1993);
- (e) “Fee” means any money paid to any person in connection with the Qualified Investor Offer (QIO) of securities under these rules;
- (f) “Initial Qualified Investor Offer (IQIO)” means first offering of security by an issuer to the Qualified Investors under these rules;
- (g) “Qualified Investor or QI” means any of the following investors who has business operation in Bangladesh having at least taka 3 (Three) million investment in the capital market of Bangladesh at the time of application for subscription of securities under the QIO:—
- (i) Merchant Banker and Portfolio Manager;
 - (ii) Asset Manager;
 - (iii) Mutual Fund and Collective Investment Scheme (CIS);
 - (iv) Stock Dealer;
 - (v) Bank;
 - (vi) Financial Institution;
 - (vii) Insurance Company;
 - (viii) Fund Manager;
 - (ix) Alternative Investment Fund;
 - (x) Recognized Provident Fund, Approved Pension Funds and Approved Gratuity Fund;
 - (xi) Market Maker;
 - (xii) Issuer of listed securities;
 - (xiii) Registered employees’ welfare fund; and
 - (xiv) Any other organization as approved by the Commission:

Provided that any foreign investor having account with any Security Custodian of Bangladesh registered with the Commission shall be considered as QI:

Provided further that resident or non-resident Bangladeshi individual who is an active investor in the capital market for a period of at least 1 (one) year having at least portfolio investment worth of taka 1 (one) million at the time of application for subscription of securities under the QIO shall also be considered as QI:

Provided further that all the qualified investors shall be registered with the electronic subscription system of the stock exchange(s):

Provided further that any of the above qualified investor already registered with the electronic subscription system of the stock exchange(s) shall not be required further registration;

- (h) “Qualified Investor Offer (QIO)” means an issue of security through Initial Qualified Investor Offer (IQIO) or Repeat Qualified Investor Offer (RQIO);
- (i) “Prospectus” means any document prepared for the purpose of communicating a company’s plan to the qualified investor to offer for sale of its securities under these rules;
- (j) “Repeat Qualified Investor Offer (RQIO)” means further issuance of security through qualified investor offer by an issuer which has raised capital through initial qualified investor offer earlier;
- (k) “Small Capital Company” means a public company limited by shares, of which paid-up capital shall not be less than taka 50 (fifty) million but not exceed taka 500 (five hundred) million, after raising capital through the QIO;
- (l) “SME plat form” means a separate platform of a stock exchange where trading of equity securities issued by small capital company is taken place; and
- (m) “Start-up company” means a public limited company registered under the Companies Act, 1994 having less than 03 (three) years operational history or green field company or emerging early- stage business entity, which mainly involved in the development of new products, services, technologies; or involved in the business of information technology (IT) or IT enabled services or intellectual property rights-based activities; or dealing with new business models or concepts.

(2) Words and expressions used herein and not defined, but defined in the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নম্বর আইন), Bangladesh Securities and Exchange Commission Act, 1993 (Act No. XV of 1993), আর্থিক প্রতিষ্ঠান আইন, ১৯৯৩ (১৯৯৩ সনের ২৭ নম্বর আইন), কোম্পানি আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নম্বর আইন), ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নম্বর আইন) and বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) shall have the same meaning respectively assigned to them in the said Acts and the Ordinance, and the Rules and Regulations issued thereunder.

3. Requirements for filing application for consent to an issue of capital through QIO.—

(1) **General Requirements:** An issuer may make an application for qualified investor offer of its securities, if—

(a) its post QIO paid-up capital shall be at least taka 50 (fifty) million but does not exceed taka 500 (five hundred) million:

Provided that this requirement may be relaxed for the start-up company subject to prior approval of the Commission;

(b) it has been regular in holding annual general meeting (AGM);

(c) it has positive net profit after tax at least for the latest financial year:

Provided that in special cases, this requirement may be relaxed subject to prior approval of the Commission.

(d) it offers an amount of at least equivalent to 10% of its paid-up capital (including intended offer) or taka 30 (thirty) million at par value, whichever is higher;

(e) it has not made any material change including raising of paid up capital after the date of audited financial statements as included in the prospectus;

(f) it has prepared its financial statements following the international financial reporting standards (IFRS) and audited the same following the international standards on auditing (ISA) as per the provisions of the Financial Reporting Act, 2015 (Act No. 16 of 2015) as well as following the provisions of the Companies Act, 1994 (Act No. XVIII of 1994) and other applicable legal requirements;

(g) it has complied with all the requirements of these rules in preparing prospectus;

(h) the issuer or any of its directors is not a loan defaulter as per Credit Information Bureau (CIB) report of Bangladesh Bank;

(i) the issuer has been rated by a credit rating company, if the offer is at a premium;

(j) The IQIO of any securities made under these rules shall be at least 25 (twenty-five) percent underwritten on a firm commitment basis by the underwriter(s):

Provided that the underwriter(s) may also use best efforts for selling the under-written securities to any qualified investor:

Provided further that the unsubscribed portion of securities up to the commitment shall be subscribed by the underwriter(s) itself or selling of any portion of unsubscribed securities by underwriter(s) itself or by appointing agent to any qualified investor under the best efforts to fulfill the commitment.

