

Company Profile

Chief Executive Officer (CEO) of Royal Securities Exchange of Bhutan (RSEB) is Mr. Dorji Phuntsho.

Membership

"The unique features of this Exchange is its members or brokerage firms are its shareholders. The exchange is owned by four brokerage firms which are established as a company under the Companies Act and licensed under the Financial Institutions Act (FIA)"

MISSION

"To develop and establish a fair, orderly and transparent securities market with the objective to facilitate efficient mobilization and allocation of capital and ensure apt regulation to maintain market integrity and investor confidence"

VISION

"To become an integral part of the financial system and participate in the nation building"

Clearing and Settlement

The RSEB Clearing and Settlement House (CSH) was established as a division of RSEB in March 2012 and licensed as per the Savings and Transitional (Schedule 1 subsection 5) of Financial Services Act, 2011. The main objective of establishing CSH is to guarantee the settlement for all members, to act as a legal counterpart to all trades and control risks associated with the settlement of transactions. It acts as a link between the Depository and the Clearing Bank. A successful trading requires proper clearing and settling of transactions within the given time frame. The clearing system maximizes the efficiency of settlement of trades, minimizes the risk of financial loss from delays to settle trades and mitigates the risk of settlement failure. So, all trades in equity securities are settled within the trade cycle of two business days after trade date (i.e. T+2). As defined, clearing is a process of transmitting, reconciling and in some cases, confirming payment order instructions prior to settlement, possibly including the netting of instructions and the establishment of final positions for settlement. The completion of a transaction, wherein the seller transfers securities or financial instruments to the buyer and the buyer transfers money to the seller is called Settlement.

Automated Trading System (ATS)

The facilities provided by the new ATS of RSEB are not only confined to the trading hall but it also allows individuals to trade online through the internet. It is user friendly and provides

comprehensive information required for trading. Investors or clients can enter their order details through the web from anywhere in the world, provided they have an account with the broker. The ATS platform provides a comprehensive user interface to monitor the market statistics, a broad interface to monitor the best orders and the best price in the market at any time and avails of different reports to keep users update regarding status of orders placed by them. The orders are transmitted on real time basis to the trading engine. It also validates the orders with its collateral and security requirement by synchronizing the orders with the Brokers Back Office System (BBO) and Electronic Depository System (EDS). After validation, the orders are transmitted to the matching engine where the specific trades are confirmed. Then, the information for cash and security settlement is transmitted to respective systems. The Clearing and Settlement System (CSS) is used by the settlement bank to confirm the settlement of cash among the brokers and the information will be automatically transmitted to the Electronic Depository System (EDS) for settlement of securities

Trading

The Trading and IT Division was established together with the company in 1993 to provide platform to the buyers and sellers to transact their securities. The division is mainly responsible to ensure smooth operation of trading engine and other auxiliary components of the integrated system. Modern Stock Exchange is a network of computers linked together using a common trading platform of the Exchange. It is a network of all the major players (Investment Banks, Stockbrokers, Hedge Funds, Mutual Funds etc.) who can view the same information for financial analysis and execute trading through the trading platform

Depository

The Central Depository (CD) was established as a division of the Exchange in the same year of its establishment. The division is licensed under Savings and Transitional (Schedule 1 subsection 5) of Financial Services Act, 2011. It functions like a bank with the exception that it deals with securities and not cash. CD completed dematerialization of physical shares certificates in 2007 and all records of share ownership are now maintained digitally. The CD maintains 809,223,224 shares of 21 listed companies as recorded on 30th June, 2018 and there are 19 Outstanding Bonds worth Nu.10.56 billion. The main function of CD is to maintain the share registry. Besides equities, the division also maintains the debt instrument such as bonds. Further, the duty of off-market transactions such as intra, inter transfer of shares and also the non-commercial transactions are carried out by the division

Listing

The Listing Division was established in the same year the RSEBL started its operation in the year 1993. The main function of the listing division is to list new companies subject to their qualification as per the Listing norms. The division ensures compliance to the listing norms by listed companies

and dissemination of timely information by the companies to the general public to maintain transparency in the capital market. Listing is defined as the grant of a listing and permission to deal in securities on the Exchange for the following purposes:

1. To ensure that the market is operating with full and equal information to all investors,
2. To provide liquidity to securities and ensure correct pricing of the company shares,
3. To give the shareholders access to an efficient and regulated market place, and
4. To protect interest of investors by ensuring fair and full disclosures.

History

The Royal Securities Exchange of Bhutan (RSEB) was established in August, 1993 and officially opened for trading on 11th October 1993. It was established as a non-profit making and quasi-public organization under the aegis of the Royal Monetary Authority (RMA). The objectives of the company are to encourage wider spread of share ownership in the enterprises, mobilize savings, provide platform to raise equity capital for new ventures and to provide liquidity to the existing shareholders. Developed under the Technical Assistance of the Asian Development Bank, RSEB was incorporated under the Companies Act of the Kingdom of Bhutan, 2000 and is regulated by the Financial Services Act 2011. In July 1996, RSEB was delinked from the RMA as an autonomous body. At present, RSEB operates as a membership organization comprising of five brokerage firms including BNB, BOB, RICB, BDB and Drukyl Securities Broker Pvt. Ltd (DSBPL). The brokerage firms are the subsidiary companies of four financial institutions and DSBPL is a private brokerage firm. Over the years, the total number of shareholders increased significantly. As of 30th June 2018, there were over 62,610 shareholders compared to 1,828 shareholders in 1993. The number of listed companies has also grown simultaneously. In 1993, there were four companies listed to trade shares with market capitalization of Nu 493.40 million and as of today, there are 21 listed companies with market capitalization of Nu. 29.36 billion. On April 23rd 2012, RSEB moved its securities market to a new and enhanced trading system. The RSEB Integrated System replaced the traditional system that was used for 19 years ever since it was launched in 1993. The new system was established with grants from the World Bank and developed by the InfoTech Pvt Ltd as per the requirement of the exchange.

Brokerage Firms

1. RICB Securities
Name: Pasuram Tirwa / Sangay Tenzin/ Sarita Poudel
Contact: 17612015/ 77487283/ 17970963
Mail: sangay_tenzin2@ricb.bt/sarita_poudel@ricb.bt/ pasuram_tirwa@ricb.bt
2. BNB Securities
Name: Kesang Deki Dukpa/ Karma Choden
Contact: 77117479/ 17434138
Mail: kesdeki@bnb.bt/ karmachoden@bnb.bt
3. BOB Securities
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4. Drukyul Securities Broker Pvt. Ltd
Name: Tshering Chopel
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5. Lekpay Dolma Securities Broker Pvt. Ltd
Name: Tashi Wangchen
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6. Sershing Securities Broker Pvt Ltd
Name: Kinley Pem
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7. Bhutan Post Securities
Name: Ugyen Tshomo
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8. BDB Securities
Name: Kencho Wangmo
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9. Rinson Securities Pvt. Ltd
Name: Anisha Gurung
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Our Service

1. Online Client Terminal(mCaMs)

- 2. Bhutan crowdfunding**
- 3. Agricultural Commodities Market Initiative**
- 4. Bhutan Commodity Exchange**
- 5. e-Property Auction**
- 6. Online Share Statement**
- 7. Online Registration For Bhutanese Living Aboard(BLA)**