

**THE INVESTMENT CORPORATION OF BANGLADESH
ORDINANCE, 1976**

CONTENTS

SECTIONS

1. Short title and extent
2. Definitions
3. Establishment and incorporation
4. Share capital
5. Shares deemed to be securities under certain Acts
6. Numbering of shares
7. Register of shareholders
8. Qualification of shareholders
9. Notice regarding trust
10. Office, branches, etc.
11. Direction and superintendence
12. Board
13. Qualifications and disqualifications of Directors
14. Meetings of the Board
15. Executive Committee
16. Committee
17. Fees for attending meetings
18. Declaration of fidelity and secrecy
19. Indemnity of Directors
20. Administration and Management
21. Business which the Corporation is authorised to transact
22. Appointment of officers, advisers, etc.
23. Special powers
24. Power to impose conditions
25. Borrowing power
26. Audits, etc.
27. Annual general meeting
28. Return
29. Disposal of profit
30. Power to call for payment before agreed period
31. Recovery of Corporation's dues
32. Delegation of powers
33. Offences
34. Liquidation of Corporation
35. Power to make rules
36. Power to make regulations
37. Exemption from taxes and duties

SCHEDULE

**¹THE INVESTMENT CORPORATION OF
BANGLADESH ORDINANCE, 1976**

ORDINANCE NO. XL OF 1976

[22nd June, 1976]

An Ordinance to establish an Investment Corporation.

WHEREAS it is expedient to establish an Investment Corporation to encourage and broaden the base of investments, develop the capital market and mobilise savings and to provide for matters ancillary thereto;

NOW, THEREFORE, in pursuance of the Proclamations of the 20th August, 1975, and the 8th November, 1975, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Investment Corporation of Bangladesh Ordinance, 1976. Short title and extent

(2) It shall extend to the whole of Bangladesh and shall also apply to the business of the Corporation transacted outside Bangladesh.

2. In this Ordinance, unless there is anything repugnant in the subject or context,— Definitions

- (a) “advance” means a loan for purposes of investment;
- (b) “Bangladesh Bank” means the Bangladesh Bank established under the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972);
- (c) “Board” means the Board of Directors of the Corporation;
- (d) “bond” means a bond of any description issued by any institution or by the Government;
- (e) “Chairman” means the Chairman of the Board;
- (f) “company” means a company as defined in ²[section 2(d) (২(ঘ) ধারা) of কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং

¹ The Ordinance was declared void and non est by the Appellate Division of the Supreme Court of Bangladesh in Civil Petition for leave to Appeal Numbers 1044 and 1045 of 2009 and subsequently the Ordinance has been made effective as an Act of Parliament by ১৯৭৫ সালের ১৫ আগস্ট হইতে ১৯৭৯ সালের ৯ এপ্রিল তারিখ পর্যন্ত সময়ের মধ্যে জারীকৃত কতিপয় অধ্যাদেশ কার্যকরণ (বিশেষ বিধান) আইন, ২০১৩ (২০১৩ সনের ০৬ নং আইন), ধারা ৪।

² The words, figures, brackets and comma “section 2(d) (২(ঘ) ধারা) of কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)” were substituted for the words, figures, brackets and comma “section 2 (2) of the Companies Act, 1913 (VII of 1913)” by section 2 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

আইন], and includes a body corporate established or incorporated under any other law for the time being in force in Bangladesh;

- (g) “Corporation” means the Investment Corporation of Bangladesh established under this Ordinance;
- (h) “debenture” means debenture issued by any company or institution in Bangladesh in accordance with the rules for the time being applicable to the issue of debentures and includes debenture stock;
- (i) “Deposit Account” means an account maintained by the Corporation of the cash deposits made with it for purposes of investment;
- (j) “Director” means a Director of the Corporation;
- (k) “investment” means investment in the equity or debentures and other securities of any company or institution;
- (l) “Managing Director” means the Managing Director of the Corporation and includes any person for the time being authorised to discharge the functions of the Managing Director;
- (m) “prescribed” means prescribed by rules or regulations;
- (n) “prospectus” means a prospectus as defined in ¹[within the meaning of কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)];
- (o) “regulations” means regulations made under this Ordinance;
- (p) “rule” means a rule made under this Ordinance;

