

BRAC UNIVERSITY

BRAC Business School

Bachelor of Business Administration (B.B.A)

A Broad Study on BRAC EPL Stock Brokerage Limited

(Impact of Commission Rate on BRAC EPL Stock Brokerage Ltd.)

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Subject: Submission of internship report on Impact of Commission Rate on BRAC EPL Stock Brokerage Ltd.

Dear Sir,

With due respect, as a student of BRAC University, Bangladesh, I have prepared my internship report on — Impact of Commission Rate on BRAC EPL Stock Brokerage Ltd. I have tried my level best to follow your guidelines in every aspect of planning of this report. I hope you will appreciate my effort. I have done the study in a complete form and I have done my level best to conduct this in a professional manner. It is a true that, it could have been done in a better way if there were no limitation. I hope you will assess my report considering the limitations of the study.

Yours Sincerely,

Tasmin Jahan Farina
ID: 11304005

Acknowledgement and Endorsement

I want to express my sincere gratitude to, my helpful supervisor, Hasan Maksud Chowdhury (Assistant Professor, BRAC Business School, BRAC University Bangladesh) for approving the project and authorizing me to prepare this report. The supervision and support that he gave truly help the progression and smoothness of the internship program. The co-operation is much indeed appreciated.

My grateful thanks also go to Bishwajit Dutta (Head of Customer Service, BRAC EPL Stock Brokerage Ltd.). A big contribution and hard worked from both of Mr. **Md. Razib Al Mamun** (Head of Corporate Sales, BRAC EPL Stock Brokerage Ltd.) and Mr. Md Anisuzzaman (Branch Manager, Gulshan Branch, BRAC EPL Stock Brokerage Ltd.) during the twelve week is very great indeed. All projects during the program would be nothing without the enthusiasm and imagination from both of you. Besides, this internship program makes me realized the value of working together as a team and as a new experience in working environment, which challenges us every minute. Not forget, great appreciation go to the rest of CS's staff that help me from time to time during the project. The whole program really brought us together to appreciate the true value of friendship and respect of each other.

Table of Contents

SL no.	Contents	Page no
1	Introduction	1
2	Background	2
3	Objectives, Scope, Limitation	3
4	Methodology	4
5	A Overview of Capital Market	5
6	The Capital Market of Bangladesh	6
7	Introduction of BESBL	7
8	Mission, Vision, Core Values	8
9	Board of Directors	9
10	The Management	10
11	Main Functions of BESBL	11
12	SWOT Analysis	13
13	Job Description	15
14	Literature Review	18
15	Commission Rate and Its Impact on Investors	20
16	BESBL as a Full Service Broker House	22
17	Comparing the Commission Rate	23
18	Recommendation	25
19	Conclusion	26
20	Bibliography	27

Executive Summary

BRAC EPL Stock Brokerage Limited is a subsidiary of BRAC Bank Limited. It commenced operation under a new management team obtaining merchant bank license from the Securities and Exchange Commission (SEC) and became BRAC EPL (BRAC EPL Investments Ltd. & BRAC EPL Stock Brokerage Ltd.) from EPL in August 2009. BRAC Bank holds 76% of the equity of BRAC EPL, the rest held by a diverse group of international fund managers and capital market institutions at home and abroad. BRAC EPL Stock Brokerage Ltd. delivers a whole range of securities services including traditional merchant banking activities. It has already established itself as one of the top portfolio managers, serving more than 35000 clients country-wide from seven locations. In discharging professional services, BESBL makes concerted efforts to show ZERO tolerance towards non-compliance and emphasizes strict adherence to regulatory guidelines.

The report focuses on “**Impact of Commission Rate on BRAC EPL Stock Brokerage Ltd** ”. BESBL commenced its business just 7 years back. So it can be said that it is comparatively a new organization in the market. After only two years of its inception, the company faced the biggest capital market turbulence in the history of financial markets of Bangladesh. Its upward trend of net income got broken as soon as the capital market storm hit. The report is enriched in the steps that the organization should maintain to have a profitable business in future.

One prerequisite of having a healthy investment climate in an economy is the availability of financing facility for the existing and potential borrowers. The two major sources of finance in any country are the banks and the capital market. So it is very important for BRAC EPL Stock Brokerage Limited to cope up with the turmoil of capital market of Bangladesh to have a consistent profit growth.

INTRODUCTION

Capital Market refers to the stock market of a country and stock market is the reflector of the economy system of a country. Capital market stood up to supplement the need for funds of the economy when banking system could not meet it up alone. Companies and the government can raise funds for long-term investments via the capital market.

A broker house is the reflector of stock market. Broker house is a licensed buyer and seller of stock and securities of its clients. All the broker houses of Bangladesh are member of Dhaka Stock Exchange (DSE). DSE is the policy maker for all the broker house of Bangladesh. As a member of DSE, the broker houses provide service for commission on each transaction.

