



**ORDER ISSUED BY THE SECP IN RESPECT OF APPLICATION FOR OBTAINING
LICENSE AS SECURITIES BROKER UNDER SECURITIES BROKERS
(LICENSING AND OPERATIONS) REGULATIONS, 2016**

It is hereby informed to all concerned that the Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 12, 31 and 55 of the Securities Act, 2015, directed vide separate orders addressed to the respective brokers (list of these brokers is attached herewith marked as annexure A) with copy endorsed to Pakistan Stock Exchange Limited (PSX), Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL), as under: -

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- b. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- c. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

The Commission has further directed the brokers named in annexure A, to initiate the process for changing the name and Memorandum of Association of the Company or winding up of the Company as the case may be.

The complete copy of the order is available on the website of PSX.

Haroon Askari

Deputy Managing Director

Copy to:

- 1) The Commissioner (SM), smd.notices@secp.gov.pk
- 2) The Managing Director, Pakistan Stock Exchange Limited
- 3) The Chief Executive, Central Depository Company of Pakistan Limited
- 4) The Chief Executive, National Clearing Company of Pakistan Limited
- 5) The Chief Executive, Pakistan Mercantile Exchange (PMEX)
- 6) The Acting Chief Regulatory Officer – PSX
- 7) All TRE Certificate Holders – PSX
- 8) All Departmental Heads – PSX
- 9) Notice Board & Website – PSX



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

UAN: 111-001-122

PSX/N-3511

NOTICE

May 29, 2017

Annexure-A

No.	Name of the Securities Broker
1	Allied Securities (Pvt.) Ltd
2	S. A Securities (Private) Limited
3	Interactive Securities (Pvt.) Limited
4	Chippa Securities (Private) Limited
5	JCR Capital Securities (Pvt.) Ltd.
6	Luxor Securities (SMC-Pvt.) Limited
7	MAN Securities (Pvt.) Limited
8	Omni Capital Management (Pvt.) Ltd
9	Jawed Zakaria Gulabi Securities (Pvt.) Limited
10	MAC Securities (Private) Limited
11	Muhammad Anaf Kapadia Securities (SMC-Pvt.) Limited
12	Motiwala Securities (Pvt.) Limited
13	MY Securities (Pvt.) Limited
14	AAU Securities (Pvt.) Limited
15	Abid Ali Habib Securities (Pvt.) Limited
16	Ahsam Securities (Pvt.) Limited
17	Ashfaq Ashraf Securities (Pvt.) Limited
18	BMS Capital (Pvt.) Limited
19	Bright Investment & Securities (Pvt.) Limited
20	Fine Securities (SMC-Private) Limited
21	Fort Securities (Pvt.) Limited
22	Fortress Financial Services (Pvt.) Limited
23	H.H.K. Securities (Pvt.) Limited
24	Khayyam Securities (Pvt.) Limited
25	Prime Capital Management (Pvt.) Limited
26	R.F.J. Equity (Pvt.) Limited
27	S. M. Securities (Private) Limited
28	Schon Capital Markets Limited
29	Sher Capital Equities (Pvt.) Limited
30	SMAC Investments (SMC-Pvt.) Limited
31	South Asian Securities (Pvt.) Limited
32	Union Securities (Pvt.) Limited
33	Venus Securities (Pvt.) Limited
34	ZM Capital (Pvt.) Limited
35	MAS Capital Securities (Pvt.) Limited
36	R. A. Securities (Pvt.) Limited



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
JCR Capital Securities (Pvt.) Ltd.
35/D 1 Gulberg-3,
Sir Syed Road,
Lahore

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to JCR Capital Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 26, 2017

Present at the Hearing

Representing JCR Capital Securities (Pvt.) Limited

Mr. Jamshaid Chaudhry
(Director)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s JCR Capital Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide dated August 25, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. *Transitional provisions.*

(3) *A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.*

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad, Pakistan
PABX: 9207091-94 (376), TEL: 92-51-9100472, FAX: 92-51-9100440

JCR Capital Securities (Pvt.) Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 30, 2016 for grant of licence as securities broker to the Respondent for Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 21, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no clients; and
- iii. Trading terminals of the Respondent have been switched off by PSX vide notice dated October 31, 2016 due to short fall in Net Capital Balance (NCB).

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated April 19, 2017 was issued to the Respondent whereby it was called upon to explain in person as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice. A hearing in the matter was held on April 26, 2017 before the undersigned wherein Mr. Jamshaid Chaudhry, Director hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

"We obtained membership in 1992 and were active till 1999. Trading terminals are suspended by PSX due to shortfall in NCB which will be complied shortly. We are planning to start business activity in near future."



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Securities Market Division

Public offering and Regulated Persons Department

7. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's trading terminals have been switch off by PSX on October 31, 2016 due to shortfall in NCB and the Respondent failed to remove the shortfall in NCB up till now.
- iv. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

8. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

9. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





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11. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.


Akif Saeed
Commissioner (SMD)



Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
South Asian Securities (Pvt.) Limited
1st Floor, Business Enclave, 77-C,
12th Commercial Street,
Khayaban-e-Ittehad,
DHA, Phase II (Ext) Karachi

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to South Asian Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	<i>April 13, 2017</i>
Present at the Hearing <i>Representing South Asian Securities (Pvt.) Limited</i>	<i>Mr. Khalid Malik</i> <i>(Chief Executive Officer)</i>
<i>Assisting the Commissioner (SMD)</i>	<i>Mr. Faisal Nawaz</i> <i>Joint Director (SMD-PRPD)</i>

ORDER

This Order shall dispose of the application of M/s South Asian Securities (Pvt.) Limited (the "**Respondent**") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "**Regulations**") read with Securities Act, 2015 (the "**Act**").

2. Pakistan Stock Exchange (the "**PSX**") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "**Rules**") vide letter No. PSX/ISD/TREC/956 dated August 05, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) *A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.*

178. Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated



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August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 13, 2016 for grant of license as securities broker to the Respondent for "Trading only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 21, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 13,100 shares since the date of grant of its registration i.e. August 26, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

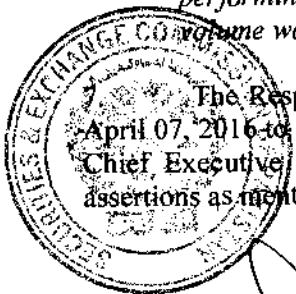
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on April 04, 2017. The written response of the Respondent may be summarized as under:

"We would like to inform you that few transactions have been executed during the period from our own account which can be verified from PSX-Islamabad Office. Currently the market is not performing well and sentiments are also weak. As soon as the market condition improves, the volume would also increase as a result."

The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2017 to explain the stance in person on April 13, 2017. On the given date, Mr. Khalid Malik Chief Executive officer (the "CEO") of the Respondent appeared before me and reiterated the assertions as mentioned in written response.





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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 13,100 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 13,100 shares in 4 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





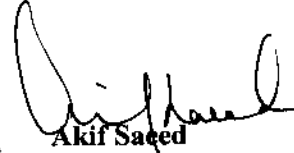
Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Union Securities (Pvt.) Limited
41-Usman Block, New Garden Town, Lahore.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Union Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

May 02, 2017

Present at the Hearing

Representing Union Securities (Pvt.) Limited

Mr. Muhammad Ismail Mughal
(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s. Union Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated July 28, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The license renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of license as securities broker to the Respondent for "Trading only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 and November 17, 2016 which was addressed by PSX vide letter dated November 30, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on April 10, 2017. The response of the Respondent may be summarized as under:

The Union Securities is still inactive as it is waiting for the office space in LSE new South Tower under completion. Union Securities had applied for room earlier also but the project was abandoned. Now the south tower is nearly completed and is waiting for installation of lifts, laying of network cables and some other operational matters. It is expected that this will be completed during next few months."

7. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 13, 2017. However, the Respondent requested extension in time vide letter dated April 10, 2017. The request of extension was acceded to and the hearing was rescheduled on May 02, 2017. On the given date, Mr. Muhammad Ismail Mughal, Chief



Securities and Exchange Commission of Pakistan
Securities Market Division
Public offering and Regulated Persons Department

Executive officer (the "CEO") of the Respondent, appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

SECP

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Venus Securities (Pvt.) Limited
801, 8th Floor,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Venus Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 13, 2017
Present at the Hearing Representing Venus Securities (Pvt.) Limited	Mr. Noman Abdul Majeed (Chief Executive Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s. Venus Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated May 10, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

(a) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The license renewal date of the Respondent was July 02, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. July 02, 2016, hence PSX was instructed to ensure compliance with Regulations and



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resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 28, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated November 23, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 59,500 shares since the date of grant of its registration i.e. July 02, 2014.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on March 24, 2017. The written response of the Respondent may be summarized as under:

"We would like to inform you that we are in the process to commence business from start of April 2017 as we are in contact with clients and by the end of March 2017 our business will be started that is why we applied for renewal of registration."

Furthermore, the Respondent provided explanation vide letter dated April 11, 2017 that the Broker is in compliance with all Rules and Regulations of PSX, SECP, CDC and NCCPL and submitted documentary evidence to substantiate compliance. The comments made by the Respondent in written response are summarized as below:

Further we would like to inform you that we have received account opening forms from our clients and accounts opened in National Clearing Company of Pakistan and they will start trading after completion of all requirements. We have received other Client's account opening Form."



