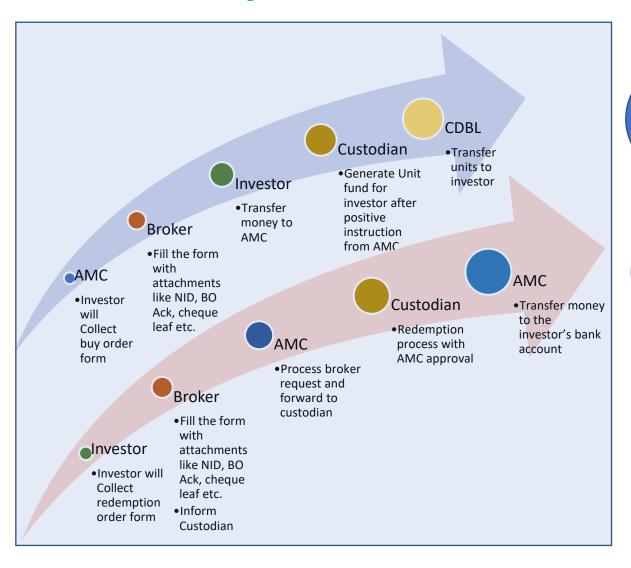
**Operating Procedures** the Trading Platform Open-end Mutual Fund

## **Manual System**

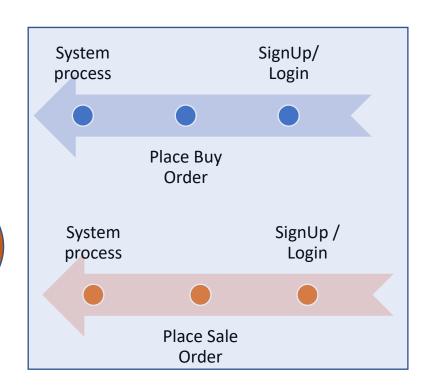




## **Automation**

Investor's BO account gets credited with the respective broker house

Investor's Bank account gets credited



## **OCS Platform**

- · Orange color represents the sale order process
- Blue color represents the buy order process
- Existing system (manual) requires a lot of time for redemption
- Proposed OCS will complete the order processing cycle within T+2

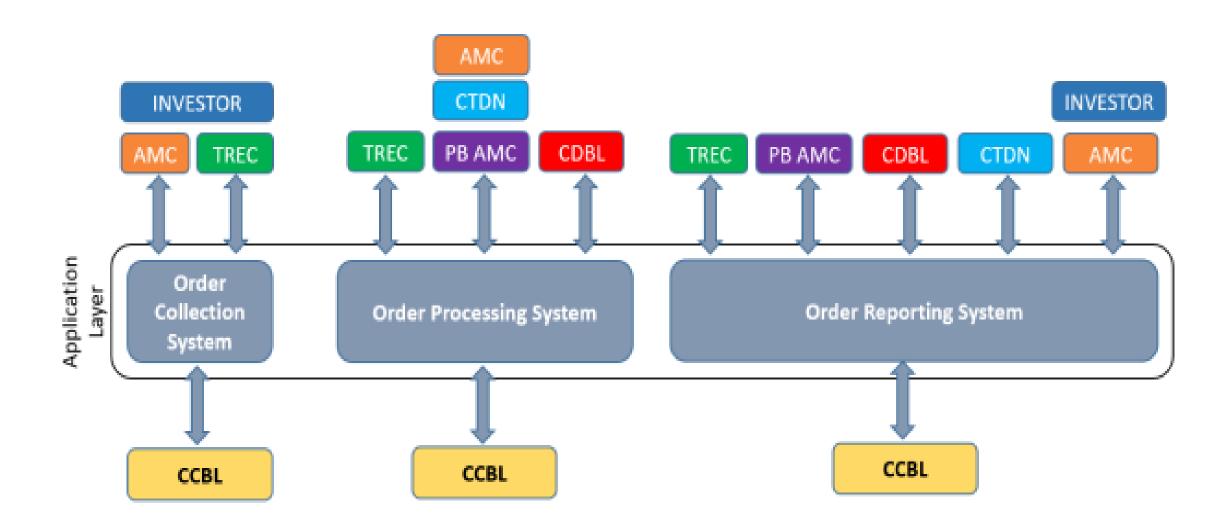
# Order Collection System (OCS)



