

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-4487

NOTICE

August 26, 2010

Reproduced hereunder letter No. SM/ICW/3-10 dated July 28, 2010 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN, (Investor Complaints Wing) Securities Market Division**, for information of members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(Investor Complaints Wing) Securities Market Division

July 28, 2010

No. SM/ICW/3-10

Mr. Adnan Afridi,
 Managing Director,
 Karachi Stock Exchange (Guarantee) Limited,
 Stock Exchange Building, Karachi

Mr. Imtiaz Haider,
 Managing Director,
 Islamabad Stock Exchange (G) Ltd.
 ISE Tower, 55-B, Jinnah Avenue,
 Islamabad

Mr. Ahmed Hassan,
 Acting Managing Director,
 Lahore Stock Exchange (G) Ltd,
 19- Khayaban-e-Aiwan-e-Iqbal, Lahore

Subject: **Additional Information to be supplied at the time of Brokers, Agents Registrations and their Renewal and notification of Agentship Cancellation.**

Dear Sirs,

Please refer to Securities and Exchange Commission of Pakistan (the Commission) letter dated August 12, 2002 regarding renewal of registration of brokers under the Brokers and Agents Registration Rules, 2001.

It has been observed that renewal applications for both broker and agent registration are submitted with the Commission few days prior to the expiry date. Late submission of renewal application is not only non-compliance of above referred letter but could also result in violation of Section 5A of Securities and Exchange Ordinance, 1969 (the Ordinance) which stipulates that "No persons shall act as broker or agent to deal in the business of effecting transactions in securities unless he is registered with the Commission". Here it is pertinent to highlight that non-compliance of above section is punishable under Section 22 of the Ordinance.

1. Through this letter it is reiterated to all the exchanges to ensure that applications for registration renewals of the brokers and agents are received in the Commission 45 days prior to the date of expiry of registration.
2. Instances have been brought to the notice of the Commission through investor complaints that various agents continue to represent respective broker even after expiry or cancellation of their registration. This primarily happens due to the fact that no proper intimation/notification of cancellation of agent registration is disseminated to the general public. Therefore, for the protection of investors and to safeguard interest of the brokers henceforth it is being made mandatory for the brokers/brokerage houses to notify cancellation of agent registration 45 days in advance to respective exchange for immediate dissemination to general public and the Commission.