৭ম খণ্ড—বেসরকারী ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ।

CHITTAGONG STOCK EXCHANGE TRADING REGULATIONS, 1998

In exercise of the powers conferred by section 34(1) of the Securities and Exchange Ordinance, 1969, Chittagong Stock Exchange Limited makes with the prior approval of the Securities and Exchange Commission the following Regulations :—

I. Preliminary

1. **Short title and extent of applicability :**

   1.1. These Regulations may be called the 'Chittagong Stock Exchange Trading Regulations, 1998'.

   1.2. These Regulations shall apply to all members of Chittagong Stock Exchange Ltd. and their authorised representatives who are entitled to trade under these regulations of Chittagong Stock Exchange limited.

2. In these Regulations, unless there is anything repugnant in the subject or context :

   2.1. 'CSE' and 'Exchange' mean the Chittagong Stock Exchange Limited;

   2.2. 'Trading day' means any day on which the exchange is kept open for trading;

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2.3. 'CEO' means the Chief Executive Officer of the Exchange;

2.4. 'Clearing House' means the clearing house of CSE;

2.5. 'Board' means the Board of Directors of the Exchange;

2.6. 'SEC' and 'Commission' means the Securities and Exchange Commission;

2.7. 'Trading System' means computerised system which receive orders from eligible members of CSE and their authorised representatives, scrutinizes, sorts, executes orders and broadcasts market scenario to members and any other persons authorised by the CSE connected to it under these Regulations;

2.8. 'Tick price' means the smallest change that is possible to be made to a price of a particular security;

2.9. 'Price Band' means rate plus/minus (+/—) deviation percentage and/or amount thereof;

2.10. 'BBO' means the Best Bid and Offer prevailing in the market at any particular point of time;

2.11. 'Price Limit' means the range of price if any, prescribed by the concerned authority within which trade in a listed or permitted security shall take place;

2.12. 'MWS' means the Member's workstation;

2.13. 'Member' means member of CSE who is registered as the Stock-broker/Stock-dealer by the Securities and Exchange Commission under the Securities and Exchange Commission (Stock Dealers, Stock Brokers and Authorized Representatives) Regulations, 1994;

2.14. 'Net limit' means sell minus buy or buy minus sell or only sell upto the limit or only buy upto the limit as prescribed by authorities concerned.

II. Eligibility for Trading

3. A member shall be eligible to trade in Chittagong Stock Exchange, when

(a) It becomes the member of CSE Clearing House;

(b) It obtains Dealership/Brokerage License from the Securities and Exchange Commission (SEC);

(c) It is not otherwise barred by CSE or SEC.

III. Trading period

4. Trading may be conducted on every trading day as per the time decided by CSE. Trading period shall be divided into the following sessions :

4.1 Pre-opening session :

During this session order entry, deletion/modification of limit orders are only permitted. Execution of orders shall not be done during this session. The previous day's closing price and index will be available to the dealers/brokers during this session.

4.2 Opening session :

During this session matching of orders shall be done at opening price. The opening price shall be calculated based on the orders entered into the system during the pre-opening session, as well as the pending orders of the previous trading day session. The opening price of a security shall be the price at which maximum number of securities is matched.

In the event of there being no trade for certain securities, then the last closing price for the security shall be made the opening price for the day.

No order entry shall be permitted during this session.

4.3 Continuous Trading session :

During this session order entry, deletion/modification of orders can be be provided. Orders shall be executed during this session and if an order can not be executed in whole or in part, then it will be stored as an unfilled order.

Unfilled orders from the pre-opening session shall be carried forward with time stamp to this session.

4.4 Closing session :

During this session the system stops receiving orders. The closing price for a security shall be determined as per the weighted average price of all the trades in the last 30 (thirty) minutes before the closing session. If there is no trade during the above specified time, the weighted average price of maximum 50 (fifty) number of trades preceding the above 30 (thirty) minutes shall be taken for determination of closing price. If there has been no trade in the security during the continuous trading session the opening price of the security shall be treated as the closing price.

Pending orders executable at closing price and orders 'match at closing price' shall be executed in this session. All other orders except the expired ones shall be carried forward to the following trading day.

4.5 Post closing session :

During this session the system will provide access to trading members to make enquiries, verify, and down load the daily transaction details.