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7. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 13, 2017. On the given date, Mr. Noman Abdul Majeed, Chief Executive officer (the "CEO") of the Respondent appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 59,500 shares since the date of grant of its registration i.e. July 02, 2014.
- ii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 59,500 shares in 4 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.



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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
ZM Capital (Pvt.) Limited
Room # 54, 55 1st Floor, Stock Exchange Building Stock Exchange Road, Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to ZM Capital (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 12, 2017
Present at the Hearing Representing ZM Capital (Pvt.) Limited	Mr. Muhammad Javaid Ibrahim (Chief Operating Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s ZM Capital (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/773 dated June 29, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, until cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the





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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 30, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no KATS terminals; and
- iii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if —

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Muhammad Javaid Ibrahim, Chief Operating Officer (the "COO") hereafter called as ("Representative") of the Respondent appeared before me and submitted as follows:

The Respondent is inactive.

- ii. *The Respondent had not undertaken any trading of shares.*
- iii. *The Respondent has no clients.*



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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent had no KATS terminals.
- iv. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

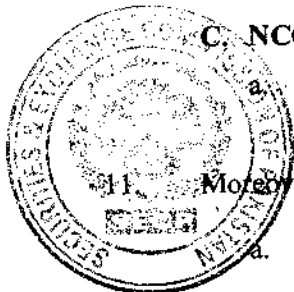
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.






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Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

May 26, 2017

No.2(33)SE/SMD/2016

Chief Executive Officer
MAS Capital Securities (Pvt.) Limited
607, Stock Exchange Building, Stock Exchange Road, Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to MAS Capital Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 13, 2017
Present at the Hearing Representing MAS Capital Securities (Pvt.) Limited	Mr. Abdul Hafeez (Director)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s MAS Capital Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

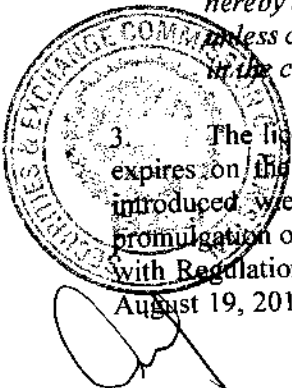
177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated





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in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 25, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 3 days comprising of total volume of 11,000 shares since the date of grant of registration i.e. August 26, 2014 and;
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances: for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on April 04, 2017. The written response of the Respondent may be summarized as under:

"Before the demutualization, we do not have the sufficient fund to trade, therefore our brokerage house was inactive. But now we have received the payment from PSX for sale of 40% shares, we are interested to do work".

The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Abdul Hafeez, Director of the Respondent called hereunder as (the "Representative") appeared before me and reiterated the assertions as submitted vide letter dated April 04, 2017.

I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:



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- i. The Respondent had undertaken trading activity only for 3 days comprising of total volume of 11,000 shares since the date of grant of registration i.e. August 26, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 11,000 shares in 3 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
R. A. Securities (Pvt.) Limited
Office No. 903, 9th Floor, Block -A, Saima Trade I. I. Chundrigar Road, Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited
- 1.



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to R.A. Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 13, 2017
Present at the Hearing Representing R.A. Securities (Pvt.) Limited	Mr. Abdul Majeed (Chief Executive Officer) Mr. Shoaib (Consultant-Lawyers & Lawyers)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s R.A. Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/SECP-4022 dated May 16, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was July 02, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was





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Securities Market Division

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introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. July 02, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 1 day comprising of total volume of 500 shares since July 02, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

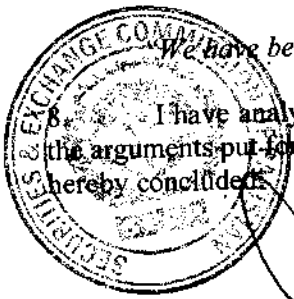
(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Abdul Majeed, Chief Executive Officer (the "CEO") and Mr. Shoaib, Consultant of Lawyers & Lawyers called hereunder as ("Representative") of the Respondent appeared before me and submitted as follow:

"We have been inactive but planning to restart soon."

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:





Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

- i. The Respondent had undertaken trading activity only for 1 day comprising of total volume of 500 shares since July 02, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 500 shares on 1 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





Securities and Exchange Commission of Pakistan
Securities Market Division
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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Chippa Securities (Private) Limited
Room No. 149, 3rd Floor,
KSE Building, I. I. Chundrigar Road,
Karachi. 32433960,

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan
Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Chippa Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	May 04, 2017
Present at the Hearing Representing Chippa Securities (Pvt.) Limited	Mr. Muhammad Arshad (Director) Mr. Shaukat Ali
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Chippa Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide dated July 25, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. *Transitional provisions.*

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 06, 2016 for grant of licence as securities broker to the Respondent for **"Trading Only/Trading and Self-Clearing/Trading and Clearing"** category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016. The Respondent did not specify the category of securities broker for which the application was submitted. In this regard, PSX was advised vide letter dated March 28, 2017 to specify the category for which the application was forwarded for grant of licence. PSX advised the Respondent vide letter dated March 31, 2017 to respond in matter. However, till date no response has been received by the Commission with regard to specific category of securities broker for which the application was submitted.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no KATS Terminal; and
- iii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

..... where the regulated person is a company,
(i) the company ceases to carry on the business for which it is licensed;

(ii) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated April 11, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 19, 2017 on May 04, 2017. The Respondent submitted the written response to the notice on April 20, 2017. The written response of the Respondent may be summarized as under:



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"The Company does not have any client receivable / payable balances. Neither have any deposit from any customer. The previous registered office was room # 143 3rd Floor PSX Building. In this office, telephone recording computers for trading purpose are properly installed. We are using these computers and telephone lines for the customers of Muhammad Ashfaq Hussain Securities (Pvt.) Limited. We were of the opinion that in case we receive any client for Chippa Securities (Pvt.) Limited then by making some addition in this set up we will start trading for Chippa Securities (Pvt.) Limited in the same office. Therefore, the was operated from this address. As a result of your letter we have taken a separate office on rent having address D-64 Block 7 Kehkashan Scheme 5 Clifton Karachi. The copy of separate office has been received from PSX. We have also bought computers for trading purpose and working in progress for installing telephone lines for recording purpose. All lines of communication will regularly tested to ensure ongoing proper functioning. All this process shall soon be completed.

The Financial Statements for the year ended 30 June 2016 and half year 31 December 2016 were submitted with PSX as per regular practice. We were of the knowledge that these statements will be sent to the Commission by PSX. We were of the opinion that copy of financial statements submitted to PSX is compliance of both PS and the Commission. However, we have sent these copies of statements to PSX and SECP Islamabad through courier.

We had not opened client bank account because we have no client to trade. We were considering such clause of PSX regulation as not applicable. But as per clause of PSX Regulations we have submitted form to Summit bank to open a client bank account."

8. A hearing in the matter was held on May 04, 2017 before the undersigned wherein Mr. Muhammad Arshad, Director of the Respondent and Mr. Shaukat Ali hereafter called as (the "**Representatives**") of the Respondent appeared before me and reiterated the assertions submitted in the written response.

9. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no KATS Terminal.
- iii. The Respondent had no clients.
- iv. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

10. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the



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Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed, therefore refused in terms of regulation 10 of the Regulations.

11. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

12. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

13. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Interactive Securities (Pvt.) Limited
C/o. 81, Stock Exchange
Building, Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Interactive Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Interactive Securities (Pvt.) Limited

- i. Mr. Mohammad Iqbal
(Chief Executive Officer)
- ii. Mr. Salim Chamdia
(Authorized Representative)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Interactive Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/4441 dated May 31, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was July 25, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the



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Regulations i.e. July 25, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 30, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 24, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 10 days comprising total volume of 44,600 shares since July 25, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker was refused. The Respondent submitted a written response to the said notice on March 30, 2017. The response of the Respondent may be summarized as under:

We have been complying with Section 16(1) of Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 and Section 2(liv) of the Securities Act, 2015 as follows:

We have been issued a TRE Certificate and have also registered our company as a broker with the Commission without two (2) years from the date of demutualization of stock exchange.

- ii. *We have also commenced business within six months from the date of registration by buying/selling in the shares listed on Pakistan Stock Exchange (PSX) in the matter.*





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For your observation on not undertaking any business during the last one year, we explain you that we felt the market is on the high side & our assessment has been proved right as it has come down after the Index touched 50,000 mark. Now we are optimistic for the future of stock market and have started trading in shares."

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Mohammad Iqbal, Chief Executive Officer (the "CEO") and Mr. Salim Chamdia, Authorized Representative of the Respondent appeared before me and in addition to their response of letter dated March 30, 2017 submitted as follow:

"Our registered office has all necessary prerequisites (KATS, NCHS, CDC Terminal and NCCPL Terminal) required to carry on the said business. Trades were not being executed as we considered market timings being not right. But we did make certain trades following the receipt of proceeds from divestment of PSX shares to Chinese Consortium.

Furthermore, we would like to inform you that we are following with the compliance of Quarterly FRS filling of SECP, Fortnightly Segregation of Clients' Assets, Net Capital, Liquid Capital Statement of PSX and many other compliances as desired by respective regulatory bodies on a timely basis."