(2) Conditions to be fulfilled prior to making a Repeat Qualified Investor Offer (RQIO): An issuer who is listed with the SME platform of any stock exchange may make repeat qualified investor offer (RQIO), subject to compliance with the following:—

- (a) information concerning the repeat qualified investor offer shall be disseminated as price sensitive information (PSI) immediately upon Board decision as well as upon approval at the general meeting and also upon approval of the Commission;
- (b) there should be an explicit announcement while disseminating the information under clause (a) that the repeat qualified investor offer shall be subject to approval of the Commission;
- (c) such offer and price thereof have been approved by the Board and by the shareholders in the general meeting;
- (d) the proceed of either initial qualified investor offer (IQIO) or previous RQIO or right issue, as the case may be, has been utilized fully and relevant reports were duly submitted to the Commission;
- (e) AGM has been held regularly;
- (f) the issue has been fully underwritten on a firm commitment basis by the underwriter:

Provided that the underwriter(s) may also use best efforts for selling the under-written securities to any qualified investor:

Provided further that the unsubscribed portion of securities up to the underwriting commitment shall be subscribed by the underwriter(s) itself or selling of any portion of unsubscribed securities by underwriter(s) itself or by appointing agent to any qualified investor under the best efforts to fulfill the underwriting commitment;

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- (g) the financial statements of the issuer is prepared following the international financial reporting standards (IFRS) and audited the same following the international standards on auditing (ISA) as per the provisions of the Financial Reporting Act, 2015 (Act No. 16 of 2015) as well as following the provisions of the Companies Act, 1994 (Act No. XVIII of 1994) and other applicable legal requirements;
- (h) the issuer has been rated by a credit rating company registered with the Commission;
- (i) the issuer or any of its directors is not a bank loan defaulter as per CIB report of Bangladesh Bank.
- (3) **Filing of Application:** For obtaining consent to an issue of capital under these rules, an issuer shall apply to the Bangladesh Securities and Exchange Commission along with the following documents:—
- (a) ten copies of the prospectus, duly completed, together with all annexures thereto, duly signed on each page, by the issuer's chief executive officer or managing director, chief financial officer and issue manager. All the directors, including the chief executive officer, shall sign a declaration as prescribed in **Annexure-A**;
- (b) any amendment to the prospectus, signed by the said person, shall also have to be filed with the Commission, in accordance with clause (a);
- (c) the stock exchange(s) shall be supplied simultaneously by the issuer with one copy each of the said prospectus, together with its annexures, and the amendments thereto, if any, duly signed by the persons who have signed prospectus that is submitted to the Commission;
- (d) the audited financial statements of the issuer must be submitted to the Commission along with the prospectus and that the said statements shall not be older than 120 days of the end of the period for which the said financial statement is prepared;
- (e) all required documents as per **annexure-A, B, C, D, E and F** shall be submitted with the application;

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- (f) any application, annexure, document, statement or explanation as required by these rules may be furnished to the Commission and the exchange(s), either in person or through an agent, or send it by registered post or in prescribed electronic format or system as and when required by the Commission or the concerned exchange;
 - (g) after receiving the application, the exchange(s) shall submit its primary recommendation to the Commission along with checklist, within 20 (twenty) days of receipt of the application and QIO documents, after due examination of the same in line with the provisions of these rules;
 - (h) the Commission shall verify the application, documents and primary recommendation of the exchange(s);
 - (i) the Commission or the exchange(s) may require the issuer or its directors, officers, issue manager(s), auditors, valuer(s) to submit additional disclosures, information, documents, certification and clarification, as the case may be, to produce or to disclose, in the prospectus within such time as may be stipulated;
 - (j) the issuer or its directors, officers, issue manager(s), auditors, valuer(s) shall fulfill such requirements within such time;
 - (k) the exchange(s) shall submit its final recommendation along with a declaration as prescribed in **Annexure-G** to the Commission on the issue within 10 (ten) days of receiving such disclosure, information, documents, certification and clarification. All the communications to or from the exchange(s) shall be intimated to the Commission;
 - (l) the Commission, after examination of the information, documents, recommendation of the exchange(s) and considering all the factors, shall take decision to approve or reject the application for QIO of securities through issuance of prospectus.
- (4) **Determination of Offering Price:** The issuer making QIO of its securities shall determine the offering price in consultation with the issue manager, following the requirement of Clause No. B (17) of **Annexure -E**.