¹ The words, figures, brackets and comma “within the meaning of কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)” were substituted for the words, figures, brackets and comma “clause (14) of section 2 of the Companies Act, 1913 (VII of 1913)” by section 2 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

- (q) “scheduled bank” has the same meaning as is assigned to it in the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972);
- (r) “securities” includes any note, stock, bond, debenture, evidence of indebtedness, transferable share, investment contract, certificate of deposit for a security, a certificate of interest or participation in any profit sharing agreement;
- (s) “share” means share of any joint stock company registered in Bangladesh;
- (t) “Shilpa Bank” means the Bangladesh Shilpa Bank established under the Bangladesh Shilpa Bank Order, 1972 (P.O. No. 129 of 1972);
- (u) “Shilpa Rin Sangstha” means the Bangladesh Shilpa Rin Sangstha established under the Bangladesh Shilpa Rin Sangstha Order, 1972 (P.O. No. 128 of 1972);
- ¹[(uu) ‘Subsidiary’ means a subsidiary company established under section 21A (1) of the Ordinance;]
- (v) “underwriting” means contracting, with or without conditions, to purchase or subscribe for stocks, shares, bonds, debentures or other securities issued by any company or institution with a view to holding, selling or distributing the whole or part thereof.

3. (1) As soon as may be after the coming into force of this Ordinance, the Government shall establish, by notification in the *official Gazette*, a Corporation to be called the Investment Corporation of Bangladesh for the purposes of this Ordinance. Establishment and incorporation

(2) The Corporation shall be a body corporate by the name of the Investment Corporation of Bangladesh, having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to acquire, hold and dispose of any property and shall, by the said name, sue and be sued.

¹ Clause (uu) was inserted by section 2 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

(3) The Corporation shall be deemed to be a banking company within the meaning of ¹[ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন)].

Share capital

4. (1) The authorised share capital of the Corporation shall be Taka twenty crores divided into twenty lakh ordinary shares of Taka one hundred each:

Provided that the Government may, from time to time, increase the authorised capital.

(2) The paid-up share capital of the Corporation shall, in the first instance, be Taka five crores fully paid-up, and may, with the approval of the Government, be increased from time to time.

(3) The share capital of the Corporation shall be subscribed in the following manner, namely:—

- (a) twenty-seven *per cent* by the Government;
- (b) twenty-four *per cent* by the Bangladesh Bank, the Shilpa Bank and the Shilpa Rin Sangstha in such proportion as the Government may direct;
- (c) forty-nine *per cent* by the new banks established under the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. No. 26 of 1972), the insurance companies and the general public in such proportion as the Government may direct.

(4) The shares of the Corporation shall be listed on the Stock Exchange in Bangladesh.

Shares deemed to be securities under certain Acts

5. The shares of the Corporation shall be deemed to be included among the securities enumerated in section 20 of the Trust Act, 1882 (II of 1882), and to be approved securities for the purpose of the Insurance Act, 1938 (IV of 1938), and ²[ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন)].

¹ The words, comma, figures and brackets “ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন)” were substituted for the words, comma, figures and brackets “the Banking Companies Ordinance, 1962 (LVII of 1962)” by section 3 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

² The words, comma, figures and brackets “ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন)” were substituted for the words, comma, figures and brackets “the Banking Companies Ordinance, 1962 (LVII of 1962)” by section 4 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