5. Extending or Curtailing Business Hours :

The CEO in Committee, a Committee comprising of the CEO, the Company Secretary of CSE and the relevant Departmental Heads of CSE may extend, curtail or change the trading hours, including the session timings if the situation warrants so and such changes will be intimated to the members and others concerned by broadcast through the CSE trading network.

6. Holidays :

The market shall be closed on the following days, namely, all bank holidays declared under the Negotiable Instrument Act, 1881 and on such other days as the Board may consider it desirable to observe as holidays provided that these days be notified in advance other than on extreme exigencies or force majure.

IV. Order Types

7. The various types of orders may be as follows :

7.1 Limit Order :

A Limit Order is the order in which the buying price or selling price for a certain quantity of particular security is specified. If the full quantity of the order is not executed immediately then the unfilled part of a limit order is stored in the order book of the system until it is matched or its duration expires. A member may have multiple orders for the same security at the same time. Limit Order will be in the following categories.

7.1.i. Good Till Cancelled (GTC) : A GTC order is the order that remains in the system for a period not exceeding one calendar week or the member cancels it.

7.1.ii. Good For Day (GFD) : A GFD is the order which is valid for the day on which it is entered. If the order is not matched during the day, the order gets cancelled automatically at the end of the trading day.

7.1.iii. Good Till Date (GTD) : A GTD order allows the member to specify the number of days not exceeding one calendar week for which the order shall stay in the stay in the system: At the end of this period the order shall be deleted from the system.

7.2 Market order :

Market Order is an order to buy or sell a certain quantity of particular security at the best price or prices prevailing in the market at that point of time.

Market Orders will be in the following categories:

7.2.i. Full Fill or Kill (FOK) : A FOK order is the order that will match for a trade at the Market Price only if the total quantity is available.

7.2.ii. Partial Fill Rest Kill (PFRK) : A PFRK order is the order that will match for a trade at the Market Price for the quantity available in the market. The balance quantity, if any, will be deleted from the system.

7.2.iii. Partial Fill Rest Convert (PFRC) : A PFRC order is the order that will match for a trade at the market price for the quantity available in the market. The balance quantity, if any, will be converted to a Limit Order at the last traded price.

7.2.iv. Minimum Fill : An order in which the minimum quantity must be filled.

Only one of the above market order types shall be applicable for a single market order. The member shall choose the market order type when entering the order itself.

7.3 Market order protection :

Market order protection is a protection applied to market orders to ensure that these are not executed at undesired prices. The market order protection will ensure that the trade price for market orders shall be within a certain price band (depending on the market order protection value). The market order protection value (which will be supplied by the member, when the market order is entered) will be an absolute money value, as appropriate. For a market buy order it will be relative to the BBO offer price and for a market sell order it would be relative to the BBO bid price.

7.4 Drip Feed Order :

A Drip Feed Order is an order in which the member has the option to specify a replenish quantity along with the total order quantity. Only the replenish quantity is revealed to the market. The quantity gets replenished only when the previous quantity has got traded and every time the quantity gets replenished, the visible quantity gets a new time stamp. The system will treat the drip feed order as multiple limit orders.

7.5 **Stop Loss Order** :

A Stop Loss Order allows the member to place an order which gets activated only when the market price of the relevant security reaches or crosses trigger price.   Until then the order is maintained in a separate book which shall not be a part of the mainstream matching process. As soon as the BBO reaches the trigger price, the Stop Loss order is converted to a Limit order at the trigger price plus/minus the Protection Value (supplied from the MWS).   In case of Buy order the limit price will be equal to Order Rate plus Protection Value and in case of Sell order the limit price will be equal to order Rate less Protection Value. A stop loss order can be modified or deleted until it is not converted to a limit order.

7.6 **Match at Closing Price Order** :

A 'Match at Closing Price' Order allows the Member to specify order to be executed at Closing Price.

7.7 **Spot Order** :

Members shall be allowed to carry out spot order on CSE system arising out of closure of book or closure of the renunciation period of listed Companies.

A spot order is traded against another spot order only.

7.8 **Odd Lot Order** :

Any share quantity, which is not a market lot or multiple of market lots shall be called Odd Lot.   While matching the system would match orders only if the quantity (odd) of the order is fully satisfied by one of the opposite order.

7.9 **Bulk lot order** :

Bulk lot orders are multiple of market lot orders which contain multiple number of certificates.   This type of order automatically carries the 'all or none' condition.   Each of the Bulk lot order shall match with equal quantity and best price.