4. Publication of prospectus and opening of subscription list.—

- (1) **Publication of prospectus:** Upon receiving the consent of the Bangladesh Securities and Exchange Commission (BSEC) to the issue of capital under these rules, the issuer shall publish the prospectus, as approved by the Commission, within 03 (three) working days from the date of according such consent or approval, in its website as well as to the websites of the issue manager, the stock exchange(s) and the Commission with proper notification and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchange(s) and the issue manager a soft copy of the text of the vetted Prospectus in “MS-Word” format.
- (2) **Prospectus delivery requirements:** (a) The issuer, in association with the stock exchange(s) and CDBL, shall send the vetted prospectus to the email addresses of the qualified investors available in their beneficial owner (BO) accounts with the depository and posting in the websites of the issuer, issue manager and the exchange(s), within 03 (three) working days of according consent or approval for issuance of such prospectus.
 - (b) The issuer shall also print sufficient number of copies of the prospectus so that any qualified investor may collect the printed copy of the prospectus from the office of the issuer or issue manager if any qualified investor requires in writing beforehand.
 - (c) The subscription application shall indicate in bold type that neither any sale of securities shall be made nor any money shall be taken from any person, in connection with such sale until 25 (twenty-five) days after the prospectus has been published.
- (3) **Subscription procedure:** Subscription of QIO shall be conducted in the following manner:—
 - (a) after 05 (five) working days but not later than 10(ten) working days of publication of the prospectus, the issuer or issue manager shall send invitation to the qualified investors along with the vetted prospectus, through e-mail and posting in the websites of the issuer, issue manager and the exchange(s), giving at least 15 (fifteen) working days’ time, to submit application through electronic subscription system indicating the subscription period and other relevant information;
 - (b) the subscription shall be conducted through a uniform and integrated automated system of the stock exchange(s);

- (c) qualified investor subscription shall be opened for 120 (one hundred twenty) hours round the clock;
- (d) no qualified investor shall apply for more than 5% (five percent) of the total size of QIO;
- (e) qualified investor shall apply for their intended subscription quantity and deposit full application amount in advance to the designated bank account maintained by the stock exchange for receiving the subscription;
- (f) after closing of the subscription, qualified investor shall be allotted securities on pro rata basis as per their intended quantity, and the final allotment list shall be sent through e-mail to the allottees and disseminated through posting in the websites of the issuer, issue manager and the stock exchange(s), within 03 (three) working days from the date of closing of subscription:

Provided that in case of under-subscription by qualified investors up to 25% (twenty five percent) of an IQIO, the unsubscribed portion of securities shall be taken up by the underwriter(s):

Provided further that in case of under-subscription by qualified investors above 25% (twenty five percent) of an IQIO, the IQIO shall be cancelled:

Provided further that any portion of under-subscription by qualified investors of a RQIO, the unsubscribed portion of securities shall be taken up by the underwriter(s);

- (g) the concerned stock exchange shall transfer the subscribed amount against securities to be allotted, to the issuer, within 05 (five) working days from the date of closing of subscription;
 - (h) the concerned stock exchange shall refund the excess subscribed amount to the Qualified Investors within 07 (seven) working days from the date of closing of subscription.
- (4) Upon completion of the period of subscription for securities as mentioned in the sub-rule (3), the issuer and the stock exchange shall inform the Commission, within 10 (ten) working days of closure of such completion, in respect of the following matters, namely:—
- (a) total number of securities for which subscription has been received; and
 - (b) amount received from the subscription.

5. Limitation on the use of the prospectus.—(1) A prospectus may be used to offer the securities until any of the following events occur, namely:—

- (a) there are material changes in any of the information included in the prospectus; and
 - (b) any transaction or event which is material to affect or change the condition under which the qualified investor offer is being made as per the contents of the prospectus and which should have otherwise been required to be reported to the Commission.
- (2) If any of the above events occur, the offering shall stand suspended until an amendment duly signed by all the directors of the issuer, the chief executive officers of both the issuer and the issue manager to the prospectus furnishing the appropriate information has been filed with and declared effective by the Commission.
- (3) The occurrence of any of the events mentioned in sub-rule (1) shall be notified to the qualified investors thorough e-mail after such declaration has been made effective by the Commission prior to the date of the opening of the subscription:

Provided that in case there is any necessity for amendment to the prospectus during the subscription period, in that case, the subscription may be suspended by the Commission and the subscribers who have already deposited money with the subscription collection agent to the issue may decide either to withdraw his application or continue with it.

- (4) A declaration under sub-rule (3) shall state in detail the nature of change or event which has occurred after the publication of the prospectus and shall be signed by all the directors of the company and the Chief Executive Officer of the issuer company and the manager to the issue and a copy of the said declaration shall be submitted to the Commission. Immediately after approval of amendment to the prospectus by the Commission, the amended prospectus shall be published in the websites of the issuer, the issue manager, the stock exchange(s) and the Commission.

6. Market for the Securities Being Offered.—The issuer shall apply to the stock exchange(s) in Bangladesh for listing of its securities at SME platform, within 07 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

7. Lock in Provision.—All issued ordinary shares of the issuer at the time of according consent to QIO shall be subject to a lock-in period from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (a) ordinary shares held by sponsors, directors or shareholders who hold 10% (ten percent) or more, for 2 (two) years;
- (b) ordinary shares held by alternative investment funds or by foreign investors or by others for 1 (one) year:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

8. Issue manager.—(1) The issuer shall appoint an issue manager, registered with the Bangladesh Securities and Exchange Commission, for the purpose of making the QIO.