- 6.** Every share of the Corporation shall be assigned a number and shall be distinguished by such number. Numbering of shares
- 7.** The Corporation shall maintain at its head office a register of shareholders. Register of shareholders
- 8.** (1) No person shall be qualified to be registered as a shareholder who is not, under any law relating to contracts for the time being in force, competent to enter into a contract. Qualification of shareholders
- (2) If at any time after the registration of a person as a shareholder, it is found that he was not, at the time of registration, qualified to be so registered, he shall not be entitled to exercise any of the rights of a shareholder otherwise than for the purpose of sale of his shares under the orders of a competent Court.
- 9.** The Corporation shall not enter in its register of shareholders any notice of any trust express, implied or constructive, nor be under any obligation to receive any such notice. Notice regarding trust
- 10.** (1) The head office of the Corporation shall be located at Dacca. Office, branches, etc.
- (2) The Corporation may establish such regional and other offices, branches and agencies as the Board may think fit.
- 11.** (1) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a Board which shall exercise all such powers and do all such acts and things as may be exercised or done by the Corporation. Direction and superintendence
- ¹[(2) Subject to the general policy guidelines as may be given by the Government from time to time, the Board in discharging its functions, shall act on commercial considerations with due regard to the interests of industry, commerce, depositors, investors and to the public in general.]
- (3) Until the first Board is appointed under section 12, the Managing Director shall exercise all powers and do all acts and things as may be exercised or done by the Board.

¹ Sub-section (2) was substituted by section 5 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

Board

12. (1) The Board shall consist of the following Directors, namely:—

- (a) the Chairman to be appointed by the Government;
- (b) two Directors to be appointed by the Government from amongst persons serving under the Government;
- (c) one Director to be nominated by the Bangladesh Bank;
- (d) the Managing Director, Shilpa Bank, *ex-officio*;
- (e) the Managing Director, Shilpa Rin Sangstha, *ex-officio*;
- (f) four Directors to be elected by the shareholders other than the Government, Bangladesh Bank, Shilpa Bank and the Shilpa Rin Sangstha;
- (g) the Managing Director to be appointed by the Government:

Provided that in constituting the Board for the first time, the Government shall appoint four Directors in place of the Directors required to be elected under clause (f) of sub-section (1).

(2) The Director nominated under clause (c) of sub-section (1) shall hold office during the pleasure of the authority which nominated him.

(3) A Director elected under clause (f) of sub-section (1) shall hold office for a term of three years and shall continue in office thereafter until his successor is elected and shall also be eligible for re-election.

(4) A casual vacancy in the office of an elected Director shall be filled by election and the person elected to fill such vacancy shall hold office for the unexpired period of his predecessor:

Provided that it shall not be necessary to fill a vacancy for a period not exceeding three months.

(5) The Managing Director shall be the Chief Executive Officer of the Corporation.

(6) The Managing Director or other Directors shall exercise such powers, perform such functions and discharge such duties as may be prescribed or assigned to them by the Board.

13. (1) No person shall be or shall continue to be a Director who-

Qualifications and disqualifications of Directors

- (a) is or has at any time been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude; or
- (b) is a minor; or
- (c) stands declared by a competent court to be of unsound mind; or
- (d) is or at any time has been adjudicated an insolvent or has suspended payment or compounded with his creditors; or
- (e) absents himself from three consecutive meetings of the Board without leave of absence granted by the Chairman or, in the case of the Chairman, by the Government; or
- (f) has any financial or other interest in any industrial concern financed by the Corporation which is likely to affect prejudicially his functions as a Director; or
- (g) is or becomes a salaried employee of any industrial concern financed by the Corporation; or
- (h) in the case of an elected Director, ceases to hold in his own name or in the name of the institution he represents the minimum number of shares required to qualify him for election.

(2) No person shall be elected or qualified for election as Director who does not hold in his own name or in the name of the institution he represents unencumbered shares of the Corporation of the nominal value of Taka twenty-five thousand.

14. (1) The meetings of the Board shall be held at such times and at such places as may be prescribed by regulations:

Meetings of the Board

Provided that a meeting may also be otherwise convened by the Chairman when he so thinks fit.