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 10 days comprising total volume of 44,600 shares since July 25, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 44,600 shares in 10 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:



Securities and Exchange Commission of Pakistan

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A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
S. A Securities (Private) Limited
C/o Suzuki Central Motors,
Adjacent NLC Sown Camp,
G.T. Road, Rawalpindi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to SA Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 27, 2017
Present at the Hearing Representing SA Securities (Pvt.) Limited	Mr. Saqib Malik (Compliance Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s SA Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Responded for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/774 dated June 29, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.



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3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "category not specified" category.

The PSX and the Respondent was informed that the application has not mentioned the category of broker licence as per the requirement of regulation 5(2) of the Regulations vide letters dated March 28, 2017 & April 11, 2017. The Respondent vide letter dated April 27, 2017 mentioned "Trading Only" for it's application for grant of licence as securities broker.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, an opportunity of personal hearing was provided to the Respondent vide notice dated April 19, 2017 whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any written response against the said notice.

The hearing in the matter was held on April 27, 2017 before the undersigned wherein Mr. Compliance Officer hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

The Respondent is inactive.



Securities and Exchange Commission of Pakistan
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SECP

- ii. *The Respondent had not undertaken any trading of shares.*
- iii. *The Respondent had no clients.*
- iv. *The Respondent is in the process of selling of TRE Certificate, therefore licence may kindly be renewed.*

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's submissions for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

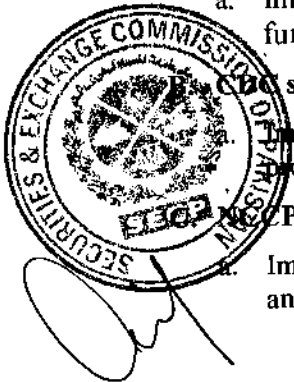
- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.





Securities and Exchange Commission of Pakistan

Securities Market Division

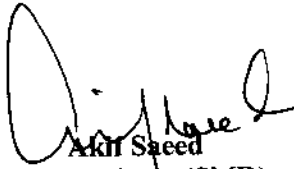
Public offering and Regulated Persons Department

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Allied Securities (Pvt.) Ltd
96-B, Johar Town, Lahore

Subject: **Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016**

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Allied Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 27, 2017
Present at the Hearing Representing Allied Securities (Pvt.) Limited	Mr. Noor Hassan (Authorized Representative)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Allied Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

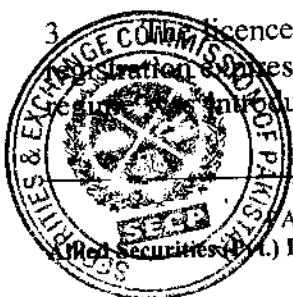
2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.



3. Licence renewal date of the Respondent was September 16, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory framework introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent

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Allied Securities (Pvt.) Limited.



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was after the promulgation of the Regulations i.e. September 16, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. PSX submitted the application vide letter dated October 24, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since September 16, 2015 i.e. the date of grant of registration;
- ii. The Respondent had no clients; and
- iii. The Respondent had no KATS terminals.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—
(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, an opportunity of personal hearing was provided to the Respondent vide notice dated April 19, 2017 whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any written response against the said notice.

7. The hearing in the matter was held on April 27, 2017 before the undersigned wherein Mr. Noor Hassan, Authorized Representative hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

- i. The Respondent is inactive.
- ii. The Respondent had not undertaken any trading of shares.
- iii. The Respondent had no clients, however, will do the business in future.





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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since September 16, 2015 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent had no KATS terminals.
- iv. The Respondent's admission as CDS participant has been suspended by Central Depository Company of Pakistan Limited vide its notice dated March 06, 2017 due to non-submission of Financial Statements.
- v. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker since September 16, 2015 i.e. the date of grant of registration. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:



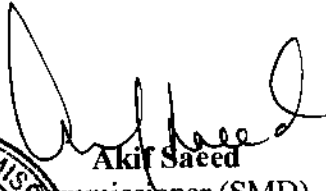
Securities and Exchange Commission of Pakistan
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- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.


Akit Saeed
Commissioner (SMD)

A circular official stamp of the Securities and Exchange Commission of Pakistan. The outer ring contains the text 'SECURITIES & EXCHANGE COMMISSION OF PAKISTAN' at the top and 'SECP' at the bottom. The inner circle features a central emblem with a scale of justice and a book, surrounded by a decorative border.

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
SMAC Investments (SMC-Pvt.) Limited
152-B, Street 2,
CMA Colony,
Lahore Cantt.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to SMAC Investments (SMC-Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing SMAC Investments (SMC-Pvt.) Limited

Mr. Awab Chohan

(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz

Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s SMAC Investments (SMC-Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated July 14, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

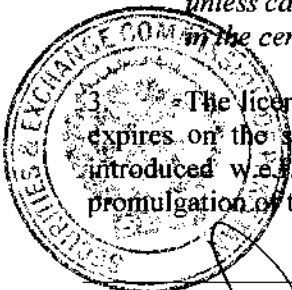
177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



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with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading only for 1 day comprising of total volume of 1,000 shares since the date of grant of its registration i.e. August 26, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

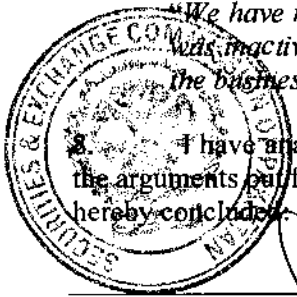
(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 12, 2017. On the given date, Mr. Awab Chohan, Chief Executive officer (the "CEO") of the Respondent appeared before me and submitted as follows:

"We have resubmitted the application to PSX for Trading only category. The brokerage house was inactive and has only undertaken one trade to remain active. However, have plans to start the business in future."

I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded.





Securities and Exchange Commission of Pakistan

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- i. The Respondent had undertaken trading only for 1 day comprising of total volume of 1,000 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 1,000 shares on 1 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

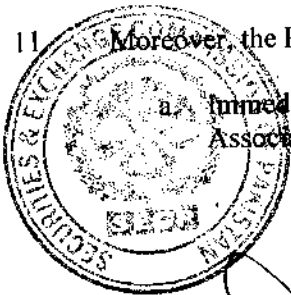
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





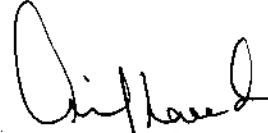
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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Sher Capital Equities (Pvt.) Limited
Room # 402, 4th Floor,
LSE Building,
Lahore.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Sher Capital Equities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing Sher Capital Equities (Pvt.) Limited

Mr. Sher Zaman

(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz

Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s. Sher Capital Equities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated August 03, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

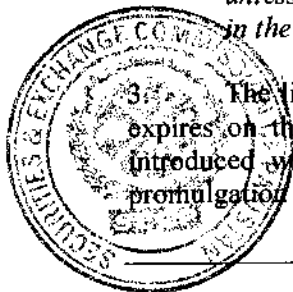
177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 19, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 19 2016, hence PSX was instructed to ensure compliance



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with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of license as securities broker to the Respondent for "Trading only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 and November 17, 2016 which was addressed by PSX vide letter dated November 25, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 2 days comprising of total volume of 2,200 shares since the date of grant of its registration i.e. August 19, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 13, 2017. On the given date, Mr. Sher Zaman, Chief Executive officer (the "CEO") of the Respondent appeared before me and submitted as follows:

The Respondent had purchased membership from someone else.

The Respondent had purchased office in LSE building through auction, however the possession of office room is currently under litigation, therefore the Respondent cannot commence business operations which he otherwise has plans to undertake in future.

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Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 2 days comprising of total volume of 2,200 shares since the date of grant of its registration i.e. August 19, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 2,200 shares in 2 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

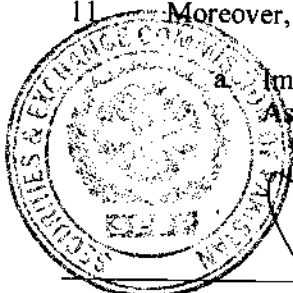
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.



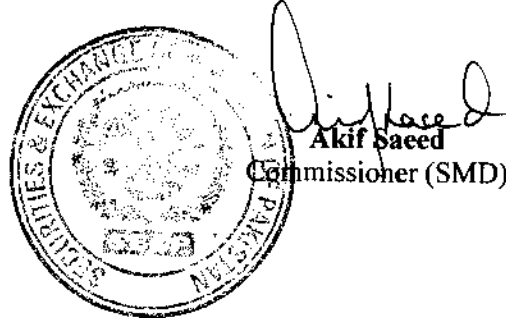


Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Schon Capital Markets Limited
Room No. 2, 5th Floor,
Schon Centre, I.I. Chundrigar Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Schon Capital Markets Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	<i>April 13, 2017</i>
Present at the Hearing <i>Representing Schon Capital Markets Limited</i>	<i>Mr. Rais Asghar</i> <i>(Chief Executive Officer)</i>
<i>Assisting the Commissioner (SMD)</i>	<i>Mr. Faisal Nawaz</i> <i>Joint Director (SMD-PRPD)</i>

ORDER

This Order shall dispose of the application of M/s. Schon Capital Markets Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Responded for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/SECP-5795 dated August 03, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) *A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.*

178. Repeal and savings.

2.(e) *any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.*

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance

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with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to Oct 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 25, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 30, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on April 04, 2017. The written response of the Respondent may be summarized as under:

"In the absence of any Renewal (which was due on August 26, 2016) legally we did not have any license or mandate of SECP or GOP to proceed with performing brokerage operations. Also with no legal standing we cannot by way of Business offer or induce any person to enter in agreement for or with a view to buying, selling, exchanging or subscribing or effect transactions in securities for clients or in our own account."