- (2) The issue manager shall be entitled to fees and be responsible for the issue including preparation and disclosures made in the prospectus and use of the QIO proceeds by the issuer.
- (3) The issue manager is in no way connected with the issuer, nor does hold any of issuer's securities;

9. Underwriter.—(1) The issuer making QIO shall appoint underwriter(s), having certificate of registration from the Commission, to carry out underwriting on a firm commitment basis.

- (2) The issuer, in the event of under subscription, shall notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe the securities and pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period.
- (3) The underwriting agreement shall contain a condition to the effect as mentioned in sub-rule (2).

- (4) The issuer shall, within 7 (seven) days of the expiry of the period mentioned in sub-rule (2) send to the Commission proof of subscription and deposit of the money by the underwriter.

10. Fee for IQIO or RQIO and listing of security with the recognized stock exchange(s).—(1) The following fees shall be applicable for payment by the issuer company:—

- (a) Issue management fee: maximum 1% (one percent) on the QIO amount or taka 500 (Five hundred) thousand whichever is lower;
- (b) Underwriting fee shall be calculated on 25% (twenty five percent) of IQIO amount or 100% (hundred percent) of RQIO amount, and the said amount shall not exceed 0.5% (zero-point five percent) on the amount underwritten;
- (c) Fees to be paid to the stock exchange on which the shares of the company are listed:
- (i) Listing fee for ordinary shares:
- (a) Up to taka 100 million of paid-up capital @0.10%;
- (b) Above taka 100 million of paid-up capital @ 0.05%;
- (ii) Listing fee for preferred shares:
- (a) Up to taka 100 million of size of the issue @ 0.10%;
- (b) Above taka 100 million of size of the issue @ 0.05%;

However, the total listing fee shall be minimum of taka 50,000 (fifty thousand) and maximum of taka 200 (two hundred) thousand for each of the categories mentioned under sub-rule (1)(c);

- (d) Fees to BSEC:
- (i) The issuer company shall pay taka 50,000 (fifty thousand) (non-refundable) to the Bangladesh Securities and Exchange Commission as application fee along with the application for consent of the Commission to issue or offer of securities, by way of a pay order or demand draft or any electronic bank transfer; and
- (ii) Upon according of consent by the Commission to issue prospectus, the issuer company shall pay consent fee @ 0.10% (zero-point one percent) on the amount of QIO to the Bangladesh Securities and Exchange Commission by way of a pay order or demand draft or any electronic bank transfer.

(2) No seal commission shall be paid to any person, including Trading Right Entitlement Certificate (TREC) holder, Director or officer of the stock exchange(s).

11. Approval, rejection and review.—(1) On receipt of an application along with the final recommendation of the stock exchange(s) for consent or recognition as the case may be, to the issue or offer of securities from an issuer, the Bangladesh Securities and Exchange Commission shall examine the said application to ascertain whether it is acceptable.

(2) In case the said application is deficient or having any anomaly, the Commission, with intimation to the issuer, may require the issue manager, underwriter, auditor or valuer as the case may be in writing, to remove the deficiency(ies) or anomaly(ies), within 28 (twenty-eight) days of receipt of the said application.

(3) The Commission shall issue letter of consent, subject to such conditions as it may deem fit to specify, within 60 (sixty) days of receipt of the application, if such application is complete or acceptable to the Commission.

(4) If the application is not complete or acceptable to the Commission, it shall issue a rejection order stating the reasons for such rejection, within 60 (sixty) days of receipt of the application and it may also take appropriate action against the issue manager, underwriter, auditor or valuer as the case may be as per the securities laws.

(5) The issuer, whose application has been rejected by the Commission, may apply for review to the Commission within 90 (ninety) days from the date of such rejection, and the decision of the Commission shall be final.

(6) The Commission reserves the right to accept or reject any QIO proposal in its own discretion in the greater interest of the investors and the capital market as well.

(7) An issuer may submit application to the Commission along with the decision of its Board of Directors to withdraw the application for QIO at any time before the date of public subscription, mentioning specific reasons thereof; the issuer shall comply with method and conditions of withdrawal as determined by the Commission.

12. Contravention.—If any issuer or any other person related with the issue violates any of the provisions of these rules or furnishes false, incorrect, misleading information or suppresses any information, the Bangladesh Securities and Exchange Commission may take appropriate actions under the Securities and Exchange Ordinance, 1969.

13. Exemption.—The Commission may, exempt any person or class of persons or any securities or class of securities or any transection or class of transections from the operation of any of the requirements of these rules.

14. Listing in the main board of the exchange(s).—(1) If the paid-up capital of the company becomes taka 500.00 (five hundred) million or more, it shall report to the Commission and the exchange(s) immediately.

(2) The company may apply to the exchange(s) for listing of its shares in the main board as per listing regulation after achieving the paid-up capital requirement as mentioned at sub-rule (1) above under intimation to the Commission:

Provided that the company shall have been continuing trading of its shares at SME platform at least for 3 (three) years prior to application for listing in the main board.