(2) To constitute a quorum at a meeting of the Board the number of Directors present shall be five.

(3) At a meeting of the Board each Director shall have one vote and, in the event of equality of votes, the Chairman shall have a second or casting vote.

(4) No Director shall vote on any matter in which he is directly or indirectly interested.

¹[(5) If, for any reason, the Chairman is unable to be present at the meeting of the Board, a Director, other than the Managing Director, chosen by the Directors present shall preside over the meeting.]

(6) No act or proceeding of the Board or of any person acting in good faith as a Director, shall be invalid or questioned merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Board or of any defect in the appointment or qualification of the Director.

Executive
Committee

15. (1) The Board shall constitute an Executive Committee consisting of not more than five members to assist it in the discharge of the functions under this Ordinance and shall also nominate its Chairman.

(2) The members of the Executive Committee shall hold office for such period as the Board may decide.

(3) The minutes of every meeting of the Executive Committee shall be laid before the Board for information at its meeting next following the meeting of the Committee.

(4) Subject to the general or special directions of the Board, the Executive Committee may deal with any matter within the competence of the Board.

(5) No business of the Executive Committee shall be transacted except at a meeting at which a quorum of two members is present.

(6) The meetings of the Executive Committee shall be held at such time and at such places as may be prescribed by regulations:

¹ Sub-section (5) was substituted by section 6 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

Provided that until regulations are made in this behalf such meetings shall be convened by the Managing Director.

(7) All meetings of the Executive Committee shall be presided over by the Chairman of the Executive Committee.

(8) At a meeting of the Executive Committee each member shall have one vote, and in the case of equality of votes, the person presiding shall have a second or casting vote:

Provided that no member shall vote or participate in a discussion of any matter in which he is directly or indirectly interested and it shall be the obligation of the member to disclose such interest.

(9) No act or proceeding of the Executive Committee or of any person acting in good faith as a member of the Executive Committee, shall be invalid or questioned merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Executive Committee or of any defect in the appointment or qualification of the member.

16. The Board may appoint such other Committee or Committees as it thinks fit to assist it in the efficient discharge of its functions. Committee

17. A Director shall be paid such fees for attending meetings of the Board or Executive Committee or any other Committee as may be prescribed. Fees for attending meetings

18. Every Director, member of Committee, adviser, auditor, consultant, agent, officer or servant of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule. Declaration of fidelity and secrecy

¹**19.** (1) Every Director, officer or other employee of the Corporation shall be indemnified by the Corporation against all losses and expenses reasonably incurred by him in the discharge of his duties except such as are caused by his own wilful act or default. Indemnity of Directors, officers and employees

(2) No suit, prosecution or other legal proceedings shall lie against the Chairman, the Managing Director, or other

¹ Section 19 was substituted by section 7 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

Directors, or any officer or employee of the Corporation or any other person authorised by the Corporation to discharge any function for anything done or intended to be done in good faith under this Ordinance.]

Administration
and
Management

¹[**20.** Subject to the provision of section 25(1) (a), the Corporation may enter into agreements with any other organisation or person, local or foreign, for the performance of any of its functions or management of any of its businesses.]

Business which
the Corporation
is authorised to
transact

21. The Corporation may carry on, transact or do the several kinds of business and acts hereinafter specified, namely:—

- (1) to underwrite, manage and distribute the issue of stocks, shares, bonds, debentures and other securities either directly or through or jointly with one or more institutions;
- (2) to promote, organise, manage trusts or funds of any type or character or to acquire, hold, sell or deal in certificates or securities of any trust or funds;
- (3) to open and maintain Investors' Deposit Accounts and other term Deposit Accounts;
- (4) to purchase and sell shares to the Investors' Deposit Account holders over the counter;
- (5) to make advances for purchase of shares and investment in such other securities as may be approved in each case;
- (6) to engage in the business of investing and re-investing in and the owning and holding of securities;
- (7) to merchandise shares and other securities in any manner as a principal or an agent;
- (8) to facilitate investments by selling new floatations of existing or new companies without underwriting obligations;
- (9) to help generally in broadening the base of investment and encourage investments in sound projects;

