

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”



RAK Capital Ltd.

A CORPORATE MEMBER OF CHITTAGONG STOCK EXCHANGE LTD. & FULL SERVICE (DP) OF CDBL

Member # 028

C & F Tower, (6th floor), 1712 (New) SK. Mujib Road, Agrabad C/A, Chittagong, Bangladesh

TERMS AND CONDITIONS FOR MARGIN LOAN ACCOUNT

(AGREEMENT)

DEFINATION

- ❑ **"Margin Loan"** means short-term credit facilities under SEC Margin Rules 1999.
 - ❑ **"Exchange"** means the recognized stock exchange (Dhaka Stock Exchange Limited and/or Chittagong Stock Exchange Ltd).
 - ❑ **"RAKCL"** means RAK Capital Ltd.
 - ❑ **"Member"** RAK Capital Ltd. means a member of the exchange which is registered as a stock-dealer/ stock-broker by the Securities and Exchange Commission under the Securities and Exchange Commission (Stock-dealer, Stock-broker and Authorized Representative) Regulations, 2000.
 - ❑ **"Broker"** means member of Stock Exchange (RAK Capital Ltd.)
 - ❑ **"Equity"** means the sum of margin and current market value of securities bought or carried in a client's margin account,
 - ❑ **"Margin"** means the aggregate amount of cash and market value of securities deposited by a client into his margin account, but shall not include securities which are bought and carried in the margin account.
 - ❑ **"Securities"** means evidencing of ownership of equity or debt obligation in the form of paper certificate or electronic record.
 - ❑ **"Securities Account"** means the account opened by the client with the broker to deposit/sell/buy securities with the broker.
 - ❑ **"Approved Securities"** means the securities purchased into the Securities Account which is approved by the RAK Capital Ltd.
 - ❑ **"Marginable Securities"** means securities permitted by the Exchange/RAK Capital Ltd. to be bought and carried in margin account.
 - ❑ **"Average Net Capital"** means the average of net capital of the three months preceding the previous month.
 - ❑ **"Portfolio Value"** means total market value of all the stocks in the Securities Account.
 - ❑ **"Debit Balance"** means the cash amount owed by a client in his margin account.
 - ❑ **"Margin Call"** means the member shall request the client to provide additional margin (deposit money or share) to bring the equity % of the debit balance,
 - ❑ **"Consolidated Customer's Account"** means an account of member in its name with any scheduled bank only for the deposit of the money received from and for, and payment of money to and for, the customers.
 - ❑ "All money received from and for the customers shall be deposited in the said account on the day of receipt thereof or on the following day if the deposit cannot be made on the same day because of closure of the bank concerned.
1. The client would be required to submit and application along with a minimum deposit of Tk.....only to the broker for the margin Trading Facility.
 2. This facility granted under this account shall be a short term facility and shall be valid at the sole discretion of the Broker and repayable on demand to the Broker at an interest rate, commission and other charges as fixed by the management of RAK Capital Ltd. from time to time.
 3. The "Broker" will have absolute discretion to accept or decline any security, against which investment facility is granted and shall reserve the right to make changes to their list of "approved securities" at any given moment.
 4. Only "Approved Security" may be used as collateral for Margin Trading. A list of the "Approved Securities" which will be updated from time to time, will be available with the broker/dealer.
 5. When a previously approved share is later disqualified from the approved list, it will be excluded from all subsequent margin calculations.
 6. The client who is a legal person shall be allowed to commence Margin Trading, only when it shall submit copies of the relevant extracts of constitutional documents (I.E. Certified Copy of Trust Deed or Memorandum and Articles of Association as the case may be) and a resolution that authorizes that specific entity and its representative to conduct Margin Trading.
 7. Client will be allowed to transfer shares to any clearing account or link B.O. Account or withdrawal fund from his B.O. account or security account provided that the client debit balance will remain below.....% of the portfolio value after the transaction.
 8. The client's contribution of share will be deposited to the Client Account /B.O Account. The last traded price of the security on the preceding market day shall be used to calculate portfolio value and should be updated on a daily basis.
 9. A client who operates a margin account with RAK Capital Ltd. Shall authorize to mortgage, pledge or hypothecate the client's securities for a sum not exceeding the debit balance in the margin account and without obligation to retain in his possession or control securities of like character.
 10. The margin deposited by client with the member shall be in the form of cash, securities issued by the Government or its agencies, marginable securities and such other instruments as the Commission may prescribe from time to time. The initial margin must be deposited with the member before the first transaction and shall be such amount that would result in the equity being not less than% of the debit balance in the margin account.
 11. whenever the equity falls below% of debit balance , RAK Capital Ltd. shall request the client to provide additional margin to bring the equity to not less than%
 12. If equity falls below% of debit balances due to fluctuation in the market price or any other event, RAK Capital Ltd. will issue a notice by Margin Call to the client in writing or on telephone call.