15. Decision of the Commission shall be final on certain matter.—Notwithstanding anything contained in these rules, 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.

16. Repeal and Savings.—(1) The Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 is hereby repealed.

(2) Notwithstanding the repeal of the said Rules, any consent given, document or agreement made, fee received or paid, resolution passed, direction given, proceeding taken, instrument executed or issued or things done under or in pursuance of the said Rules shall, if in force before the commencement of these Rules, continue to be in force and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of these Rules.

Annexure- A

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus

[See rule 3(3)(a) and (e)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this qualified investor offer and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the qualified investors to make a well-informed decision for investment.

Signature

[Full Name]

Designation

Date

Annexure-B**Due diligence certificate to be furnished by issue manager(s) in the prospectus
[See rule 3(3)(e)]**

To

The Bangladesh Securities and Exchange Commission

**Sub: Qualified Investor Offer ofOrdinary Shares of takaby
.....(Name of the Issuer).**

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above-mentioned qualified investor offer (QIO), visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in the prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the ‘main objects’ listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid interns of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences, etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the qualified investor offers of the following issuers in the last 5 (five) years:

<u>Serial No.</u>	<u>Issue Month/Year</u>	<u>Issue Price</u>	<u>Dividend Payment History</u>
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- 1.
- 2.

Place: **Managing Director/Chief Executive Officer**
Name of the Issue Manager(s)

Date: **Official Stamp(s)**

Annexure - C**Due diligence certificate by the underwriter(s)**
[See rule 3(3)(e)]

To

The Bangladesh Securities and Exchange Commission**Sub: Qualified investor offer of Ordinary Shares of
taka.....of(Name of the Issuer)**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk..... (.....) and we have the capacity to underwrite a total amount of Tk.....(.....) as per relevant legal requirements. We have committed to underwrite for up to Tk.....(.....) for the upcoming issue;
- (b) At present, the following underwriting obligations are pending for us:
(Name of issue and amount underwritten)
 - (i)
 - (ii).....;
- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Managing Director/Chief Executive Officer

Name of the Underwriter

Official Stamp

Date:

Annexure -D

Ratios pertinent to the prospectus

[See rule 3(3)(e)]

- (1) Among others, the following ratios of the issuer for the last 5 (five) years or shorter period from commercial operation certified by the Auditors;
- (2) If the issuer is not in commercial operation, projected ratios shall be furnished;
- (3) Any other ratio as may be pertinent to the issuer and the issue or required by the Commission shall also be furnished;
- (4) All the ratios shall be explained and compared with the industry or sector average ratios of the same periods along with sources of the information.

I. Liquidity Ratios:

- (i) Current Ratio; and
- (ii) Quick Ratio.

II. Operating Efficiency Ratios:

- (i) Accounts Receivable Turnover Ratio;
- (ii) Inventory Turnover Ratio; and
- (iii) Asset Turnover Ratio.

III. Profitability Ratios:

- (i) Gross Margin Ratio;
- (ii) Operating Profit Ratio;
- (iii) Net Profit Ratio;
- (iv) Return on Assets Ratio;
- (v) Return on Equity Ratio;
- (vi) Earnings per Share (EPS); and
- (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin.

IV. Solvency Ratios:

- (i) Debt to Total Assets Ratio;
- (ii) Debt to Equity Ratio;
- (iii) Times Interest Earned Ratio; and
- (iv) Debt Service Coverage Ratio.

V. Cash Flow Ratios:

- (i) Net Operating Cash Flow per Share (NOCFPS); and
- (ii) NOCFPS to EPS Ratio.

Annexure - E

**Format and Content of the Prospectus
(Disclosure requirements in the Prospectus)
[See rule 3(3)(e)]**

A. Material Information:

- (1) In addition to the information specifically required by these rules, the prospectus shall contain all material information necessary to enable investors to make an informed assessment of the business engaged in, or to be engaged in, by the company, its assets and liabilities, its financial position, its profits and losses and its future prospects and the rights attaching to the securities being offered and, in case of more than one project being included in the proposed QIO, separate full disclosure for each project.
- (2) The Commission may require disclosure of additional information in the prospectus as it considers appropriate in a particular offering, and the issuer shall comply it.
- (3) If the Commission requires such information, it shall inform the issuer of the additional information in writing.

B. Information to be included in the prospectus.—

- (1) **Front Cover Page:** On the front cover page of the prospectus, the following information and statements shall be given, namely:—
 - (a) The following statements in bold type on face in red color—

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”
“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”;
 - (b) Name of the issuer company and issue manager;
 - (c) Amount and type of securities being issued;
 - (d) Offering price of the securities on a per share and aggregate basis;
 - (e) Opening and closing date of subscription;
 - (f) Names of the underwriter;
 - (g) Issue date of the prospectus.