¹ Section 20 was substituted by section 8 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

- (10) to manage investment portfolios on behalf of individuals or institutions;
- (11) to provide professional counsel regarding investments;
- ¹[(11a) to undertake and carry on any business that the Board considers appropriate for the purpose of broadening the base of investment;]
- (12) to be a member of the Stock Exchange in Bangladesh and undertake all the functions of a member;
- (13) to act as trustees of any deeds and to undertake and execute any trusts and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian or secretary;
- (14) to constitute any trusts with a view to the issue of any stocks, securities, certificates, or other documents, based on or representing any or all assets appropriated for the purpose of any such trust and to settle and regulate any such trusts and to issue, hold or dispose of any such stocks, securities, certificates or documents;
- (15) to appoint trustees to hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities on behalf of the Corporation;
- (16) to take part in the formation, management or supervision or control of the business or operations, of any company or undertaking;
- ²[(16a) to carry on and transact such other business as the Board may think appropriate for the purpose of ensuring the carrying on any of its functions or business under this Ordinance;]
- (17) for purposes of, and in matters relating to, its business or objects-
 - (a) to purchase or otherwise acquire, own, sell, transfer and exchange any tangible or intangible, movable or immovable property and any rights, title or interest in such property absolutely, temporarily or on hire or by hire-purchase or on instalment or on such other terms and conditions as may be approved by the Board;

¹ Clause (11a) was inserted by section 9 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

² Clause (16a) was inserted by section 9 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

- (b) to accept and furnish any undertaking or commercial guarantee for the performance of any obligation or the fulfilment of any contract or the repayment of any money;
 - (c) to accept and furnish any lien, charge, hypothecation or mortgage on any movable or immovable property or any promissory note or bill of exchange;
 - (d) to enter into agreements and contracts and execute such documents as may be considered necessary or expedient;
 - (e) to employ experts or other persons to investigate and examine into conditions, prospects, value and character of business concerns or other undertakings and generally of any assets, properties or rights;
- (18) to appoint attorneys and agents;
- (19) to receive and pay commission, fees and brokerage in connection with its business;
- (20) to sell and realise all property whether movable or immovable which may in any way come into possession of the Corporation in satisfaction or part satisfaction of its claims; and
- (21) generally do all such acts and things as may be necessary or incidental or subsidiary to the transacting of any of the aforesaid business or acts including proceedings in courts of law.

Subsidiaries

¹[21A. (1) The Corporation may promote and establish subsidiaries in which the Corporation holds all or majority shares; such subsidiaries shall have their own Boards of Directors, and the Corporation may review their business objectives and supervise and control their performances.

(2) Notwithstanding anything in section 21 or any other provision of this Ordinance, each of the following businesses shall be carried on only by one of the three separate subsidiaries established for this purpose, namely-

- (a) Merchant banking business including issuing, underwriting and portfolio management of securities;

¹ Section 21A was inserted by section 10 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

(b) Mutual fund operations; and

(c) Stock brokerage:

Provided that-

(a) no such subsidiary shall commence the business specified above until it has been incorporated under the Companies Act, relevant licence has been obtained for this purpose and a notification has been issued by the Government in the *official Gazette* to the effect that the subsidiary is operational; and

(b) after such notification the Corporation shall not undertake any of the businesses specified above that may originate as a new business.]

22. ¹[(1)] The Corporation may ²[, subject to the provisions of sub-section (2),] appoint such officers, advisers, consultants, agents and servants as it considers necessary for the efficient performance of its functions on such terms and conditions as it may determine.

Appointment of officers, advisers, etc.

³[(2) Notwithstanding anything contained in sub-section (1), the Government may appoint a General Manager of the Corporation on such terms and conditions as it may determine.]