Before 1998 broker houses were not so active because people used to sell and buy there paper share direct to buyer or seller hand to hand. This hand to hand transaction was really a slow process and full of problems. To get rid of the hustle of hand to hand transaction, Central Depository of Bangladesh Limited (CDBL) was established in the year 2000. After the establishment of CDBL, the trade becomes just a matter of click. Since then the investors in the share market has been increasing tremendously day by day. The brokerage houses of the country have been facing huge challenges with the increasing number of investors in the market.

The Capital Market of Bangladesh is passing tough times since December 2010 as high volatility is eroding the capital of thousands of investors that might turn into social instability. This volatility is affecting every sector of the economy such as in my case, stock brokerage. The investors of this sector are facing huge losses day after day. As a result, it has become hard for the stock broker to retain their investors. So the focus of my research in BRAC EPL Stock Brokerage Ltd. will be the overview of BRAC EPL as a broker house and their customer service.

Background

BRAC University offers an opportunity for the students to participate in a three month long internship program. Besides having a review on the related courses it is also offering a scope to have a taste of the starting of professionalism.

The report is based on the capital market. BRAC EPL Stock Brokerage Ltd. has provided me an opportunity to complete my three month long internship program. I have come to know about the real life experience about stock market.

Through the Project work, I have tried to a bridge the gap between the theoretical knowledge and a particular experience as a part of Bachelor of Business Administration (BBA) program. This project report has been designed to have a particular experience through the theoretical understanding. In this regard, I had been assigned a report to achieve knowledge from this program under supervision of Mr. Hasan Maksud Chowdhury, lecturer of Business faculty of BRAC University.

Objectives of the Study

Stock brokerage is passing through a hard time since 2010. In spite of the bad time BRAC EPL Stock Brokerage Ltd. is maintaining their existing investors and bringing new customers. The specific objectives of the study are as follows-

- To present an overview of BRAC EPL Stock Brokerage Ltd.
- To analyze the customer services provided by BRAC EPL Stock Brokerage Ltd.
- Impact of the commission rate and service charge on its customer satisfaction.
- Comparing the commission rate and service charge with other broker houses.
- Measures that can be taken to improve its customer satisfaction regarding the commission rate.

Scope

Information for the analysis was collected from the internal websites, database, research papers, annual reports and study materials of BRAC EPL Stock Brokerage Limited. Geographic scope of the report was limited within the national territory.

Limitations

The present study is fragment of academic curriculum. It is organized at “BRAC EPL Stock Brokerage Limited” for being familiar with actual situation. This study has been fabricated only for few weeks; this short period is not enough for fully understanding the operation. The study would have been more informational and determined, if adequate time could have been utilized. However, it is felt that, the findings represent a good tincture of stock brokerage firms like “BRAC EPL Stock Brokerage Limited”.

- Lack of availability of Primary Data.
- Another major limitation was inability to access some necessary secondary data from BESBL database due to some management policy which was strict and no exception was made.
- Time constraint to complete the study.
- Scarcity of Information.

Methodology

The research was conducted using the guidelines of both the quantitative and the qualitative research approaches. In this light, face to face interviews with the institutions' offices and staff, official records were used for collecting primary data. Both quantitative and qualitative research approaches were used to provide comprehensive understanding on the selected research topic.

The research activities also made use of secondary data from annual reports and unpublished data of the institution and also data collected from DSE that could provide additional information. The use of secondary data and information were served as validity and reliability indicators of the research to ensure that the collected data and the interview methods were used to strengthen the findings and results of the study.

An overview of the Capital Market

Capital markets are financial markets for the buying and selling of long-term debt- or equity backed securities. These markets channel the wealth of savers to those who can put it to long term productive use, such as companies or governments making long- term investments.

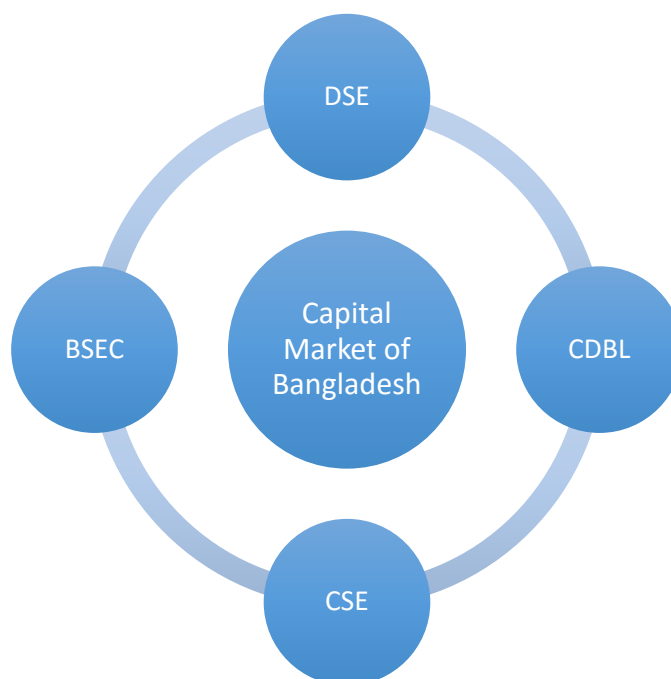
Modern capital markets are almost invariably hosted on computer- based electronic trading systems; most can be accessed only by entities within the financial sector or the treasury departments of governments and corporations, but some can be accessed directly by the public. There are many thousands of such systems, most serving only small parts of the overall capital markets. Entities hosting the systems include stock exchanges, investment banks, and government departments. Physically the systems are hosted all over the world, though they tend to be concentrated in financial centers London, New York, and Hong Kong. Capital markets are defined as markets in which money is provided for periods longer than a year.