(2) **Subsequent pages:** The inside pages of the prospectus shall contain the following information or disclosures:

(a) **Preliminary Information and Declarations:**

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), FAX number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;
- (ii) A declaration that a person interested to get a prospectus may obtain from the issuer, and the issue manager(s);
- (iii) The following statement: “If you have any query about this document, you may consult the issuer, issue manager and underwriter”;
- (iv) The following statement in bold type in a box format:

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S) AND/OR VALUER (IF ANY).”;

- (v) The following clause on 'Risks in relation to the First Issue' (where applicable) shall be incorporated in a box format in bold type in case of an initial qualified investor offer:

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is taka 10.00 (ten) and the issue price is Tk....., i.e. 'X-times' of the face value. The issue price as determined should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing.";

- (vi) The following clause on 'General Risk' shall be incorporated in a box format in bold type: **"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital (SME) Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) ";**

- (vii) The following clause on ‘Issuer’s Absolute Responsibility’ clause shall be incorporated in a box format in bold type:

“The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the prospectus or information memorandum is true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.”;

(b) Availability of Prospectus:

- (i) Website addresses and e-mail addresses and names of contact person of the institutions where the prospectus are available in soft form;
- (ii) Definitions and Acronyms or Elaborations;

(3) Table of Contents:

On the inside cover page of the prospectus,—

- (a) a detailed table of contents showing the various sections or subdivisions of the prospectus and the page number on which each such section or subdivision begins shall be given;
- (b) immediately preceding the table of contents, it shall be indicated that a prospectus may be obtained from the issuer company, issue manager, underwriter and stock exchange(s); and
- (c) the address and telephone number of the company, the issue manager, the underwriters, the auditor and the stock exchange(s).

(4) Risk Factors and Management’s Perception about the Risks:

Immediately following the cover page of the prospectus, all risk factors and management’s perception about the same are to be clearly stated which may include, among others,;—

- (a) interest rate risks;
- (b) exchange rate risks;
- (c) industry risks;
- (d) market and technology-related risks;

- (e) potential or existing government regulations;
- (f) potential changes in global or national policies;
- (g) history of non operation, if any;
- (h) operational risks; and
- (i) risk relating to secondary trading of securities.

(5) Use of Proceeds:

- (a) The prospectus shall show how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose;
- (b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer;
- (c) If there are contracts covering any of the activities of the issuer company for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus.

(6) Description of Business:

- (a) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in shall be stated in the prospectus;
- (b) The prospectus shall contain the information in respect of its business operation, for example:—
 - (i) The principal products or services of the company and the markets for such products or services;
 - (ii) If the company has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;
 - (iii) Names of associates, subsidiary/related holding company and their core areas of business;

- (iv) How the products or services are distributed;
- (v) Competitive conditions in the business;
- (vi) Sources and availability of raw materials and the names of the principal suppliers;
- (vii) Sources of, and requirement for, power, gas and water; or any other utilities;
- (viii) Names of the customers who purchase 10% or more of the company's products /services;
- (ix) Description of any contract which the company has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract;
- (x) Description of any material patents, trademarks, licenses or royalty agreements;
- (xi) Number of total employees and number of full-time employees;
- (xii) Production or service rendering capacity and current utilization, where applicable.

(7) Description of Property:

The prospectus shall contain the following information in respect of plants and property, namely;—

- (a) Location of the principal plants and other property of the company and the condition thereof;
- (b) Whether the property is owned by the company or taken on lease;
- (c) If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor;
- (d) If the property is taken on lease, the expiration date of the lease with name of the lessor.

(8) Plan of Operation and Discussion of Financial Condition:

- (a) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation shall be described in the prospectus which shall, among others, include:—
 - (i) Projected financial statements up to the year of commercial operation certified by the auditor of the issuer; and
 - (ii) Any expected significant changes in the number of employees.

- (b) If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years shall be given in the prospectus which shall, among others, include the following information, to the extent material, namely;—
- (i) Internal and external sources of cash;
 - (ii) Any material commitments for capital expenditure and expected sources of funds for such expenditure;
 - (iii) Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income;
 - (iv) Any seasonal aspects of the company's business;
 - (v) Any known trends, events or uncertainties that shall have a material effect on the company's future business;
 - (vi) Any change in the assets of the company used to pay off any liabilities;
 - (vii) Any loan taken by the issuer from its holding/parent company or subsidiary company or loan given to aforesaid company, giving full details of the same;
 - (viii) Any future contractual liabilities the company might enter into within next one year, and the impact, if any, it would have on the company's financial fundamentals;
 - (ix) The estimated amount, where applicable, of future capital expenditure;
 - (x) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus;
 - (xi) Details of any operating lease the company has entered into during the five years preceding the issuance of the prospectus, clearly indicating terms of the lease and how the company proposes to liquidate such lease;
 - (xii) Any financial commitment, including lease commitment, the company had entered into during the past five years, giving details as to how the liquidation was or is to be in effect;
 - (xiii) Details of all personnel related schemes for which the company has to make provision for in future years;