⁴[(3) For the purpose of efficient running of the business of any subsidiary, the Corporation may, on the request of such subsidiary, depute any officer or employee of the Corporation to serve in the subsidiary on such terms and conditions as the Corporation and that subsidiary may mutually agree.]

23. The Corporation's commission, brokerage, fees and other charges for the underwriting and placement of any issue shall, notwithstanding anything contained in any other law be determined by the Corporation after negotiations.

Special powers

¹ The existing provision was re-numbered as sub-section (1) of that section by section 2 and the Schedule of the Financial Institutions Laws Amendment Ordinance, 1977 (Ordinance No. LXI of 1977).

² The commas, words, brackets and figure “, subject to the provisions of sub-section (2),” were inserted by section 2 and the Schedule of the Financial Institutions Laws Amendment Ordinance, 1977 (Ordinance No. LXI of 1977).

³ Sub-section (2) was inserted by section 2 and the Schedule of the Financial Institutions Laws Amendment Ordinance, 1977 (LXI of 1977).

⁴ Sub-section (3) was added by section 11 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

Power to
impose
conditions

24. For the purpose of transacting any business under this Ordinance with any person, the Corporation may impose such conditions as it may consider necessary or expedient for protecting its interests including provisions to the effect that the proceeds of any issue underwritten by it or accepted by it for placement or any other financial assistance is put to such use by the person as may have been agreed between the Corporation and the person, and any condition so imposed shall, notwithstanding anything contained in any other law for the time being in force, be valid and enforceable.

Borrowing
power

25. (1) The Corporation may, for its purposes, raise finances by—

¹[(a) issue and sale of bonds and debentures-

(i) in Bangladesh on such terms and conditions including the rate of interest as may be approved by the Board; and

(ii) outside Bangladesh on such terms and conditions including the rate of interest as may be approved by the Government;]

(b) borrowing moneys from Bangladesh Bank or any other bank and other institutions and sources with or without security; and

(c) borrowing from the Government on long-term basis.

(2) The bonds and debentures of the Corporation shall be guaranteed by the Government as to the repayment of the principal and payment of interest at such rates as may be fixed by the Government at the time the bonds and debentures are issued.

Audits, etc.

26. ²[(1) The Corporation shall maintain proper accounts and prepare annual statement of accounts and balance sheet for every financial year.

¹ Clause (a) was substituted by section 12 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

² Sub-sections (1) and (1A) were substituted for sub-section (1) by section 13 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

(1A) The annual statement of accounts of the Corporation shall include financial statements audited by external auditors appointed by the respective subsidiary, and such other information about the subsidiaries as may be deemed necessary by the Board.]

(2) The accounts of the Corporation shall be audited by not less than two auditors being chartered accountants within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973), who shall be appointed by the Government for a term not exceeding three years on such remuneration as it may determine.

(3) Every auditor appointed under sub-section (2) shall be given a copy each of the annual balance sheet and profit and loss account of the Corporation and shall examine them together with the accounts and vouchers relating thereto, and shall have a list delivered to him of all books kept by the Corporation, and shall at all reasonable times have access to books, accounts and other documents of the Corporation and may, in relation to such accounts, examine any Director or officer of the Corporation.

(4) The auditors shall report to the shareholders upon the annual balance sheet and profit and loss account, and in their report they shall state whether in their opinion the balance sheet and the account contain all necessary particulars and are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Corporation, and in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(5) The Government may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Corporation for the protection of the shareholders and of the creditors or upon the sufficiency of their procedure in auditing the affairs of the Corporation, and may, at any time, enlarge or extend the scope of the audit or direct that a different procedure in audit be adopted or that any other examination be made by the auditors if in its opinion the public interest so requires.

(6) The Corporation shall furnish to each shareholder at least fifteen days before the date of the annual general meeting a copy of the audited balance sheet together with a copy of the profit and loss account for the financial year and a report on the working of the Corporation during that year.