13. Such additional margin must be satisfied by deposit of cash or marginable securities within three days from the date of notice. The member shall not permit any new transactions in the margin account unless the resulting equity in the account would be not less than% of the debit balance.
14. If client doesn't respond to Margin Call, in that case RAK Capital Ltd. will sell out whatever shares as the Broker sees fit to regularize the "Debit Balance" to% of the "portfolio value" (+/- 10% deviation accepted in case of adjustment) and the broker/dealer may act upon as the Attorney of the client in accordance with the terms thereof and in terms of the Margin Rules.
15. RAK Capital Ltd. shall not permit the equity in a client's margin account to fall in any way below.....% of the debit balance. Once the equity falls below this level, the member shall have absolute discretion and without notice to the client to liquidate the margin account including the marginable securities deposited to bring the equity to not less than.....% of the debit balance.
16. If the "Debit Balance" reach to% of portfolio value due to a sudden fall in the market or any other event, then in such a case without any notice in the trading or next day, RAK Capital Ltd. will sell out shares of any company whatsoever as it sees fit to make the Debit Balance regularize. Any residual shares will remain in the account and will be available to client.
17. If the client exceeds the value of the "Debit Balance" above the stipulated limit and /or violates any other terms and conditions/rules/requirements as laid down by the "Broker" or any regulatory authority from time to time, the Broker shall have absolute discretion at the "Client's risk to sell/buy any or all shares or securities of any company whatsoever in the "Client Account" . In the event the Portfolio value of the "Client Account" becomes inadequate to regularize the "Debit Balance" the client shall be under obligation to make cash payment to settle any shortfall.
18. A client may withdraw cash or securities from his account if the equity in his account not fall below.....% of the debit balance.
19. All securities transactions in a margin account shall be on a ready basis. The margin account shall not be used to subscribe for new issues of securities
20. In the "Securities Account" if client enjoys margin facilities, in that case highest limit to buy a single stock is% of Portfolio value.
21. RAKCL will charge% p.a. interest, Commissions and Fees on the client's account for any debit balance calculated on daily basis.
RAKCL reserves the right to increase or decrease any charge rate by given notice to clients.
22. The "Securities Account" will be fully operated (Buy/Sell decisions) by the clients at all times other than in the instance of RAKCL regularizing the account which is explained in the clause 11,12,13,14 &15.
23. Interest on the Margin Trading Facilities is repayable on or before the end of every quarter by way of depositing cash or adjustment in the client account.
24. Paying off Debit Balance :
To reduce or to pay off the debit balance, the client has to bring funds into the current account (Consolidated customers A/C) in either or both of following ways:
a) By deposit funds directly to the client's Account (Consolidated customers A/C)
b) By selling securities in Client's Account/BO Account and depositing sales proceeds to Client's Account, The proceeds will first be used to pay off the client's debit balance whatever is left will be given to the client.

Security

The shares or cash brought by the client together with shares purchased by using debit balance will be considered as collateral for the Margin Trading facility.. However, the shares brought by the client to cover Margin Requirement should meet following criteria:

- a) The shares should be acceptable to the broker/dealer.
- b) The shares should be tradable in the DSE & CSE.
- c) The shares should possess reasonable liquidity.

The broker/dealer may also take additional securities as collateral from the client depending on the tradable demand of RAK Capital Ltd.

The client hereby irrevocably authorizes the Broker

- a) To deal with all the client's securities deposited in the "Central Depository System" (CDS) from time to time and at all times whatsoever independently and at the sole discretion of the broker/dealer as long as the client's liabilities in the repayment of all such facilities remain outstanding.
- b) To purchase and sell any such securities of the client deposited with "CDS" and to deal or negotiate with other Institution, engaged in the purchase or sale of any securities on the client's behalf and to deal with any other matters relating to the "Client A/C/BO Account" with or without instructions given to the broker/dealer by the client and the client hereby agrees that he/she/it shall at all times ratify and endorse such acts of the broker/dealer. The broker/dealer shall not be liable for any loss to the client directly or indirectly resulting from any such act of commission or omission.
- c) To debit the "Client Account" for any sums of sum of money being purchase price of marginable securities, transaction fee, commission or for any payment whatsoever.
- d) To issue pay orders or Bank Draft or Transfer funds by any means to any person or persons and for any amount in respect of any transaction pertaining to the business averted herein.
- e) To deposit Cash, Cheque or other instruments in to the "Client Cash".
- f) Generally to do all things which the client is empowered to do with respect to the "Client Amount"
- g) The client shall indemnify the broker in full and keep indemnified at all times against any losses, liabilities, expenses and costs whatsoever incurred by the broker as a result of any such transactions aforesaid.
- h) Client further gives irrevocable power of attorney to the broker to sign CDBL pay in/pay out instruction slip on behalf of the client as and when required.

Signature of 1st Applicant with Date

Signature of 2nd Applicant with Date

Signature of Approving Authority/Manager