The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Rais Asghar, Chief Executive Officer (the "CEO") of the Respondent appeared before me and submitted as follows:

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- i. *The Respondent is in process of setting up office.*
- ii. *The Respondent will start trading/working in the near future.*
- iii. *The Respondent is not granted licence and hence the respondent cannot perform business operations.*

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent misinterpreted the fact that the Respondent is not granted licence and hence the respondent cannot perform business operations, as Respondent is deemed licenced under section 177(3) and 178(2)(e) of the Act.
- iv. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.





Securities and Exchange Commission of Pakistan

Securities Market Division

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C. NCCPL shall:

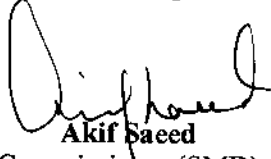
- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
S. M. Securities (Private) Limited
722, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to S. M. Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing S. M. Securities (Pvt.) Limited

*Mr. Muhammad Javaid Ibrahim
(Authorized Representative)*

Assisting the Commissioner (SMD)

*Mr. Faisal Nawaz
Joint Director (SMD-PRPD)*

ORDER

This Order shall dispose of the application of M/s S.M. Securities (Pvt.) Limited ("Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

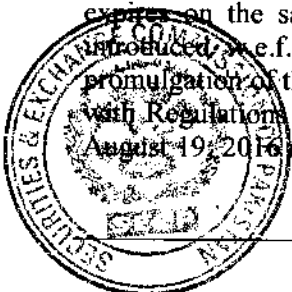
"177. Transitional provisions.

(3) *A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.*

178. Repeal and savings.

2.(e) *any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.*

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced, i.e. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated



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S.M Securities (Pvt.) Limited



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in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 27, 2016 for grant of license as securities broker to the Respondent for "Trading only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated December 14, 2016 which was addressed by PSX vide letter dated December 23, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on March 30, 2017. The written response of the Respondent may be summarized as under:

"The reason for not doing the trading is that we felt that the market is on the higher side and our assessment proved right as it came down after the index touched 50,000. We have sufficient funds and waiting for the right time. Now we are optimistic about the future of the market and will start trading soon."

7. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 13, 2017. On the given date, Mr. Muhammad Javed Ibrahim, Authorized Representative called hereunder as the "Representative" of the Respondent, appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

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Securities Market Division

Public offering and Regulated Persons Department

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





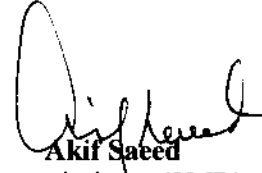
Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed

Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
R.F.J. Equity (Pvt.) Limited
401 Uni Tower,
I.I. Chundrigar Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to RFJ Equity (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing RFJ Equity (Pvt.) Limited

- i. Mr. Muhammad Umair
(Chief Executive Officer)
- ii. Mr. Noman
(Director)
- iii. KD Rajani
(Legal Advisor)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s RFJ Equity (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Responded for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated June 27, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. **Transitional provisions.**

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. **Repeal and savings.**

2. (e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

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3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 30, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 138,500 shares since the date of grant of its registration i.e. August 26, 2014.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

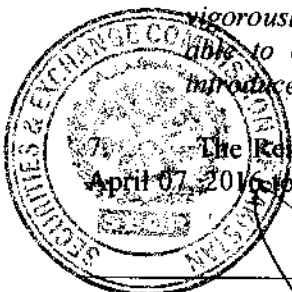
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted the written response to the notice on March 25, 2017. The written response of the Respondent may be summarized as under:

"We have already initiated proprietary transactions in our account, with this we have also opened a client account in our brokerage house with UIN: 15420-508 and our sales team is vigorously working to have institutional clients. We hope during the current year we would be able to execute sizeable transactions. We are also looking towards new products being introduced by the SECP such as financing through brokerage house".

The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2017 to explain the stance in person on April 12, 2017. On the given date, Mr. Muhammad





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Umair, Chief Executive Officer (the "CEO"), Mr. Noman, Director and KD Rajani, Legal Advisor of the Respondent appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 4 days comprising of total volume of 138,500 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 138,500 shares in 4 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

1. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





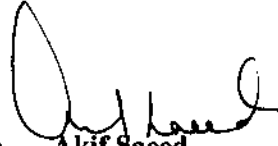
Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Prime Capital Management (Pvt.) Limited
808, 8th Floor,
ISE Towers, 55-B, Jinnah Avenue,
Islamabad.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Prime Capital Management (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 12, 2017
Present at the Hearing	
Representing Prime Capital Management (Pvt.) Limited	Mr. Muhammad Ali Raza (Director)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Prime Capital Management (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/773 dated June 29, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



Securities and Exchange Commission of Pakistan

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with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. PSX resubmitted the application vide letter No. PSX-TREC-1410 dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no KATS terminals;
- iii. The Respondent had no clients; and
- iv. The respondent was not fulfilling the NCB requirement of "Trading and Self Clearing" category i.e. Rs.5 million. A letter to this effect has been issued to the Respondent on March 29, 2017, the Respondent in response to said letter submitted a response on 5th April, 2017 requested to consider its application for "Trading Only" category and submitted a revised NCB of Rs.2,984,465/- as on December 31, 2016.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(i) where the regulated person is a company,

(ii) the company ceases to carry on the business for which it is licensed;

(b) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of subsection (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Muhammad Ali Raza, Director hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:



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- i. *The Respondent is inactive.*
- ii. *The Respondent had not undertaken any trading of shares.*
- iii. *The Respondent has no clients.*
- iv. *The Respondent had not performed the securities brokerage activity as he was completing his studies and now interested to do work.*
- v. *The Respondent's is also doing the construction and real estate business.*

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent had no KATS terminals.
- iv. The Respondent's onsite visit report submitted by PSX has been found unsatisfactory.
- v. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

PSX shall:

Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

CDC shall:

a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.





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C. NCCPL shall:

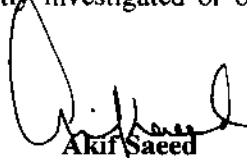
- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Khayyam Securities (Pvt.) Limited
Sihala Flour Mills Limited,
I-9, Industrial Area,
Islamabad.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Khayyam Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Khayyam Securities (Pvt.) Limited

Mr. Gohar Sadiq
(Director)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Khayyam Securities (Pvt.) Limited (the "**Respondent**") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "**Regulations**") read with Securities Act, 2015 (the "**Act**").

2. Pakistan Stock Exchange (the "**PSX**") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "**Rules**") vide letter dated July 04, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

78. Repeal and savings.

(2) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



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with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 30, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 21, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading only for 2 days comprising of total volume of 3,500 shares since the date of grant of its registration i.e. August 26, 2014.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

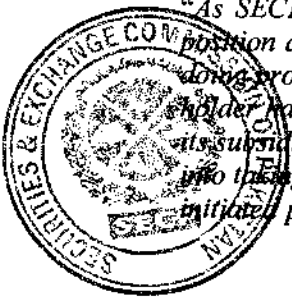
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2017 to explain the stance in person on April 12, 2017. The Respondent submitted a written response to the notice on April 10, 2017. On the given date, Mr. Gohar Sadiq, Director hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

"As SECP has introduced new regulations that is why the company has adopted a cautious position and has not taken any client activity for the year 2016 -2017. Presently we are only doing proprietary trading to finance its cost of doing business as the cost of being active TREC holder has increased with time. The company recently initiated the process of adding clients to its subsidiary account so it can learn to take potential clients in future. We did not want to rush into taking clients before knowing the clientele business inside out. Therefore, the company has initiated process of taking in family clients. In future we want to opt to TRADING ONLY as it





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will not be viable to carry on with Trading and Self clearing due to stringent reporting and financial cost."

The Respondent also submitted CDC and NCCPL reports as a proof of its activities during the year 2016-17.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading only for 2 days comprising of total volume of 3,500 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 3,500 shares in 2 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.






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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
H.H.K. Securities (Pvt.) Limited
Plot No. 49,
Oil Installation Area, Keamari,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to H.H.K Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing H.H.K Securities (Pvt.) Limited

Mr. Muhammad Hanif
(Advisor)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s H.H.K Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated July 12, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

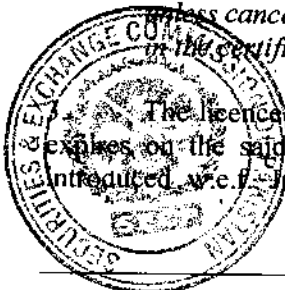
"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the



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PABX: 9207091-94 (376), TEL: 92-51-9100472, FAX: 92-51-9100440



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016 which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 24, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated December 01, 2016 which was addressed by PSX vide letter dated December 02, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading only for 2 days comprising of total volume of 15,500 shares since the date of grant of its registration i.e. August 26, 2014; and
- ii. The Respondent had no active clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on April 03, 2017. The written response of the Respondent may be summarized as under:

"We wish to bring your kind attention that our brokerage company was inactive for a long time, which finally activated in 2015 under section 16(1) of the Stock Exchanges (Corporatization, demutualization and Integration) Act, 2012. You will appreciate that due to after effects of a very long recession period, as well as lack of cash and liquidity crunch we were unable to organize of our business properly. However, now the matter has been resolved and our Financial Statements shows healthy and sound financial position with significant growth after the receipt of sale proceeds of PSX shares. We have more strength and fully capable of restructuring and reorganizing of our business rapidly."