A key division within the capital markets is between the primary markets and secondary markets. In primary markets, new stock or bond issues are sold to investors, often via a mechanism known as underwriting. The main entities seeking to raise long-term funds on the primary capital markets are governments (which may be municipal, local or national) and business enterprises (companies). Governments tend to issue only bonds, whereas companies often issue either equity or bonds. The main entities purchasing the bonds or stock include pension funds, hedge funds, sovereign wealth funds, and less commonly wealthy individuals and investment banks trading on their own behalf. In the secondary markets, existing securities are sold and bought among investors or traders, usually on an exchange, over-the-counter, or elsewhere. The existence of secondary markets increases the willingness of investors in primary markets, as they know they are likely to be able to swiftly cash out their investments if the need arises.

A second important division falls between the stock markets (for equity securities, also known as shares, where investors acquire ownership of companies) and the bond market (where investors become creditors).

The Capital Market of Bangladesh

Capital Market of Bangladesh is one of the smallest in Asia but the third largest in the South Asia. It consists of Securities Exchange Commission (SEC) as the Regulator and two stock exchanges; the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).



DSE and CSE are two full-fledged automated stock exchanges that deal in the secondary capital market. DSE was established as a Public Limited Company in April 1954 while CSE in April 1995.

SEC implements rules and regulations, monitors their implications to operate and develop the capital market. The SEC has issued licenses to 27 institutions to act in the capital market. Of these, 19 institutions are Merchant Banker and Portfolio Manager while 7 are Issue Managers and 1(one) acts as Issue Manager and Underwriter.

Introduction of BRAC EPL Stock Brokerage Limited

BRAC EPL Stock Brokerage Limited is one of the leading stock brokers in the country. The company offers brokerage services to international institutions, domestic institutions, retail clients and non-resident Bangladeshis (NRBs). It is also the pioneer and leader in facilitating foreign portfolio investments in Bangladesh and boasts one of the best equity research teams of the country.

Previously known as Equity Partners Securities Limited (EPSL), the company was formed in early 2000 as a brokerage house licensed by the Securities and Exchange Commission of Bangladesh. In August 2009, BRAC Bank limited acquired 51% of its equity and renamed the company as BRAC EPL Stock Brokerage Limited.

BRAC EPL Stock Brokerage Limited has membership at both of the country's stock exchanges; the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Presently there are 7 branches, of which three are located in Dhaka, one in Chittagong, one in Comilla and one in Chowmuhani, and one in Sylhet. BRAC EPL Stock Brokerage Ltd. is planning to open one branch in Bogra.

Mission

“We strive to develop a sustainable growth model that will guide us to market leadership through advanced client technology and superior client service. We aim to create a highly visible brand by developing a diverse talent pool and synergy within the group”.

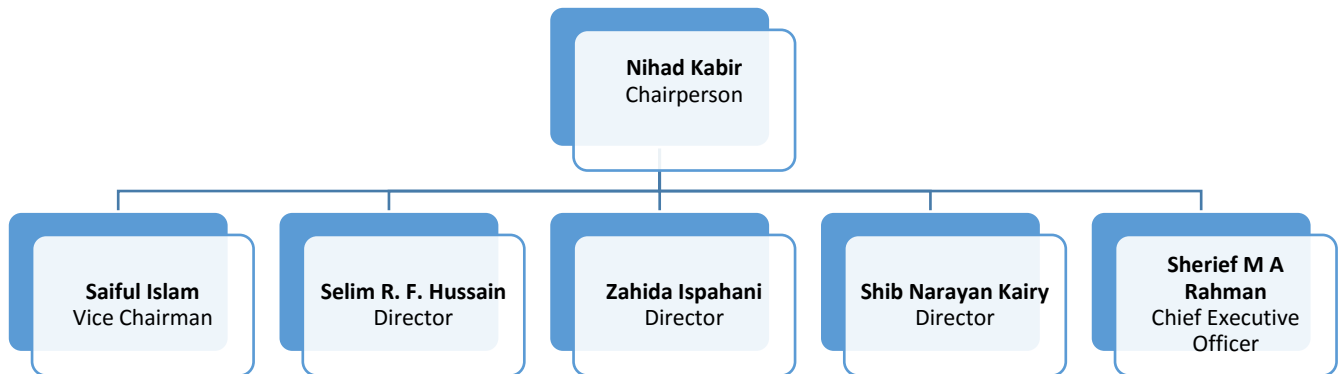
Vision

“To be the trusted broker of choice for all investors by offering unrivalled level of investment expertise and customer service”.