# Stake-Holders of Capital Market

- Bangladesh Securities & Exchange Commission (BSEC)
- Chittagong Stock Exchange PLC (CSE)
- Central Depository Bangladesh Ltd. (CDBL)
- CCBL or CNS (CSE)
- Asset Management Companies (AMC)
- Custodians
- TREC Holders
- Investors

# OCS -> Scope in Capital Market Eco-System



# OCS-> Mutual Fund Listing Steps

CSE

Exchange verifies

legal issues for

approval

AMC

- Uploads financial data
- This is a regular
  & mandatory
  process

The fund become active to collect orders from investors or brokers

**AMC** 

- Upload Fund's basic information
- Attachments of legal documents

### **Stakeholders**

- BSEC
- Exchange (CSE)
- AMC

#### **Basic Information Includes**

- Fund size, paid up capital, custodian, trustee etc.
- BSEC approval must be added as legal documents

AMC have to update financial data like NAV, Buy/Redemption price, daily limit on a regular basis

\*All the steps are designed by maker-checker

## OCS-> Order Process Flow

Business Day Ended Broker upload/download investors data at back office XML file

**Starting Business Hours** 

CNS downloads trade file for settlement

Investor/Broker place buy/sell orders using terminal/mobile app

Broker approves/rejects all orders

## **Stakeholders**

- Exchange (CSE)
- Broker
- AMC
- Client/Investor
- CNS Department of Exchange

AMC account debited/credited

&

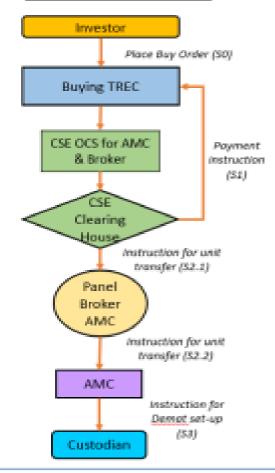
Client account credited/debited

Exchange approves the orders. (Final approval)

At the End of the Business Hours

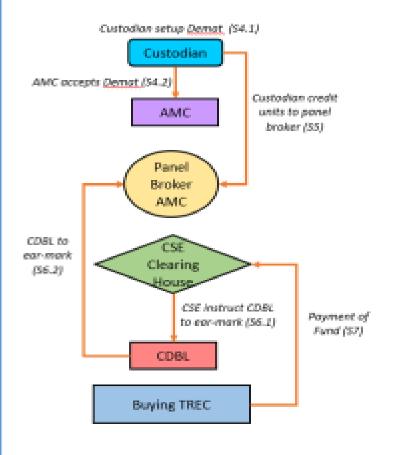
## 4.3 Buy Process Diagram

### BUY Order Flow (T+0)



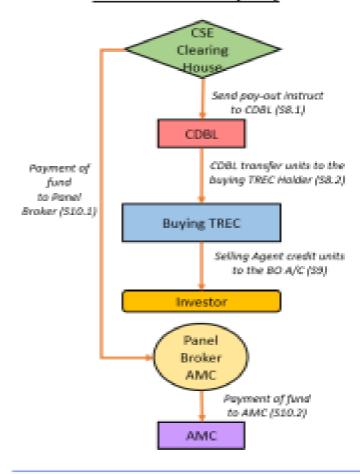
- S1 CSE Clearing House instructs to Buying TREC Holder for fund transfer
- 52 CSE Cleaning House instructs the panel broker of Asset Manager for unit transfer & panel broker instructs the same to the Asset Manager
- S3 Asset Manager instructs the Custodian for Demat

### BUY Order Flow (T+1)



- S4 The Custodian creates <u>Demat</u> set up and the Asset Manager accepts <u>Demat</u> set up
- 53 Custodian credits units to the clearing account of panel broker of Asset Manager
- S6 CSE Clearing House will instruct CDBL to ear-mark and CDBL will ear-mark the units in the clearing account of panel broker

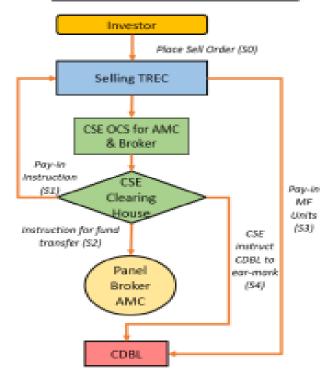
### BUY Order Flow (T+2)