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The Respondent also submitted copy of financial statements for the period ended June 30, 2016 and un-audited statements for the period ended December 31, 2016.

7. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 12, 2017. On the given date, Mr. Muhammad Hanif, Advisor of the Respondent called hereunder as (the "Representative"), appeared before me and submitted as follows:

The Brokerage house remained inactive. However, due to the improved financial health, now we shall restart the business actively.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading only for 2 days comprising of total volume of 15,500 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent had no active clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 15,500 shares in 2 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

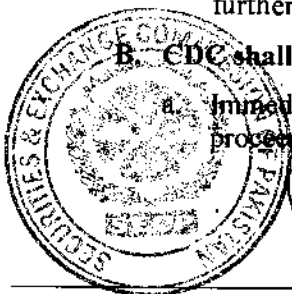
10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.





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C. NCCPL shall:


- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Fortress Financial Services (Pvt.) Limited
6th Floor, Siddiqsons Tower,
Main Shahrah-e-Faisal,
Near Baloch Flyover,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Fortress Financial Services (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Fortress Financial Services (Pvt.) Limited

- i. Mr. Muhammad Sohail Hassan
(Chief Executive Officer)
- ii. Mr. S.M. Shakil ul Haq
(Company Secretary)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Fortress Financial Services (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2. (e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



Securities and Exchange Commission of Pakistan

Securities Market Division

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with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 23, 2016 & December 1, 2016 which was addressed by PSX vide letter dated February 3, 2017.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 7 days comprising of total volume of 30,100 shares since August 26, 2014 i.e. the date of grant of registration and;
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

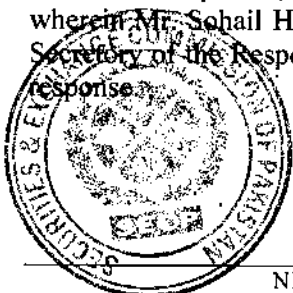
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on March 27, 2017. The written response of the Respondent may be summarized as under:

"After receiving partial sales proceeds from the sale of PSX shares, the management of the company has decided to start active brokerage services."

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017 on April 12, 2017. A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Sohail Hassan, Chief Executive Officer ("CEO") and Mr. S.M Shakil ul Haq, Company Secretary of the Respondent appeared before me and reiterated the assertions submitted in the written response.





Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 7 days comprising of total volume of 30,100 shares since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 30,100 shares in 7 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.



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Securities and Exchange Commission of Pakistan

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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Fort Securities (Pvt.) Limited
Room No. 416, 4th Floor,
Stock Exchange Building
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Fort Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing Fort Securities (Private) Limited

Mr. Shoaib Chamdia from Lawyers
& Lawyers
(Authorized Representative)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s. Fort Securities (Private) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



Securities and Exchange Commission of Pakistan

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with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 1 day comprising of total volume of 1,000 shares since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no client.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 7, 2017 on April 12, 2017. Upon request of the Respondent, the hearing in the matter was thereby rescheduled on April 13, 2017. On the given date Mr. Muhammad Shoaib Chamdia of Lawyers & Lawyers, Authorized Representative called hereunder as (the "Representative") of the Respondent, appeared before me and submitted as follows:

The Respondent is purchasing new office and will start their business by end of the year 2017."

I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

- i. The Respondent had undertaken trading activity only for 1 day comprising the total volume of 1,000 shares since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no client.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 1,000 shares on 1 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.
Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.



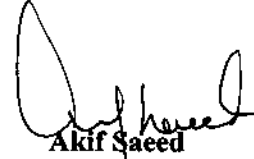


Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Fine Securities (SMC-Private) Limited
Plot # 83-C, 3rd Floor,
12th Commercial Street,
Phase-II, Extension,
DHA,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Fine Securities (SMC-Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Fine Securities (SMC-Private) Limited

Mr. Waqas Ur Rehman
(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Fine Securities (SMC-Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated

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Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 24, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no client.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business far which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business far which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on March 27, 2017. The written response of the Respondent may be summarized as under:

Company's main shareholder is an old lady who had received this membership from her late husband. She is suffering severe illness and had to go abroad for treatment. New office had been opened with great effort of our existing CEO. Now he is trying to install all facilities to start commercial activities and we hope that if our licence is renew, we are in a position to commence our business. Furthermore, our major shareholder has received substantial amount from the sale of 40% shareholding of PSX. Due to this our financial problem is resolved and we are in a position to commence business very shortly."

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017 on April 12, 2017. A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Waqas Ur Rehman, Authorized Representative hereafter be called as (the "Representative") of the Respondent appeared before me and reiterated the assertions as mentioned in written response.



Securities and Exchange Commission of Pakistan

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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no client.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of association of the company or winding up of the company as the case may be.





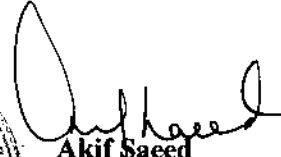
Securities and Exchange Commission of Pakistan

Securities Market Division

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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Bright Investment & Securities (Pvt.) Limited
House No. 1-A,
Street 18, Sector F-8/2, Kohistan Road,
Islamabad.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Bright Investment & Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Bright Investment & Securities (Pvt.) Limited

*Mr. Abdul Majid
(Authorized Representative)*

Assisting the Commissioner (SMD)

*Mr. Faisal Nawaz
Joint Director (SMD-PRPD)*

ORDER

This Order shall dispose of the application of M/s Bright Investment & Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/821 dated July 13, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document

5. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no KATS terminals; and
- iii. The Respondent had no active clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

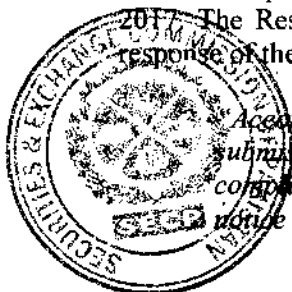
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017 on April 12, 2017. The Respondent submitted the written response to the notice on April 10, 2017. The written response of the Respondent may be summarized as under:

According to PSX direction, we need to fulfill the regulatory compliance requirements like submission of Net Capital Balance, Annual Audited Accounts as well as other regulatory compliance to keep our status as active membership. Now as per your letter, it came to our notice that we further need to start the business activities for continuation of our licence as





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securities broker. Before this the PSX did not inform us regarding this regulation. We acknowledge the negligence on our part and we assure you to start the business activities as soon as possible."

A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Abdul Majid, Authorized Representative hereafter be called as (the "**Representative**") of the Respondent appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no KATS terminals.
- iii. The Respondent had no active clients.
- iv. The Respondent's onsite visit report submitted by PSX has been found unsatisfactory.
- v. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.



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Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

C. NCCPL shall:

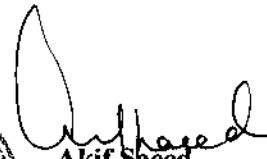
- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
BMS Capital (Pvt.) Limited
D-64, Block-7,
Kehkashan Scheme-5, Clifton,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to BMS Capital (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing BMS Capital (Pvt.) Limited

Mr. Basit Iqbal Shajani
(Director)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s BMS Capital (Pvt.) Limited ("Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. *Transitional provisions.*

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was September 22, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. September 22, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application. However, PSX requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to



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and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 27, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 30, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since September 22, 2015 i.e. the date of grant of registration;
- ii. The Respondent had no clients;
- iii. The Respondent had no KATS terminal; and
- iv. Haroon and Zakaria Chartered Accountants (the "Auditor") also raised concerns while auditing the balance sheet of the Respondent as on June 30, 2016 where it stated that "the Company losses reached at Rs. 15,999,038 which indicates the existence of uncertainty and creates doubt regarding going concern assumption. However, annexed financial statements are prepared on going concern basis owing to improvement in profitability".

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, , which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(i) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2017 to explain the stance in person on April 12, 2017. On the given date, Mr. Basit Iqbal, Director hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

"We do not have any KATS terminal, the brokerage house was inactive, however, we shall restart the business actively in future."



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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since September 22, 2015 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent had no KATS terminal.
- iv. Haroon and Zakaria Chartered Accountants also raised concerns while auditing the balance sheet of the Respondent as on June 30, 2016 where it stated that "the Company losses reached at Rs. 15,999,038 which indicates the existence of uncertainty and creates doubt regarding going concern assumption. However, annexed financial statements are prepared on going concern basis owing to improvement in profitability" and:
- v. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker since September 22, 2015 i.e. the date of grant of registration. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

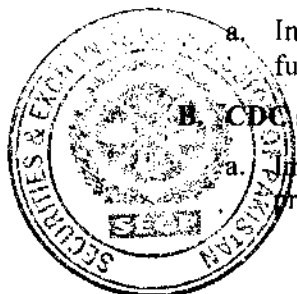
10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.