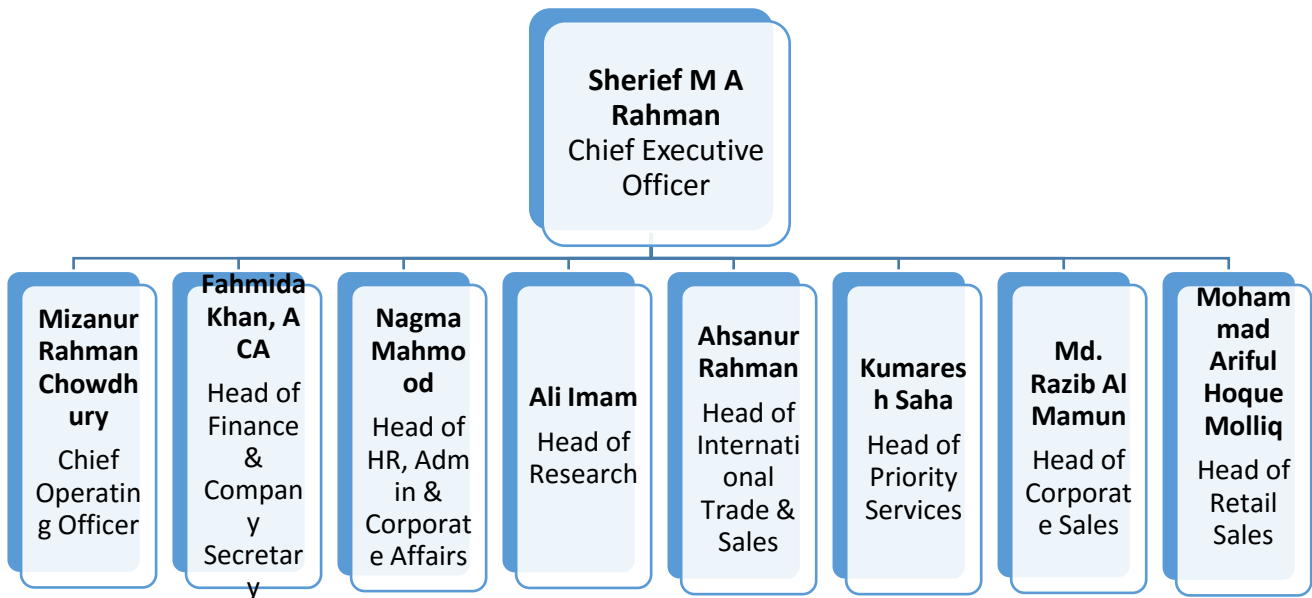
Core Values

- Customer focus
- Innovation
- Integrity
- Team work

Board of Directors



The Management



Main Functions of BRAC EPL Stock Brokerage LTD.

Since the establishment of the company as a wholly owned subsidiary of The BRAC Bank Limited, BRAC EPL Stock Brokerage Limited is engage in different functions to provide the promising services to its existing and potential clients and stakeholders. It has developed a disciplined approach toward providing capital market services, including beneficial owner accounts opening and maintaining, margin lone providing and with the research and publication. The main functions operated by BRAC EPL Stock Brokerage Limited are as follows:

Sales and Brokerage Services

- Brokerage services for Intuitional Clients
- Foreign Fund Managers
- Brokerage Service for retail (Individual) Clients
- Provide Margin lone at competitive interest rate
- International and Domestic Placement of Securities
- Brokerage Services
- Trade Execution Dhaka and Chittagong Stock Exchange Limited
- Pre-IPO private placement opportunities through Merchant Banks
- Appointment of dedicated and skilled sales representative
- Opportunities for trading in different financial instruments

Research and Publication

- Daily price information Market Overview, Daily Fact Sheet
- Monthly report
- Industry/Corporate research report
- Free access to our company research reports through our web-site
- Half yearly political and economic update

Value Added Services

- Daily portfolio services through email
- Daily trade confirmation through SMS service
- Web services for portfolio and report

SWOT Analysis

Every single business entity has some strength, weakness, opportunity and weakness. As other organization BRAC EPL Stock Brokerage Limited also has some strength and opportunity and besides these the company has some weakness and threats. Anyway, strength and weakness are internal factor, which company can increases and decrease by implementing different plan of work. On the other hand opportunity and threats comes from external environment where organization doing their business. Though there is no role of company itself for facing these threats, or creating opportunity, but company has the chance to realize the opportunity comes from external factor and can take defensive actions to minimize the threats.