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- (xiv) Break down of all expenses connected with the QIO showing specifically:—
- (i) fee of issue manager; and
 - (ii) fee of underwriter;
- (xv) If the issuer has revalued any of its assets, the name, qualification, work done to date by the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner which shall facilitate comparison between the historical value and the amount shown after revaluation and giving a summary of the valuation report;
- (xvi) Where the issuer is a holding/subsidiary company, there shall be full disclosure in the prospectus about the transactions, including its nature and amount, between it and its subsidiary/holding company or associate companies, including transactions which have taken place within the last five years of the issuance of the prospectus or the date of incorporation of the issuer company, whichever is earlier, clearly indicating whether the issuer company is a debtor or a creditor;
- (xvii) Where the issuer is a banking company, insurance company, non-banking financial institution, a declaration by the board of directors shall be included in the prospectus stating that all requirements as specified in the ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সালের ১৪ নং আইন), আর্থিক প্রতিষ্ঠান আইন, ১৯৯৩ (১৯৯৩ সালের ২৭ নং আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) have been adhered to;
- (xviii) A special report from the auditors regarding any allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash;
- (xix) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

(9) Directors and Officers:

The prospectus shall contain the following information in respect of its directors and officers, namely:—

- (a) Name, age, qualification, experience and position of each of the directors of the company and any person nominated to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him;

- (b) In the case of a director, the date on which he first became a director and the date on which his current term of office shall expire;
- (c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;
- (d) Any family relationship among directors and top five officers;
- (e) Short bio-data of each director;
- (f) Neither the company nor any of its directors of the issuer is loan defaulter in terms of the CIB report of the Bangladesh Bank;
- (g) Name with position, educational qualification, date of joining in the company, last five years' experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors and All Departmental Heads.

(10) Involvement of Directors and Officers in Certain Legal Proceedings:

The following events shall be described in the prospectus, if they have occurred during the last ten years, namely:—

- (a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy;
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;
- (d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities.

(11) Certain Relationships and Related Transactions:

The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely;—

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;
- (f) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan;
- (g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;
- (h) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

(12) Executive Compensation:

- (a) The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer;
- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year;
- (c) The amount of remuneration paid to any director who was not an officer during the last accounting year;

- (d) Any contract with any director or officer providing for the payment of future compensation;
- (e) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto.

(13) Options granted to Directors, Officers and Employees:

- (a) The following information shall be given in the prospectus in respect of any option held by each director, the salaried officers, and all other officers as a group, namely;—
 - (i) The date on which the option was granted;
 - (ii) The exercise price of the option;
 - (iii) The number of shares or stock covered by the option;
 - (iv) The market price of the shares or stock on the date the option was granted;
 - (v) The expiration date of the option.
- (b) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely:-
 - (i) The total number of shares or stock covered by all such outstanding options;
 - (ii) The range of exercise prices;
 - (iii) The range of expiration dates.

(14) Transaction with the Directors and Subscribers to the Memorandum:

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received by the issuer during the last five years or to be received by each of the above persons, directly or indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received by the issuer shall be stated in the prospectus;
- (b) If any assets were acquired or are to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein.

(15) Tangible assets per share:

The prospectus shall show the net tangible asset backing per unit of the securities being offered at the date of the latest statement of financial position contained or referred to in the prospectus.

(16) Ownership of the Company's Securities:

- (a) The prospectus shall disclose, in tabular form, the name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership;
- (b) There shall also be a table in the prospectus showing the number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned.

(17) Determination of Offering Price:

- (a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus;
- (b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference to all of the followings:—
 - (i) net asset value per share at historical or current costs;
 - (ii) earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation;
 - (iii) projected earnings-based- value per share calculated on the basis of weighted average of projected net profit after tax for the immediate next three accounting years as per the issuer's own assessment duly certified by the auditor of the issuer;

- (iv) valuation multiple of similar stock or industry average (e.g., P/E multiple, etc.) in case of IQIO or if issuance is the RQIO, weighted average market price per share of common stock of the issuer for one year prior to such RQIO; and
- (v) all other factors with justification which have been taken into account by the issuer for fixing the premium:

Provided that premium on QIO shall not exceed the amount of premium charged on shares issued (excluding the bonus shares) within immediately preceding one year.

(18) Description of Securities Outstanding or Being Offered:

The prospectus shall:—

- (a) describe any dividend, voting and preemption rights of any common stock outstanding or being offered;
- (b) describe the dividend, voting, conversion and liquidation rights, as well as redemption or sinking fund provisions, of any preferred stock outstanding or being offered;
- (c) if there are any limitations on the payment of dividends to common or preferred stockholders because of provisions in debt instruments or otherwise, explain such limitations ; and
- (d) describe any other material rights of the common or preferred stockholders.

(19) Financial Statement Requirements:

The prospectus shall include-

- (a) the financial statements prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 2020;
- (b) information as is required under section 186 of কোম্পানি আইন, ১৯৯৪ relating to holding company;
- (c) selected ratios on liquidity, profitability and solvency of the issuer as specified in **Annexure D**; and
- (d) the issuer shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer in the prospectus. If the company has been in existence for less than five years, the above-mentioned inclusion and submission will have to be made for the period of existence of the company.