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C. NCCPL shall:

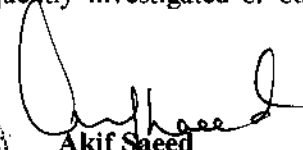
- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

10. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

11. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Ashfaq Ashraf Securities (Pvt.) Limited
Plot No. 25/190,
Office No. 206,
2nd Floor, Block 7/8,
C.P. Bearar Society,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

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Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Ashfaq Ashraf Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Ashfaq Ashraf Securities (Pvt.) Limited

Mr. M. Ashfaq Motiwala
(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Ashfaq Ashraf Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated June 14, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was July 02, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. July 02, 2016, hence PSX was instructed to ensure compliance with Regulations and

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resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of license as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 17 and December 01, 2016 which was addressed by PSX vide letter dated December 8, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading only for 10-days comprising of total volume of 57,500 shares since the date of grant of its registration i.e. July 2, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;.....

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2017 to explain the stance in person on April 12, 2017. The Respondent submitted a written response to the notice on April 11, 2017. On the given date, Mr. Ashfaq Motiwala, Chief Executive officer (the "CEO") appeared before me. The assertions made by the CEO in its written response and during the course of hearing may be summarized as under:

We would like to apologize for the delay in replying to the notice. Further, it is submitted that we were doing our business since 2005 in stock exchange and due to market critical scenario we were unable to continue the same with clientage, therefore we decided to wind up all clientage activities due to stock freeze. After demutualization of stock exchanges and introduction of new licensing and operating regulations 2016, wherein three categories are



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presented for the renewal of brokerage licence. Therefore, we selected Trading only/Proprietary only category at an initial stage and to develop our client base and public dealing, we have also developed our website and attempting to work with overseas brokerage house "AMFRASER SECURITIES SINGAPORE" in joint venture to reach out global clients."

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading only for 10-days comprising of total volume of 57,500 since the date of grant of its registration i.e. July 2, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 57,500 shares in 10 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

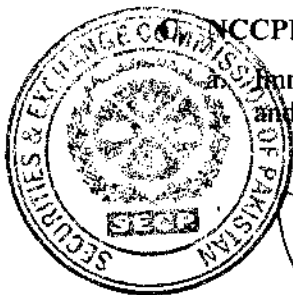
- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.





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11. Moreover, the Respondent is hereby directed to:
- Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.
12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Ahsam Securities (Pvt.) Limited
27-A, Lane # 2, Gulistan Colony,
Rawalpindi Cantt.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Ahsam Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing Ahsam Securities (Pvt.) Limited

Mr. Abbas Ali Raza
(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Ahsam Securities (Pvt.) Limited ("Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange ("PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/879 dated July 20, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

3. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 06, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 01, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on April 06, 2017. The written response of the Respondent may be summarized as under:

"We understand that we are in compliance with the relevant regulations in having transacted securities business for every full 12 month period since the imposition of the relevant requirement under the Act and the Regulations. We would like to point that our track record in complying with relevant reporting requirements, paid-up capital, capital adequacy and funding position is indicative of our commitment to conduct operations as a Trading Only securities broker. Our aim is to ensure a robust and fully compliant business infrastructure is in place before scaling up our operations."





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7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 12, 2017 before the undersigned wherein Mr. Abbas Ali Raza, Chief Executive Officer (the "CEO") of the Respondent appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The respondent failed to undertake any activity of securities broker during said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.





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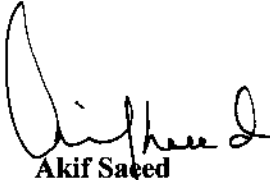
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11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Abid Ali Habib Securities (Pvt.) Limited
418, 4th Floor, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016**

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Abid Ali Habib Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 12, 2017
Present at the Hearing Representing Abid Ali Habib Securities (Pvt.) Limited	Mr. Abid Ali Habib (Chief Executive Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Abid Ali Habib Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter dated June 29, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. *Transitional provisions.*

(3) *A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.*

Repeal and savings.

(4) *any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.*

The licence renewal date of the Respondent was July 10, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the license renewal date of the Respondent was after the promulgation of the Regulations i.e. July 10, 2016 hence PSX was instructed to ensure compliance with Regulations and



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resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 27, 2016 for grant of license as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated December 14, 2016 which was addressed by PSX vide letter dated December 23, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading only for 1-day comprising of total volume of 200 shares since the date of grant of its registration i.e. July 10, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent submitted a written response to the notice on March 14, 2017. The written response of the Respondent may be summarized as under:

"We would like to inform you that the reason why we do not have any transaction is because we do not have any client. However, we are an active member of the Exchange in the recent integration process just for the compliance purpose. Furthermore, we would like to inform you that we are in process of deciding whether we want to continue as an active Trading Right Entitlement Certificate (TREC) holder or surrender our license and for that purpose we were observing the impact of the divestment which happened recently and consequently we will decide whether to continue as an active TREC holder or not and for that purpose we are waiting for the right time to get a decent buyer. Kindly understand and take lenient view of the matter. The above, if any, was not intentional or to conceal the information required to be submitted to the SECP."



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7. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 12, 2017. On the given date, Mr. Abid Ali Habib, Chief Executive Officer (the "CEO"), appeared before me and reiterated the assertions as mentioned in written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading only for 1-day comprising of total volume of 200 shares since the date of grant of its registration i.e. July 10, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 200 shares on 1 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.



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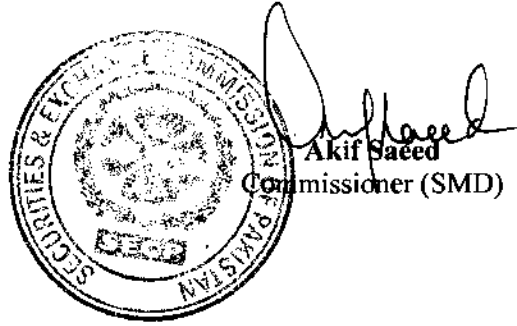
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11. Moreover, the Respondent is hereby directed to:
 - a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.
12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
MY Securities (Pvt.) Limited
Suite No. G-17, Ground Floor,
Saima Trade Tower I.I. Chundrigar Road.
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

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Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to MY Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing MY Securities (Pvt.) Limited

*Mr. Mohammad Sajjad
(MY Securities - Consultant)*

Mr. M. Muneer

(Compliance Officer)

Assisting the Commissioner (SMD)

*Mr. Faisal Nawaz
Joint Director (SMD-PRPD)*

ORDER

This Order shall dispose of the application of M/s MY Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

5. The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the

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Securities Market Division

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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 30, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no KATS terminals; and
- iii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if "

(b) where the regulated person is a company, "

(iii) the company ceases to carry on the business for which it is licensed;..... "

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or "

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on April 03, 2017. The written response of the Respondent may be summarized as under:

"The Company intends to carry out business in near future/due course as soon as other operational infrastructure is put in place with an appropriate framework of business conduct in compliance with regulatory requirements. We also like to draw your attention towards our request made for installation of Workstation for TREC, which is still awaited. As soon as the same is installed, the Management of MY Securities intends to initiate its business activities at its earliest".

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr.



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Mohammad Sajjad, Consultant and Mr. M. Muneer, Compliance Officer called hereunder as (“Representatives”) of the Respondent appeared before me and submitted as follow:

“We would like to state that the matter pointed out in the letter has warranted the attention of the Directors of the Company, for which an assurance is being made to the Commission for appropriate compliance and adherence on future course of business. Further as stated in the previous communication, the sponsor, directors have noted your communication/instruction with serious concern and are putting in all efforts, beside engaging a professional consultant to ensure placing the appropriate infrastructure as required by the regulations as well as resumption of business operations at the earliest but not later than 30 days.”

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no KATS terminals.
- iii. The Respondent had no clients.
- iv. The Respondent’s plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent’s application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent’s application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

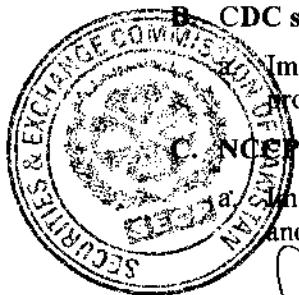
- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.





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11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
AAU Securities (Pvt.) Limited
Office No.112-113, Seema Electronic Center,
1st Floor, Abdullah Harood Road,
Sadar Karachi

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

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Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to AAU Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 12, 2017

Present at the Hearing

Representing AAU Securities (Pvt.) Limited

Mr. Ahmed Javed-Compliance
officer

Mr. Amjad-officer

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s AAU Securities (Pvt.) Limited (the "Respondent") for obtaining license as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated

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AAU Securities (Pvt.) Limited

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August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 14, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated February 6, 2016 which was addressed by PSX vide letter dated February 21, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of license as securities broker was examined and following deficiencies were observed:

- i. The Respondent had only undertaken trading for 18-days comprising of total volume of 32,000 shares since the date of grant of its registration i.e. August 26, 2014; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of license as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide notice dated April 07, 2016 to explain the stance in person on April 12, 2017. On the given date, Mr. Ahmed Javed, Compliance Officer and Mr. Amjad, officer hereafter be called as ("Representatives") of the Respondent appeared before me and submitted as follows:

"We have not been actively engaged in the business, however, we shall restart the business in future."