The minimum amount for a bid of bulk lot for a certain security shall be Tk 0.5 (point five) million at market price unless otherwise fixed by the Board time to time with the approval of the SEC.

7.10 **Big Lot Order** :

Big lots are multiple of market lots inscribed in one single certificate. This type of order automatically carries the 'all or none' condition. Each of the big lot order shall match with equal quantity and equal or better price.

7.11 Auction Order :

7.11.1. Auction Session

Auction session may be conducted simultaneously with trading session or in a separate session.

7.11.2. Auction Order

Auction Order shall be an order entered by CSE. Before the start of the Auction Session, CSE will enter all its auction orders. The Exchange will specify a rate with price brand for each security when putting the auction order. The auction orders entered by CSE cannot be modified or deleted once the auction session has started.

At the end of auction session, allotment of bid/offer will be made by CSE at best price. All non-allotted orders are removed from the system at the end of the Auction Session.

A member, who is a defaulter for any order entered by the Stock Exchange, will not be allowed to place solicitor orders in that security.

8. Provided however that all bid for Odd lot, Bulk lot and Big lot shall be entered in the system stating quantity and name of the security with price per share. The bid shall be accepted in the system during the continuous trading session only. The duration of these orders will be same as applicable for limit orders.

Spot order, Odd lot order, Bulk order, Big Lot order and Auction Order will not be considered for BBO formation and closing price calculation. This type of trade will not also affect the calculation of average price, high and low price, last traded price and quantity and all share price index for the securities.

V. Transaction Charge :

A transaction charge shall be charged and collected by CSE from the members concerned upon execution of all orders as specified by the CSE.

VI. Order Validation :

9.1 The member shall give the following information for order entry :

   (i) Order type
   (ii) Security ID/Code
   (iii) Buy/Sell Indicator
   (iv) Quantity
   (v) Price, GTC/GTD/GFD, if limit order
   (vi) Client Code

(vii) Market Order protection, FOK/PFRK/PFRC, if market order

(viii) Total quantity & Replenish Quantity if Drip Feed Order

(ix) Order Retention/Duration, if limit order, drip feed order and stop loss order.

9.2 The member has to indicate whether the order is on behalf of a client or not. If the client code is not entered then the order shall be treated as the trader's own order.

9.3 All prices entered into the system, which shall be a multiple of tick price for that security. Tick price in the system will be different for different securities and will be a security dependent parameter in the system.

The member shall enter at least single market lot or multiple thereof except the Odd Lot.

VII. Order Acceptance :

An order that passes the validation checks will be accepted by the Exchange system and will be forwarded to the execution system. Accepted orders will contain an Exchange allocated unique order ID which is to be used for all future references to the order. Each order will be given a particular time stamp by the system upon acceptance. Modified orders will also be time stamped again and will be assigned fresh order IDs.

VIII. Order Modification or Cancellation :

10.1 Amend Order :

The price, volume, retention & client ID of an order can be changed prior to execution, or for any unexecuted portion of an order.

On every modification the order will carry a new time stamp and a new order ID.

10.2 Cancellation of Orders :

Orders can be cancelled at any point prior to execution. All orders shall be automatically deleted from the system once their time condition has expired.

IX. Order Matching :

During the trading day the system will match orders with existing opposite of orders which have the best price. Waiting orders are required to be matched in the following sequence :

(i) Best Price

(ii) Within Price, by time priority.

The best buy order will match with the best sell order. The best buy order for a seller is the one with highest price and the best sell order for a buyer is the one with lowest price. An order may match partially with another order resulting in multiple trades.

X. Suspension of Trading :

The CEO in Committee of CSE will have the authority to suspend trading of specific securities, trading by specific members or permit the resumption of trading activities in the security by the member from the terminal. The matter however shall be informed to the SEC immediately within the trading day.

XI. Automatic Monitoring :

11.1   The system shall automatically enforce the price limit regulations/ orders. It will allow for the variation of the security price with reference to previous day's weighted average price. The system will reject any orders which are outside the price limits set under the price limit regulations/orders.

11.2   The size of every security shall be specified by the system as limits for each security. Any order with quantity breaching these limits shall be.

11.3   CSE shall determine the net limit for every member. If a member exceeds net limit at any point of time such member shall be suspended automatically. The limits may be changed by CSE time to time.

11.4   CSE shall specify the minimum price change steps (tick price) that can be made for each order entered into the system. The tick prices will have absolute values and will not vary with security price. Any change in the tick price will be made and entered before the system starts.

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