Annexure-F**Documents to be filed by the issuer****[See rule 3(3)(e)]**

The following documents attested by the Managing Director or Chief Executive Officers of the issuer and the issue manager shall be filed with the application for consent to an issue of capital through qualified investors' offer, namely:-

- (a) Memorandum of Association and Articles of Association certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/Chief Executive Officer.
- (b) Certificate of Incorporation and Certificate of Commencement of Business-certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/Chief Executive Officer.
- (c) Extract from the Minutes of Meeting of the Board of Directors for raising paid up capital-photocopy attested by the Managing Director/CEO.
- (d) Consent of the Directors to serve, in original, signed by all directors.
- (e) Land Title Deed with current rent receipts, if any -Photocopy attested by the Managing Director/Chief Executive Officers.
- (f) If Plant & Machinery is reconditioned or second-hand a certificate from SGS or Lloyds agency on its economic life and price competitiveness duly certified by the Chamber of Commerce of the exporting country or the country of origin-all in original.
- (g) Loan agreements, if any-Photocopy attested by the Managing Director/Chief Executive Officer.
- (h) Banker's letter confirming opening of separate bank account for QIO purpose-Photocopy attested by the Managing Director/Chief Executive Officer.
- (i) Due Diligence Certificate (using format included in **Annexure B**) from the Manager to the Issue in original.
- (j) Due Diligence Certificate (using format included in **Annexure C**) from Underwriter in original.

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- (k) Agreement with (a) Investment Adviser, (b) Issue Manager, (c) Underwriter(s) and (d) Debenture Trustee-Photocopies attested by the Managing Director/Chief Executive Officer.
 - (l) Joint venture agreement, if any, attested by the Managing Director/Chief Executive Officer.
 - (m) Tax Holiday Approval Letter from NBR, if any, attested by the Managing Director/Chief Executive Officer.
 - (n) Copy of return of allotment and particulars of directors certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/Chief Executive Officer.
 - (o) Bankers' certificate/ bank statement showing deposit of an amount equivalent to the paid up capital/ auditor's certificate in that regard attested by the Managing Director/Chief Executive Officer.
 - (p) Undertakings of the issuer company and its directors the company for obtaining CIB Report from Bangladesh Bank-attested by the Managing Director/Chief Executive Officer.
 - (q) Copies of valid license from the regulatory authority, where applicable –attested by the Managing Director/Chief Executive Officer.
 - (r) Credit rating report, if applicable-attested by the Managing Director/Chief Executive Officer.
 - (s) Proper documents in support of information disclosed in prospectus regarding Income tax, VAT status etc.;
 - (t) Revaluation Report as prepared according to the Commission's guidelines;
 - (u) Audited financial statements for last 5 years or shorter period for which the issuer is in commercial operation;
 - (v) Auditors certificate in pursuance to section 135 of the Companies Act,1994;
 - (w) Feasibility report as prepared by any professional in case the issue proceeds are to be used in new projects; and
 - (x) Any other document as may be required by the Commission.

Annexure-G

**FORMAT OF FINAL RECOMMENDATION OF THE EXCHANGE
ALONG WITH A DECLARATION ON THE ISSUE
[See rule 3(3)(k)]**

Dated:
The Chairman
Bangladesh Securities and Exchange Commission
Dhaka.

**Sub: QIO of Ordinary Shares of taka each of
..... (Name of the Issuer/Name of the Issue)**

Sir,

We, the (name of the stock exchange) Limited, on the basis of principle of disclosure based QIO, declare the following on the forthcoming issue, namely.....

- (a) We have reviewed the draft QIO documents and information and other information/documents annexed with the aforesaid QIO documents and information as well as subsequent correspondences with the issuer and other relevant parties thereto in accordance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 and/ any other relevant listing regulations;
- (b) We state that the issuer and issue manager(s) have submitted/failed to submit required information and/or documents as well as disclosed/failed to disclose required information in the draft QIO documents in accordance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 and any other relevant listing regulations;

Based on the above as well as declaration by the issuer or its directors, due diligence certificate of manager (s) to the issue and due diligence certificate of the underwriter (s), we recommend that the Commission may accord consent for the QIO of securities of..... (name of the issuer/name of the issue). If the Commission accords its consent to the aforesaid QIO,..... (name of the stock exchange) shall approve listing of the securities in accordance with the provisions respective listing regulations.

Or

Based on the above, we do not recommend the Commission to accord consent for the QIO of securities of..... (name of the issuer/name of the issue) due to the following reason(s)/non-compliance (s):

Sl. No.	Reason(s)	Non-compliances of Rules/Regulations	Remarks, if any
1.			
2.			
3.			

For (name of the stock exchange)

Sd/

Managing Director

..... (name of the stock exchange)

By order of the Bangladesh Securities and
Exchange Commission

Professor Shibli Rubayat-UI-Islam
Chairman.