(7) In addition to audit to be made by the two auditors appointed under sub-section (2), the Government may cause the accounts of the Corporation audited by the Comptroller and Auditor-General of Bangladesh.

Annual general meeting

27. (1) The annual general meeting of the shareholders of the Corporation shall be held on such date and at such time and place as may be fixed by the Board, but in any case not later than six months from the date of closing of accounts.

(2) The Corporation shall submit at the annual general meeting for the consideration of the shareholders the annual statement of accounts and a report furnished to them under sub-section (6) of section 26.

(3) The Board may convene a special meeting of the shareholders to be held at such time and place as it may fix for consideration of any matter which, in the opinion of the Board, ought to be considered by the shareholders.

(4) Every shareholder shall be entitled to attend a meeting of the shareholders, but no shareholder shall be entitled to vote at any such meeting unless he—

- (a) has been registered as a shareholder for a period of not less than three months prior to the date of such meeting; and
- (b) has paid all calls and other sums presently payable by him in respect of shares of the Corporation.

(5) Every shareholder entitled to vote shall, when present in person, have one vote to be cast by show of hands.

(6) On a poll each shareholder entitled to vote shall have one vote for every five shares and may give his vote either personally or by proxy.

Return

28. (1) The Corporation shall furnish to the Government such returns, reports and statements as it may from time to time require.

(2) The Corporation shall, as soon as possible after the end of every financial year, furnish to the Government a statement of accounts audited by the auditors under section 26 together with an annual report on the working of the Corporation during that year.

(3) The copies of the audited accounts and annual report received by the Government under sub-section (2) shall be published in the *official Gazette*.

29. (1) The Corporation shall establish a reserve fund to which shall be credited such amount out of its net annual profit as the Board may determine. Disposal of profit

(2) After deducting the amount under sub-section (1) and making necessary provisions for depreciation of assets and such other matters as are usually provided for by investment companies and institutions or are considered expedient in their interest the Corporation may, out of the surplus remaining from that net annual profit, declare such dividends as may be approved by the Board.

30. (1) Notwithstanding any agreement to the contrary, the Corporation may, by notice, require any person to which it has made advance or which is otherwise liable to make any payment on any specified date or dates, forthwith to repay the advance or make the payment aforesaid in full, if— Power to call for payment before agreed period

- (a) it appears to the Board that information false or misleading in any material particular has been given in the application for the advance of the creation of the aforesaid pecuniary liability; or
- (b) the person has failed to comply with the terms of any agreement with the Corporation; or
- (c) there is a reasonable apprehension that the person is unable to pay its debts and liabilities or may go into liquidation; or
- (d) the property pledged, mortgaged, hypothecated or assigned to the Corporation, as security for the advance or the said pecuniary liability, is not insured or kept insured by the person to the satisfaction of the Corporation or has, in the opinion of the Corporation, depreciated in value and further security to the satisfaction of the Corporation is not given.

(2) On the giving of such notice the entire advance or the aforesaid deferred pecuniary liability shall become immediately due and realisable.

(3) Notwithstanding the provisions of any agreement of managing agency and subject to conditions prescribed in this behalf, the Corporation may take over through an appointed agent the management of any company in which it has acquired majority share holding, if the affairs of the company are, in the opinion of the Board, not being conducted in a satisfactory manner and if the share capital of the enterprise has been impaired.

Recovery of Corporation's dues

31. Without prejudice to the right of the Corporation to recover its dues in any other manner all sums due to the Corporation shall be recoverable as arrears of land revenue:

Provided that no sum shall be so recovered unless fifteen days' notice has been given by the Corporation to the debtor that the sum will be so recovered.

Delegation of powers

32. (1) The Board may, for the purpose of ensuring efficient functioning of the Corporation and facilitating transaction of its business, delegate to the Managing Director, subject to such conditions and limitations, if any, as may be specified in this behalf, such of its powers and duties under this Ordinance as it may deem necessary.