Strength

- Skilled and knowledgeable employees of BRAC EPL Stock Brokerage Limited
- Realize the reputation of BRAC Bank as wholly owned subsidiary of BRAC Bank
- Sophisticated tools and financial analysis
- Highly compiled operating system

Weakness

- Less number of branches
- Lacking of manpower
- Insufficient marketing effort

Opportunity

- Increase the volume of trade by attracting foreign investor and remittance earners
- Having a scope to expanding the market share
- Investors are began to be sophisticated, now they are locking better service and take calculative judgment about the service of broker house.
- Provide the online trading service

Threat

- Low turnover in the capital market of Bangladesh
- Political and social unrest in Bangladesh
- Existing and upcoming broker houses in the market with attracting facilities
- Frequent uncoordinated policy making by different regulatory bodies

Job Description

Internship is a way to gain practical job knowledge and it facilitates me to take a valuable experience regarding job. Besides, it introduces to me with a corporate culture. Punctuality, discipline and team work, these three facts are coming in my mind when I think about my experience of internship. Likewise, to reach a specific one goal, all the employees are working together by setting themselves different objectives. Without co-operation with each other, it is difficult to reach projected goal. I did my internship in the corporate office of BRAC EPL Stock Brokerage LTD. which is located at Gulshan Avenue. It is a wholly owned subsidiary of BRAC Bank Limited providing the brokerage services of local and foreign individual and institutional clients. At the first day of my internship program I have been experience an orientation program at Head office of BRAC EPL Stock Brokerage Limited. On that orientation program I had the chance to get familiar with different departments of the office as well as it was my pleasure to be introduced with the brilliant and smart team of head office who are playing vital role for successfully run the organization. Moreover in this orientation program, there are an introducing part with CEO and Managing Director of the BRAC EPL Stock Brokerage LTD. In terms of time frame, it was a very short meeting, but the smart guy make the meeting very fruitful with his valuable speech, which inspire me a lot and he gave a brief idea about corporate world, his valuable guideline make me keen to learn new things and keep some contribution to the society. Through my thirteen week internship opportunity at the organization, I got an opportunity to experience two types of job known as front office job and back office job and both are interrelated with each other. As I was working basically in Customer Service Department, I had to deal with customers. Customer management, providing relevant information to the clients as requirement was some of job at front office done by me. Moreover, through the internship period I am continuously assist the officials of BRAC EPL Stock Brokerage Limited to perform their day to day job. One of the frequently done jobs of me was giving portfolio statement to respective client. Furthermore, I was also responding to the client's query regarding account opening process. In this way I help the officials to open a new beneficiary owner account (BO) and fulfill the clients' requirements. On the other hand, I had learnt about preparing voucher, making requisition to withdraw balance from an account and process the delivering of cheque according to client's requirement. Also, I had learnt the detail process of a new BO account.

A list of job performed by me at corporate office is given below:

➤ **Giving information to the customer about necessary documents for open a B.O account:**

As I was in Customer Department, I had to give necessary information to the customers for opening a B.O. account. This is one of the regular jobs for me. Besides, I had to very polite and helpful to the customers while giving information.

➤ **Opening B.O. account:**

After providing all the required documents for opening a B.O account by the customers, I had to open B.O accounts for them. To open a B.O account I had to maintain some procedures. First of all check the documents and find whether there is any mismatch or not. If everything is fine, we collect opening fees and put customer name in a MS Excel file and also put client code as well as send the form to the settlement and they do the other procedures to open the account.

➤ **Giving portfolio statement to the customer:**

This is a regular job of Customer Service department. Everyday clients come from 10.00a.m to 5.30p.m to collect their portfolios. This is a bit challenging job because sometimes many clients come at a time and want their portfolios. On that time I had to listen very carefully and write down their codes. In addition, I had to give their portfolios very quickly and also had to carefully check whether they are real clients or not and I was giving the right portfolio at the right person. Moreover, on that time, senior officials also want their clients' portfolios to me and I had to manage both the cases very carefully.

➤ **Giving ledger to the customer:**

Often many customers need their ledger details or financial transactions. I had given them the ledgers according to their needs and I had to do this task in software, Blue- Chip. Every day I had to open the software and had to provide portfolios and ledgers with the help of the software.

➤ **Paying cheque to the customer after verifying sign:**

I had to perform the job very carefully. I had to verify customers' signs to find out they were the right persons whom I was giving cheque. Moreover, I also checked the authorization form and verify the name and sign of the customer before providing the cheque.

➤ **Givingcheque requisition form, authorization form, tax requisition form to the customer:**

Another day to day job of my department was to give cheque requisition form, authorization form, tax requisition form to the customer. To withdraw money and collect cheque, customer must take those forms and I had to give them proper direction to fill it properly.

➤ **Receiving cash deposit slip and cheque from customers:**

Frequently customers come to give us cheque and deposit slips for further transactions. As customers sell and buy their stocks, they must have sufficient balance in their accounts. I had to receive all the cash deposit slips and cheque from the customers and after that I had to send it to the Accounts Department.