I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

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Securities Market Division

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- i. The Respondent had undertaken trading only for 18-days comprising of total volume of 32,000 shares since the date of grant of its registration i.e. August 26, 2014.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 32,000 shares in 18 days. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of license as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

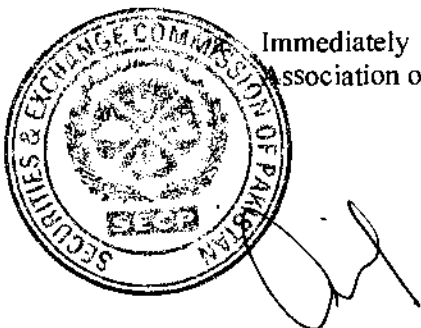
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

11. Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





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Securities Market Division

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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

A circular official seal of the SECP is positioned to the left of a handwritten signature. The signature is in black ink and appears to read 'Akif Saeed'. Below the signature, the name 'Akif Saeed' and the title 'Commissioner (SMD)' are printed in a standard font.

Announced on May 24, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Motiwala Securities (Pvt.) Limited
609, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Motiwala Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 13, 2017
Present at the Hearing Representing Motiwala Securities (Pvt.) Limited	Mr. Muhammad Omair (Chief Executive Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Motiwala Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 24, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 24, 2016, hence PSX was instructed to ensure



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated November 25, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 1 day comprising the total volume of 1,000 shares since August 24, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no active clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;.....

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the notice on April 04, 2017. The written response of the Respondent may be summarized as under:

"Before the demutualization, we do not have the sufficient fund to trade, therefore our brokerage house was inactive. But now we have received the payment from PSX for sale of 50% of its shares, we are interested to do work".

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Muhammad Omair, Chief Executive Officer (the "CEO") of the Respondent appeared before me and reiterated the assertions as submitted vide letter dated April 04, 2017.

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8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 1 day comprising the total volume of 1,000 shares since August 24, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no active clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 1,000 shares on 1 day. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

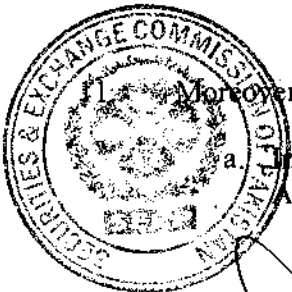
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





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12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 24, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Muhammad Anaf Kapadia Securities (SMC-Pvt.) Limited
633, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Muhammad Anaf Kapadia Securities (SMC-Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 27, 2017
Present at the Hearing Representing Muhammad Anaf Kapadia Securities (SMC-Pvt.) Limited	Mr. Muhammad Hanif (Authorized Representative)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Muhammad Anaf Kapadia Securities (SMC-Pvt.) Limited (the "**Respondent**") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "**Regulations**") read with Securities Act, 2015 (the "**Act**").

2. Pakistan Stock Exchange (the "**PSX**") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "**Rules**") vide letter No. PSX/ISD/TREC/821 dated July 12, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 which was addressed by PSX vide letter dated December 02, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken the trading activity only for 2 days comprising the total volume of 32,000 shares since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the said notice on April 3, 2017. The written response of the Respondent may be summarized as under:

"That our brokerage company was in active for a long time, which finally activated in 2015 under section 16(1) of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012. Due to after effects of a very long recession period, as well as lack of cash and liquidity crunch we were unable to organize of our business properly. However, now the matter has been resolved and our Financial Statements shows healthy and sound financial position with significant growth also after the receipt of sale proceed of PSX shares, we will have more strength and fully capable for restructuring and reorganization of our existing business rapidly."

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 27, 2017 before the undersigned wherein Mr.



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Muhammad Hanif, Authorized Representative hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

The Respondent has applied for surrender of its TRE Certificate to PSX on April 21, 2017.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken the trading activity only for 2 days comprising the total volume of 32,000 shares since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 32,000 shares in 2 days. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office. Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.
- iv. The Respondent had applied for surrender of its TRE Certificate to PSX on April 21, 2017.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.





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11. Moreover, the Respondent is hereby directed to:
- Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.
12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Commissioner (SMD)

Announced on May 24, 2017
Islamabad.



Securities and Exchange Commission of Pakistan

Securities Market Division

Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
MAC Securities (Private) Limited
54, 1st Floor, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to MAC Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 26, 2017
Present at the Hearing Representing MAC Securities (Pvt.) Limited	Mr. Javaid Ibrahim (Chief Operating Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s MAC Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

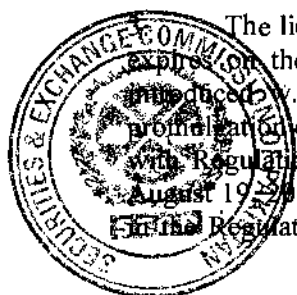
177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by



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September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 26, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide emails dated November 15 & 23 2016 and December 1, 2016 which was addressed by PSX vide letter dated November 23, 2016 and February 3, 2017.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as Securities Broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no client.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated April 11, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 19, 2017. A hearing in the matter was held on April 26, 2017 before the undersigned wherein Mr. Javaid Ibrahim, Chief Operating Officer hereafter called as (the "Representative") of the Respondent appeared before me and submitted as follows:

"We were inactive but now we are trying to establish business"

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded

The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.

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- ii. The Respondent had no client.
- ii.. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.
- Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as Securities Broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed, therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework;

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework

11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Jawed Zakaria Gulabi Securities (Pvt.) Limited
603, 6th Floor,
Stock Exchange Building,
Stock Exchange Road, Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
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Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Jawed Zakaria Gulabi Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing	April 27, 2017
Present at the Hearing	
Representing Jawed Zakaria Gulabi Securities (Pvt.) Limited	Mr. Jawed Zakaria Gulabi (Chief Executive Officer)
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Jawed Zakaria Gulabi Securities (Pvt.) Limited (the "**Respondent**") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "**Regulations**") read with Securities Act, 2015 (the "**Act**").

2. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

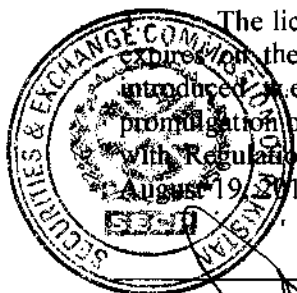
"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expires the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and submit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated



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in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 14, 2016 for grant of licence as securities broker to the Respondent for "Trading Only" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15 & 17, 2016 and December 1, 2016 which was addressed by PSX vide letter dated December 14, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken the trading activity only for 5 days comprising the total volume of 5,000 shares since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

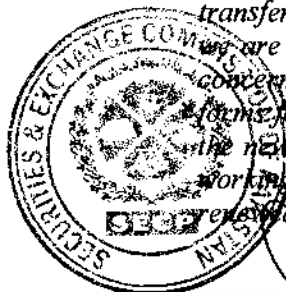
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any response against the said notice.

7. As the Respondent had not submitted any response against the aforesaid notice. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. The Respondent submitted the written response to the notice on April 13, 2017. The written response of the Respondent may be summarized as under:

"I would like to inform you that we have senior membership i.e. since 25 years before as my father was the individual member of Karachi Stock Exchange after him the membership was transferred into my individual name and thereafter we converted it into a company and till now we are complying all the rules and regulations. As far as my business strategy and structure concern I would like to share you the fact that we are major stake holder of distribution of IPO forms for new subscription all over Pakistan, while that exercise we got the commission from the new issuer and we paid sufficient tax amount. Also would like to inform you that we are working on to build the clientele to start trading for them. Therefore, our licence may be renewed."



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Public offering and Regulated Persons Department

A hearing in the matter was held on April 27, 2017 before the undersigned wherein Mr. Jawed Zakaria Gulabi, Chief Executive Officer (the "CEO") of the Respondent appeared before me and reiterated the assertions submitted in the written response.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent in writing and during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken the trading activity only for 5 days comprising the total volume of 5,000 shares since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 5,000 shares in 5 days. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found non-compliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby directed PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework;

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework

Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.






Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Omni Capital Management (Pvt.) Ltd
House No.13-A,
Street No.30, F-8/1,
Islamabad

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Omni Capital Management (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 27, 2017

Present at the Hearing

Representing Omni Capital Management (Pvt.) Limited

Mr. Nadeem Basheer
(Chief Executive Officer)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz
Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Omni Capital Management (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide dated July 13, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as it's existing registration expired on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the



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promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 30, 2016 for grant of licence as securities broker to the Respondent for **Trading Only** category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated December 21, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration;
- ii. The Respondent had no clients; and
- iii. The Respondent's trading terminals have been switched off by PSX vide notice dated October 10, 2016 due to shortfall in Net Capital Balance (NCB).

