

Dhaka Stock Exchange - The Growth Engine of National Economy...

*An Introductory
Startup
Guide for NRB*

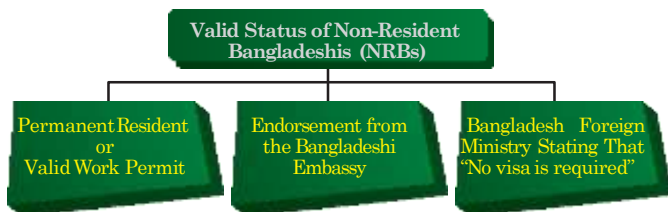


America Bangladesh Chamber of Commerce (ABCC)

Who are NRB?

A Bangladeshi citizen living abroad with valid status

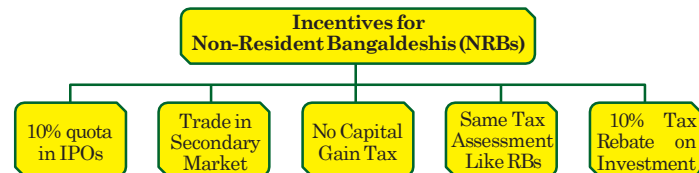
- Either as foreign country's permanent resident or with valid work permit
- In case of a foreign passport holder an endorsement either from the relevant Bangladeshi embassy or from Bangladesh foreign ministry stating that "No visa is required" for traveling to Bangladesh – as a proof of dual citizenship.



Incentives for Non-Resident Bangladeshis (NRBs)

- 10% quota in all Initial Public Offerings (IPOs) is reserved for non-resident Bangladeshis.
- Can also trade in the secondary capital market while abroad through Nominee.
- There is no Capital Gain tax on individual.
- Individual Income Tax assessment is similar to any other Resident Bangladeshi.
- @10% tax rebate on investment allowance on security investment

Guide for NRB



A Foreign National is

- Either as foreign country's permanent resident or with valid work permit.
- In case of a foreign passport holder an endorsement either from the relevant Bangladeshi embassy or from Bangladesh foreign ministry stating that "No visa is required" for traveling to Bangladesh – as a proof of dual citizenship.

Incentives for Foreigners

- Allowing foreign investors to participate in IPO and right issue without any regulatory restrictions
- Withdrawal of all regulatory restrictions on international portfolio investors for investing in the secondary securities market
- No capital Gain Tax on individual (subject to the condition that such assessee is entitled to similar exemption in the country in which he is resident)
- Income tax is @25% for Individuals

Incentives For Foreign Nationals to Invest in Bangladesh



How to start

- Open Foreign Currency (FC) Account that is needed for channeling foreign currency in as well as repatriation of earnings from investment.
- Open Non-Resident Investors Taka Account (NITA) that is required for converting foreign currency into Taka.
- Open a Custodian Account with any of the SEC registered Securities Custodian so that NRB & Foreign Investors may choose to appoint a Custodian to ensure trade execution and safe custody of shares.
- Open Beneficiary Owners (BO) Account with any brokerage house
- Assign a Nominee/Power of Attorney (POA) – optional
- A nominee for inheritance/transmission, in case something happens to investor, is required to be assigned. Remember that this nominee and the POA may or may not be the same person.

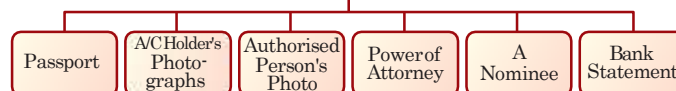
How To Invest In Bangladesh Capital Market