➤ **Receiving customer calls and solving their queries over the phone:**

Every day I received many customers' calls and gave answers to their queries. If I did not know any answer, transferred the call to respective officer or informed my supervisor.

➤ **Sending Emails to head office and clients:**

I had to prepare the daily deposit report in Microsoft Excel and send it to the Motijheel head office for further processing. I had to reply to the back office officer for other issues regarding the workings of the corporate branch as well. I also used to send emails to the investors regarding various purposes.

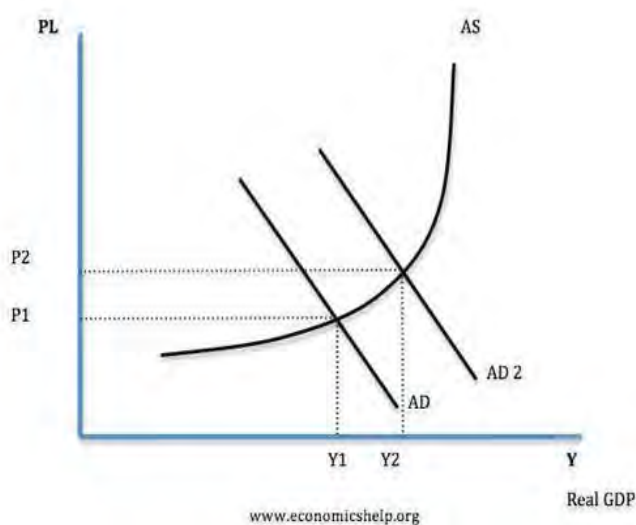
Literature Review

A capital market is a market for both debt and equity securities, where business enterprises and governments can raise long-term funds. It is defined as a market in which money is provided for periods longer than a year. Capital market is an organized & regulated financial market where securities are traded at prices governed by the forces of demand and supply. Alike other developing countries, Bangladesh is supposed to allocate the resources through the appropriate mechanism of stock exchange. It is a proper canal for both the surplus unit and the deficit unit contributing to the growth of GDP in Bangladesh and thus, activates the wheel of socioeconomic development to facilitate the economic

growth as well. Bangladesh capital market consists of the Dhaka stock Exchange (DSE) & the Chittagong Stock Exchange

I collect the data from DSE BD and tax lawyers. I describe a standardized business and ask them essentially to fill out its tax return, as well as to provide supporting information and relevant tax schedules. The data are constructed using a standardized case study of taxation from Taxpayer Co. Taxpayer Co is a taxable corporation operating in the most populous country in the world.

For developing capital market taxation helps to mobilize the market in addition to an efficient use of resources both within personal and countries economic profit.



Bangladesh is concern as one of the very few emerging nations, who have enormous growth potential to become the future leader of global economy. The Bangladesh securities & Exchange commission (BSEC) is the supreme body to supervise the activities of the bourses and its members.

In Bangladesh, Stock market is directed by the elected body of stock brokers where conflict of interest happens. Now a days there is good corporate governance in the Stock market. In this chapter I discussed about benefits of taxation and how taxation helps an economic to develop the capital market of Bangladesh. As stock dealers and brokers are familiar as institutional investors and play a big rule in the capital market mechanism, they should be regulated properly. In Bangladesh, DSE conduct inspection on brokerage houses and DSE is also run by a selected committee of brokerage house.

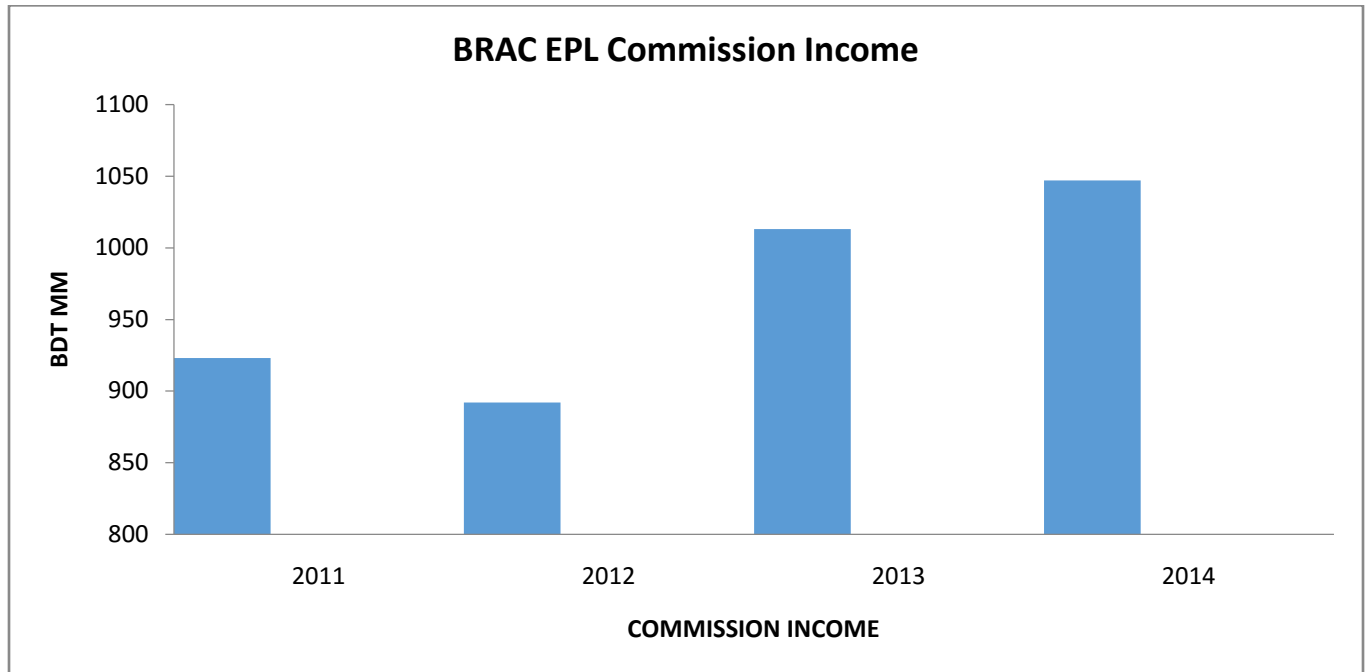
If investment is effective then it should also increase the productive capacity of the economy. For example, investing in skills and education can increase labor productivity. Investment in new technology and capital can increase the productive capacity of the economy. As like invest in capital market increase the development of the economy of the country.

