



NOTICE FOR ALL MEMBERS

The Securities & Exchange Commission of Pakistan has informed the Exchange about establishment of unauthorized Branch Offices (i.e., branch offices without registering the head of branch as agent with the Commission) by the Exchange Members at the different locations to undertake brokerage business for dealing in securities. It has also been informed by the Commission that a number of illegal share dealing outfits not affiliated with any broker / member of the Exchanges are operating branch offices and dealing in securities business on behalf of their clients by maintaining and operating only one account, which is gross violation of the requirements of Section 5A of the Securities & Exchange Ordinance, 1969 read with Rules framed for the purpose, particularly the Brokers & Agents Registration Rules, 2001.

Attention of the members is invited to our notices issued from time to time in this behalf, the last being issued on March 4, 2005, whereby, all the members were advised to get the person managing the affairs of the branch office registered with KSE and SECP as agent and also intimate the Exchange about existence of the branch office. This notice was also followed by another notice No. KSE/N-5860 dated October 6, 2005 reproducing there-under the contents of the letter received from SECP, clarifying the definition of Head of Branch Office as an Agent (irrespective of his capacity / designation in the brokerage house), requiring registration of the head of branch office as an agent with the Commission under Section 5A of the Securities & Exchange Ordinance, 1969 / Brokers & Agents Registration Rules, 2001 (Copy attached).

The Commission has informed to initiate action to halt such illegal activities with the advised to the Exchange to also initiate all necessary action in this behalf.

In view of the above, all the members are requested to ensure compliance with the above while operating the branch offices.

HAROON ASKARI
Chief Manager Operations