Required Document for NITA and FC Account

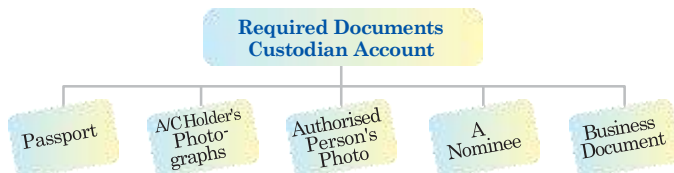
- Photocopy of Passport / Social Security Card / Resident Card etc duly attested (if you are situated in a foreign country then attestation needs to be done the respective Bangladesh Embassy or High Commission)
- Passport size photographs duly attested
- A Nominee – beneficiary in case of death of the investor. His/her signature and photo (duly attested by the investor) on the prescribed form provided by the brokerage house
- Employment certificate / trade license copy / work permit or Pay slip / tax return document as a proof of earning status of the NRB
- A nominated person with POA (Power of Attorney) who will sign trading documents on behalf of the NRB while he is abroad. His/her photo (attested by the NRB) and signature in a prescribed form by the brokerage house (POA can be any adult person of legal age residing in Bangladesh)
- If the broker is a bank then an extra form of KYC (Know your customer will also have to be filled)
- Initial fund will have to be a cheque or pay order or other allowed form drawn from the FC account

Required Documents for NITA and FC Account



Required Document for Custodian Account

- Photocopy of Passport / Social Security Card / Resident Card etc duly attested (if you are situated in a foreign country then attestation needs to be done the respective Bangladesh Embassy or High Commission)
- Passport size photographs of Account Holder duly attested
- Photographs of Authorized person
- A Nominee – beneficiary in case of death of the investor. His/her signature and photo (duly attested by the investor) on the prescribed form provided by the brokerage house
- Employment certificate / trade license copy / work permit or Pay slip / tax return document as a proof of earning status of the NRB



Required Document for Stock Broking and BO Accounts

- Photocopy of Passport / Social Security Card / Resident Card etc duly attested (if you are situated in a foreign country then attestation needs to be done the respective Bangladesh Embassy or High Commission)
- Passport size photographs of Account Holder duly attested
- Photographs of Authorized person

- Photographs of Power of Attorney (POA)
- A Nominee – beneficiary in case of death of the investor. His/her signature and photo (duly attested by the investor) on the prescribed form provided by the brokerage house
- Bank Statement or Certificate from FC Account

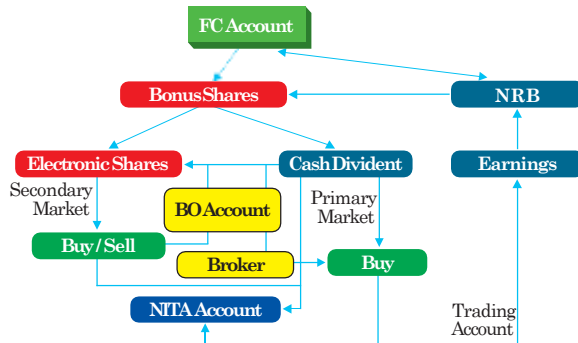
From Abroad

- Collect the relevant forms from your preferred brokerage house via mail. Fill it up and get the introducer part attested by the local Bangladeshi Embassy as a proof of the NRB status by providing to them the required documents.
- Get your photos attested by the local Bangladesh Embassy as well
- Send the forms back to the brokerage house with the Nominee and POA part filled in. Send the POA to the brokerage house.

How to Operate

- IPO application needs to be filled on a prescribed form. Such forms can be obtained through mail, website of issuing company, or through broker etc.
- Trading in secondary market is done by Buy/Sell order forms.
- If POA (Nominee) is assigned then the POA need to sign the Buy/Sell order form within 24 hours of order placement
- If NRB wishes not to assign a POA then orders can be placed via phone or email (broker approval required) and then a signed Buy/Sell order form needs to be faxed to broker within 24 hours
- Trading will be carried out within prevailing market guidelines
- Shares will be credited or debited to the BO account accordingly

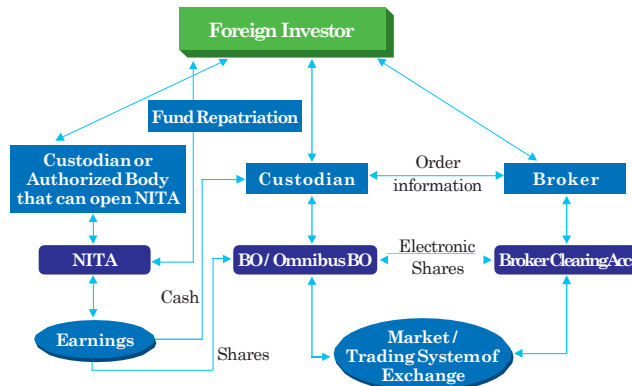
Flow Chart of Investment for NRB



Note:

If NRB is interested to avail custodian service then it is advisable to try to avail the service collectively. The custodial service provided by the local Custodians in Bangladesh (HSBC Limited, SCB Limited, Dhaka Bank Limited, South East Bank Limited, AB Bank Limited and Citi NA), (a list is available at the end) is done through whole sale window not retail. As such they are not comfortable to provide custodial service to individual in a cost euective manner. The way to get collective custodial service is to contact any fund manager or international broker or global custody service provider in your locality and contact a custodian in Bangladesh through them. In this way you are free to have individual level BO and order placement without any problem through the intermediary. This process will easily enable you to take part in the secondary market with proper legal channels for foreign currency in and out.

Flow Chart of Investment for Foreign Nationals



List of Custodian Bank

Hongkong and Shanghai Banking Corporation Ltd. (HSBC)

Anchor Tower

1/1-B, Sonargaon Road

Dhaka-1205

Ph. 9660536-43, Fax : 9660554

Website : www.hsbcbd.com.bd

Dhaka Bank Ltd.

Biman Bhawan

100, Motijheel C/A, Dhaka -1000

Ph : 9556585, 9554514

Fax : 9556584, 9565011

Website : www.dhakabankltd.com

Southeast Bank Ltd.

Eunoo Trade Centre

52-53, Dilkusha C/A, Dhaka-1000

Ph : 9571115, 7160866, 9555466

Fax : 9563102, 9550086

Website : www.sebankbd.com

Arab Bangladesh Bank Ltd

BCIC Bhawan

30-31, Dilkusha C/A, Dhaka-1000

Ph : 9560312, Fax : 9564122-3

Website : www.abbank.com.bd

Standard Chartered Bank Ltd

SCB House

67, Gulshan Avenue

Gulshan, Dhaka-1212

Ph. 9550181

Website: www.standardchartered.com

BRAC Bank Ltd

1, Gulshan Avenue

Gulshan, Dhaka -1212

Ph. 9884292, 8813938, 8836501-28

Fax : 8861867

Website : www.bracbank.com

Citi Bank N.A.

109, Gulshan Avenue

Gulshan, Dhaka -1212

Ph. 8833567

Fax. 9899126

Website: www.citibank.com

Agrani Bank Ltd.

9/D, Dilkusha C/A, Dhaka-1000

Ph. 9566153-54, 9566160-69

Fax: 880-2-9562346

ICB Asset Management Company Ltd.

Shilpa Bank Bhawan (15th Floor)

8, Rajuk Avenue, Dhaka-1000

Ph. 7160303, 7160306

Fax: 9570176

Website : www.icbamcl.com.bd

Asset & Investment Management

Services of Bangladesh Ltd. (AIMS)

Unique Trade Centre (UTC)

Level 6, (South West)

8 Panthapath, Dhaka-1215

Phone: 9136432-4, Fax : 9136162-3

Website : www.aims-bangladesh.com

LR Global Asset Management Co. Ltd.

Concord IK Tower (4th Floor)

Plot No. 02, Block No. CEN(A)

Gulshan -2, Dhaka -1212

Ph. 01730-450478-9, Fax : 9895689

Website : www.lrglobalbd.com

Bangladesh Shilpa Rin Sangstha

BSRS Bhawan (16th Floor)

12, Kawran Bazar, Dhaka-1215

Ph : 9137265-7, Fax : 9111274

Website : www.bsrs.org.bd

RACE Management PCL.

Akram Tower (7th Floor)

Suite No. 3

199, Shaheed Syed Nazrul Islam Sarani

15/5, Bijoy Nagar, Dhaka -1000

Ph. 9360024, 9346005

Fax: 9338757

Website : www.racebd.com

Prime Finance Asset Management Co. Ltd.

63, Dilkusha C/A, Dhaka -1000

Ph : 9563883, Fax : 9563692

Website : www.primefinance.net

VIPB Asset Management Co. Ltd

114, Shantinagar, Dhaka-1217

Ph. 9861346, 9861362

Fax. 8818395