Commission rate and its Impact on Investors

The main profit for the broker houses come from the commission that they receive from their investors after buying or selling shares for the investor. A commission is a service charge assessed by a broker or investment advisor in return for providing investment advice and handling the purchase or sale of a security. Commissions vary widely from brokerage to brokerage. Investors often chose a broker house to invest based on the commission rate that the broker house ask for. So, commission rate is an influential matter that can change the mindset of an investor choosing a broker house.

Commission is the main income for a broker house. On the other hand, it is one of the most important facts on which an investor choose his or her respective broker house. Besides, every month Security

Exchange Commission (SEC) declares the largest broker house based on the commission it generated throughout the month. There is a cold war between the broker houses to get the first position. So, a broker house needs to fix the rate wisely.



Commission can be of two types. One is flat commission and another is ramped commission. Broker houses always charge a flat commission on all their transactions. Flat commission is usually a percentage, such as 5 percent, on any sale or buys by the client.

The average stock broker gets a commission based largely on the type of service she provides. A full-service brokerage will charge substantially higher commissions than a discount or non-full service one since the client gets extra advisory and research help. Discount brokers provide online research services and technical web support, but its brokers get far less per trade.

Full-Service Broker

A full-service broker is a licensed financial broker-dealer firm that provides a large variety of services to its clients; including research and advice, retirement planning, tax tips, and much more. Of course, this all comes at a price, as commissions at full-service brokerages are much higher than those at discount brokers.

Full-service brokers can provide expertise for people who don't have the time to stay up-to-date on complicated issues such as tax or estate planning; however for those who just want to execute trades without the extra services, discount brokers are the way to go.

Full-service brokers offer customized support and interaction in facilitating trades, managing portfolios, financial planning and wealth management services for clients. Clients are assigned to individual stockbrokers and financial advisors. They are the main point of contact at a full-service brokerage firm.

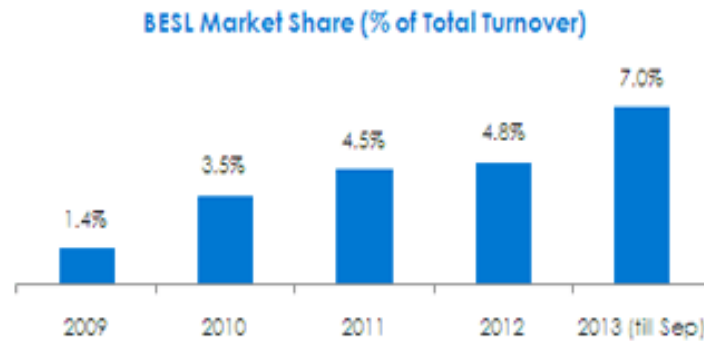
Discount Broker

A discount broker is a stockbroker, who carries out buy and sell orders at a reduced commission compared to a full-service broker but provides no investment advice. Before the emergence of technology, only the wealthy could afford a broker and get access to the stock market. The internet has brought an explosion of discount brokers that let individuals with smaller capital to trade at a smaller fee. Unlike full-service brokers, discount brokers do not provide personal consultations, advice, research, tax planning and estate planning services for customers.

BRAC EPL as a Full Service Broker House

BRAC EPL Stock Brokerage Ltd. is a full service broker house. It is a licensed broker house of BSEC that provides research and advice, retirement planning, tax tips etc besides buying and selling shares. It has become the largest broker house in Bangladesh in the month of August. The broker house has a large research department with analysts that provide proprietary detailed reports and recommendations for clients. They also have investment banking divisions that provides certain accredited investor clients access to special financial products such as initial public offerings (IPOs), senior notes, preferred stock, debt instruments, limited partnerships and various interesting and alternate investment opportunities. Unlike other full service broker house, BRAC EPL provides physical office locations for clients to visit.