(2) The Managing Director may, for the purpose of facilitating the transaction of the Corporation's business, delegate to the officers of the Corporation, subject to such conditions and limitations, if any, as may be specified in that behalf by the Board, such of his powers and duties as may be necessary.

Offences

33. (1) Whoever, without the consent in writing of the Corporation, uses the name of the Corporation in any prospectus or advertisement shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to Taka one thousand, or with both.

(2) Whoever being a Chairman, Managing Director, Director, Adviser, auditor, officer or servant of the Corporation contravenes his declaration of fidelity and secrecy shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to Taka one thousand, or with both.

(3) No court shall take cognizance of any offence punishable under this Ordinance except upon a complaint in writing signed by an officer of the Corporation duly authorised in this behalf by the Corporation.

34. No provision of law relating to the winding up of companies or bank shall apply to the Corporation and the Corporation shall not be wound up save by order of the Government and in such manner as it may direct. Liquidation of Corporation

35. The Government may, by notification in the *official Gazette*, make rules for carrying out the purposes of this Ordinance. Power to make rules

36. (1) The Board may make regulations, not inconsistent with the provisions of this Ordinance and the rules, to provide for all matters for which provision is necessary or expedient for carrying out the purposes of this Ordinance. Power to make regulations

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

- (a) the calling of the meetings of the Board, the Executive Committee or any committee, fees for attending the meetings thereof and the conduct of business thereat;
- (b) the delegation of powers and functions of the Board to the Chairman, Managing Director or any other Director or any officer or other employees of the Corporation;
- (c) the conditions subject to which the Corporation may undertake various types of its business;
- (d) the manner of determining the sufficiency of the security for the purpose of business;
- (e) the manner and conditions subject to which the Corporation may borrow;
- (f) the form of returns and statements required to be prepared under this Ordinance;
- (g) the duties and conduct of officers and other employees of the Corporation;
- (h) the recruitment, remuneration, promotion and other terms and conditions of service of the officers and other employees of the Corporation;

- (i) the establishment and maintenance of pension, provident fund or other fund for the benefit of officers and other employees of the Corporation, including the dependents of such officers and other employees;
- (j) the provision of a seal of the Corporation and the manner and effect of its use;
- (k) the disclosure of interest, direct or indirect, of any Director or any member of a Committee in any business concern;
- (l) taking over the management and control of any industrial or business concern committing a breach of its agreement with the Corporation;
- (m) the holding and conduct of elections under this Ordinance including the final decision of doubts or disputes regarding the validity of any election;
- (n) the manner in which and the conditions subject to which the first allotment of the shares of the Corporation shall be made;
- (o) the maintenance of the register of shareholders, the manner in which and the conditions subject to which shares may be held and transferred, suspension and the manner of suspension of transfer of shares and all matters relating to the rights and duties of shareholders;
- (p) the manner in which the general meetings shall be convened and the procedure to be followed thereat; and
- (q) generally for the efficient conduct of the affairs of the ¹[Corporation or, as the case may be, subsidiary].

(3) Where any provision of a regulation is inconsistent with any provision of the rule, the provision of the rule shall prevail.

Exemption from taxes and duties

²[37. The Corporation shall enjoy such tax benefits, rebates and exemptions on its income, profits and gains as are enjoyed by any bank and financial institution as defined in the ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন) এবং আর্থিক প্রতিষ্ঠান আইন, ১৯৯৩ (১৯৯৩ সনের ২৭ নং আইন) respectively.]

¹ The words and commas “Corporation or, as the case may be, subsidiary” were substituted for the word “Corporation” by section 14 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

² Section 37 was substituted by section 15 of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (Act No. XXIV of 2000).

SCHEDULE

DECLARATION OF FIDELITY AND SECRECY

I..... hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a Director, member of a Committee, officer, employee, consultant, adviser, agent or auditor, as the case may be, of the Investment Corporation of Bangladesh and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Corporation nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Corporation and relating to the business of the Corporation.

Signature.....

Signed before me

Signature

Designation

Date