- S8 CSE will send pay-out file to CDBL & CDBL transfer units to the clearing account of buying TREC Holder
  - Buying TREC Holder transfers unit to investor's BO Account
- 510 CSI Clearing House will transfer fund to the panel broker of Asset Manager & panel broker will transfer the same to the Asset Manager

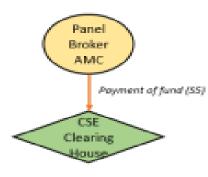
## 4.4 Re-Purchase Process Diagram

#### Re-Purchase Order Flow (T+0)



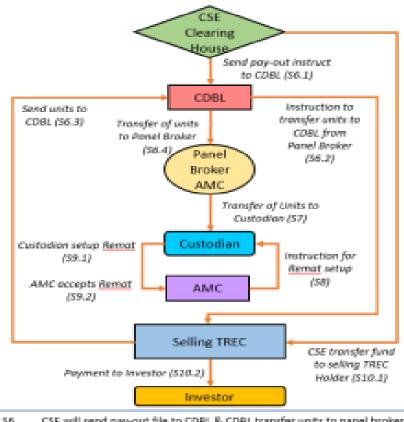
- CSE Clearing House instructs Selling TREC Holder for pay-in
- S2 CSE Clearing House instructs the panel broker of Asset Manager for fund transfer & panel broker instructs the same to the Asset Manager
- 53 Selling TREC Holder pay-in units
- 54 CSE Clearing House will instruct CDBL to ear-mark and CDBL will ear-mark the units in the clearing account of selling TREC Holder

#### Re-Purchase Order Flow (T+1)



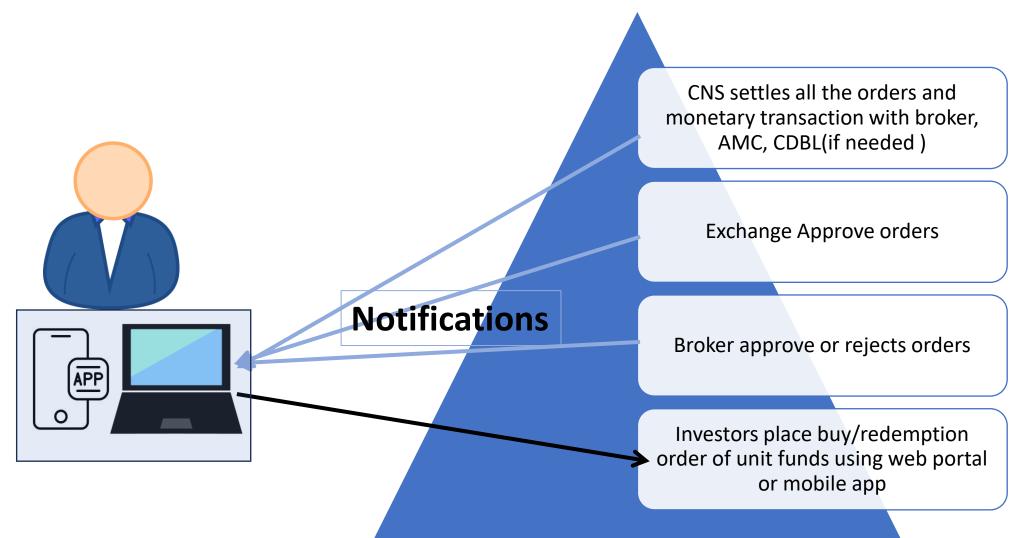
SS Payment of fund to CSE Clearing House by panel broker of Asset Manager

### Re-Purchase Order Flow (T+2)



- 56 CSE will send pay-out file to CDBL & CDBL transfer units to panel broker of Asset Manager from selling TREC Holder
- 57 Panel Broker of the Asset Manager transfers unit to the Custodian
- 8 Asset Manager instructs custodian for Remat set up
- Custodian creates Remat and AMC accepts the remat setup (redemption)
- 510 CSE Clearing House will send fund to the Selling TREC Holder & Selling TREC Holder transfers fund to the Investor's account

# OCS -> Order Placement (Investor)



After placing buy/redemption order, investor will get notified for every step of action.

## Benefits

- Transparency of Eco-System
- Direct Access to the portal of all stake-holders
- Instant supervision of authorities.
- Strategic Investment Plan (SIP)
- Developing investors' confidence on OEMF
- No manual operation onwards at Bangladesh
- Focusing on the Mutual Funds.
- Faster settlement both money & units.