There is a strong customer service department who keeps the investors up to date about their portfolio. They suggest them to invest in any profitable company or to sell the shares which are going to incur loss.



As a full service broker house, BRAC EPL charges 0.40% commission on its every transaction. As a full service broker house, it is a standard rate of commission in the market but there are many other brokerage houses who charge less than BRAC EPL. They also charge 250 taka per year as a service charge that many other houses do not. This commission rate and service charge is often a matter of dissatisfaction among the investors.

Comparing the Commission Rate with Others

Currently there are two hundred fifty listed brokerage houses all over Bangladesh. So, the competition among the brokerage house can be guessed easily. Some of the other leading stock brokers are Lankabangla Securities Limited, IDLC Securities Limited, A.B. Ispahani Securities Limited. I will compare the commission rate of these three organizations with BRAC EPL.

According to Bangladesh Security Exchange Commission's act of 1993, every brokerage house needs to pay 0.15 of its earned commission to them. So, a stock brokerage house needs to fix a rate of commission higher than 0.15 to gain profit. A standard rate of 0.40% of commission is charged by most of the stock brokerage house but there are some differentiations among them. Brokerage houses have the privilege to set their own commission rate.

Lankabangla has become the top brokerage house in Bangladesh many times. It is one of the leading brokerage houses renowned to many investors of stock market. This brokerage house is charging 0.40% commission on every transaction made by its investors but they often reduce the commission rate for many clients. If there is a transaction of a big amount of money then, they often charge 0.35% or 0.30% as well, as per client demand. Same goes for IDLC Securities Limited and A.B. Ispahani Securities Limited as well. These securities often offer such discounts to their big fish investors. Moreover, they have no additional service charge like BRAC EPL. They only charge five hundred taka per year as CDBL charge only.

BROKER HOUSE	COMMISSION RATE	REMARKS
Lankabangla Securities	0.40%	Allows discount up to 0.30%
IDLC Securities	0.40%	Allows discount depending on the investment
A.B. Ispahani Securities	0.40%	Allows discount based on the investment
BRAC EPL	0.40%	No such discount on commission rate

BRAC EPL, on the other hand, does not agree to charge lesser commission to its investors. BRAC EPL believes that, commission rate should not be a big issue to the investors if they provide quality service to the customers. If they can satisfy the investors with good service then, they will not be bothered about the commission rate but there are investors who often complains about the commission rate. So, according to my view if they take the issue of commission rate with more seriousness then it will be proved beneficial to them. Even though the company service is a standard from other firms, the company can relax the commission from specific clients according to their trading.

Comment

The stock brokerage house I have mentioned here charges 0.40% commission on an average but since they are providing a discount on the investment made by its clients, it may become a threat to BRAC EPL business. Investors may switch to other brokerage house as there are several options open to them. If so happens then BRAC EPL may have low profitability and their market share will go down. So, the rate of commission should be taken into account to have a profitable business

Recommendation

- BRAC EPL should focus more on its customer service department.
- It should start more branches to facilitate the investors.
- Employees should be trained more about the fundamental and technical techniques.
- The organization can cut some cost so that they can reduce the commission rate and that will help them to be in the top of investors' choice. If they can cut the commission rate then it will be a unique one in the eyes of the investors.
- They can charge commission on trade volume of a client for each day. If a client's transaction exceeds certain amount a certain discount on commission should be given.
- Due to the change in the political situation our stock market also changes. So the company can charge less commission when market is dump, more commission for boom market.
- They should use the same software for stock brokerage and investment department.
- More marketing activities should be done to let the people know about the organization.
- In house research activities should be increased to provide analytical support to clients.
- As competitors are increasing rapidly, management needs to be clear and more careful about future plan.
- All the employees should work to accomplish a certain goal at a time.
- The company can often arrange open discussion among selective clients and employees so that they can exchange information about certain issued share. It will help to take decision about a transaction.

Conclusion

Although capital market is going through a hard time, many people of Bangladesh still use it as their primary source of income. As a result, the number of stock brokerage house is increasing day by day. As there is a huge competition among the brokerage houses, they need to introduce something extra that other brokerage house does not give the investors. BRAC EPL is providing good service to the investors but if they modify the commission rate for the convenience of the investors then it will be beneficial for their business. More investors will be encouraged to invest with BRAC EPL and existing investors will try to maintain a transaction to a certain amount which will help them to get a reduced commission rate.

Due to many constraints (data availability and access, time etc.), I have failed to conduct more comprehensive study on the commission rate of stock brokerage house but I hope my study might give some guideline for researchers who want to conduct further study on its impact on capital market development in Bangladesh. Further study in this field is required as many of the issues are not covered in my report.

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