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1), the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

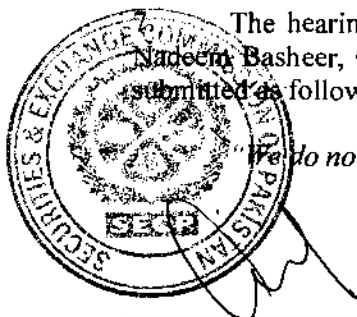
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, an opportunity of personal hearing was provided to the Respondent vide notice dated April 19, 2017 whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent had not submitted any written response against the said notice.

The hearing in the matter was held on April 27, 2017 before the undersigned wherein, Mr. Nadeem Basheer, Chief Executive Officer (the "CEO") of the Respondent appeared before me and submitted as follows:

"We do not have any clients and will start business in near future."





Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's trading terminals have been switch off by PSX on October 10, 2016 due to shortfall in NCB and the Respondent failed to remove the shortfall in NCB up till now.
- iv. The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

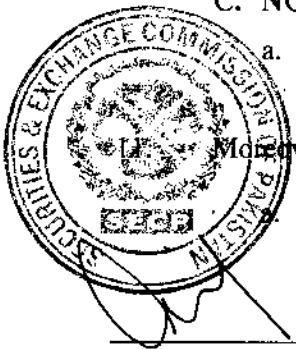
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.





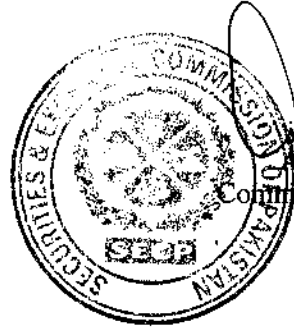
Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

SECP

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.



Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
MAN Securities (Pvt.) Limited
122, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to M.A.N. Securities (Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing M.A.N. Securities (Pvt.) Limited

*Mr. Muhammad Ashraf Noorani
(Chief Executive Officer)*

Assisting the Commissioner (SMD)

*Mr. Faisal Nawaz
Joint Director (SMD-PRPD)*

ORDER

This Order shall dispose of the application of M/s M.A.N. Securities (Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/4989 dated June 21, 2016. The Respondent is deemed licensed under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

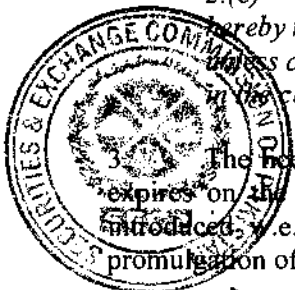
177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be licensed under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced, w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance



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Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated September 29, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 2016 which was addressed by PSX vide letter dated November 23, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent had undertaken trading activity only for 9 days comprising the total volume of 2,257,700 shares since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

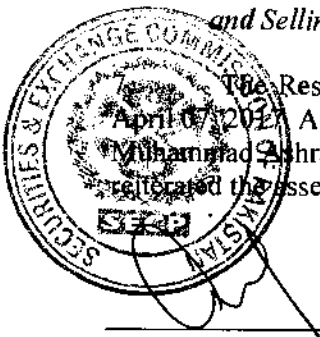
(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the said notice on March 29, 2017. The written response of the Respondent may be summarized as under:

"We have been active broker of the Exchange since 2015. We do not have any client now; we have started our proprietary business activity from March 2017. We are enclosing KATS Buying and Selling report."

The Respondent was further provided an opportunity of personal hearing vide letter dated April 6, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Muhammad Ashraf, Chief Executive Officer (the "CEO") of the Respondent appeared before me and reiterated the assertions as submitted vide letter dated March 29, 2017.





Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent had undertaken trading activity only for 9 days comprising the total volume of 2,257,700 shares since August 26, 2014 i.e. the date of grant of registration.
- ii. The Respondent had no clients.
- iii. The Respondent's plea that it has recently started proprietary trading has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months except for 2,257,700 shares in 9 days. Moreover, the Respondent did not pay any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

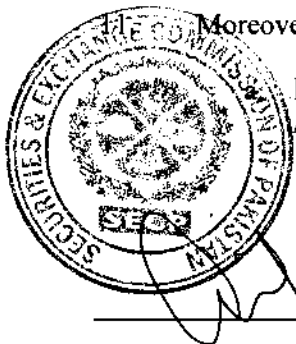
- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

Moreover, the Respondent is hereby directed to:

Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.






Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on May 24, 2017
Islamabad.



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No.2(33)SE/SMD/2016

May 26, 2017

Chief Executive Officer
Luxor Securities (SMC-Pvt.) Limited
Room No. 3, 5th Floor,
Schon Centre, I. I. Chundrigar Road,
Karachi.

Subject: Order in Respect of Application for Obtaining License as Securities Broker under Securities Brokers (Licensing and Operations) Regulations, 2016

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

Yours truly,

Asima Wajid
Additional Joint Director (PRPD)

Cc:

1. Pakistan Stock Exchange
2. Central Depository Company of Pakistan Limited
3. National Clearing Company of Pakistan Limited



Securities and Exchange Commission of Pakistan

Securities Market Division
Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Luxor Securities (SMC-Pvt.) Limited in terms of Application for Grant of Licence as Securities Broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act")

Date of Hearing

April 13, 2017

Present at the Hearing

Representing Luxor Securities (SMC-Pvt.) Limited

Mr. Riaz Asghar

(Authorized Representative)

Assisting the Commissioner (SMD)

Mr. Faisal Nawaz

Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Luxor Securities (SMC-Pvt.) Limited (the "Respondent") for obtaining licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 (the "Regulations") read with Securities Act, 2015 (the "Act").

2. Pakistan Stock Exchange (the "PSX") forwarded the application of the Respondent for renewal of registration as Broker under the Brokers and Agents Registration Rules, 2001 (the "Rules") vide letter No. PSX/ISD/TREC/773 dated August 03, 2016. The Respondent is deemed Licenced under section 177(3) and 178(2)(e) of the Act which are reproduced hereunder:

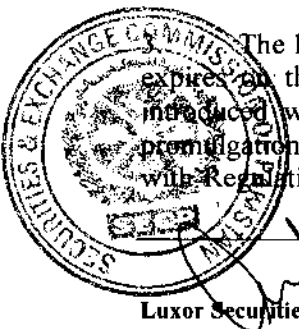
"177. Transitional provisions.

(3) A person who, immediately prior to the commencement of Part V of this Act, is registered as a broker under section 5A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), shall be deemed to be Licenced under this Act as a securities broker till the time his existing certificate of registration remains valid and shall thereupon be required to obtain a licence under this Act and such person shall also be allowed to effect transactions in futures contracts until such time as it may be required to obtain a separate licence as a futures broker.

178. Repeal and savings.

2.(e) any licence, certificate or document issued made or granted under any enactment hereby repealed shall be deemed to have been issued, made or granted under this Act and shall, unless cancelled in pursuance of the provision of this Act, continue in force till the date specified in the certificate or document.

The licence renewal date of the Respondent was August 26, 2016 as its existing registration expires on the said date. By virtue of promulgation of Regulations, new regulatory regime was introduced w.e.f. June 30, 2016. As the licence renewal date of the Respondent was after the promulgation of the Regulations i.e. August 26, 2016, hence PSX was instructed to ensure compliance with Regulations and resubmit the application by August 31, 2016. However, PSX vide letter dated



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Luxor Securities (SMC-Pvt.) Limited

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August 19, 2016 requested for extension in time for completing the documents/information stipulated in the Regulations. The request was acceded to and PSX was advised to submit the application by September 30, 2016, which was further extended to October 31, 2016 upon request of PSX. The PSX submitted the application vide letter dated October 28, 2016 for grant of licence as securities broker to the Respondent for "Trading and Self-Clearing" category. The application of the Respondent forwarded by PSX was found deficient in respect of requisite information/documentation and same was communicated to PSX vide email dated November 15, 17 and December 01, 2016 which was addressed by PSX vide letter dated December 14, 2016.

4. In terms of the newly promulgated Regulations read with the Act, the application of the Respondent for grant of licence as securities broker was examined and following deficiencies were observed:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration; and
- ii. The Respondent had no clients.

5. In view of the above facts the Respondent, prima facie, was not compliant with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act, which are reproduced below:

"152. Other circumstances for disciplinary action in respect of licensed persons.—(1) , the Commission may cancel the licence, whether in relation to all or any of the activities for which he is licensed, or suspend his licence, whether in relation to all or any of the activities for which he is licensed, for such period or until the occurrence of such event as the Commission may specify, if

(b) where the regulated person is a company,

(iii) the company ceases to carry on the business for which it is licensed;

(6) For the purposes of sub-clause (vi) of clause (a) and sub-clause (iii) of clause (b) of sub-section (1), a licensed person shall be deemed to have ceased to carry on the business for which he is licensed if—

(a) he has for more than thirty days ceased to carry on the business for which he is licensed unless he has obtained prior approval of the Commission to do so; or"

6. Consequently, a notice dated March 20, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant of licence as securities broker may not be refused. The Respondent submitted a written response to the said notice on March 27, 2017. The written response of the Respondent may be summarized as under:

"Licence bearing BRK-266 under the Brokers and Agents Registration Rules, 2001 was last renewed on August 26, 2015, which was valid for one year up to August 25, 2016. As per the procedure we are required by Pakistan Stock Exchange to apply for renewal of registration through the Stock Exchange well before (60 days) before the expiry date."

Our application for renewal of registration (under the Brokers and Agents Registration Rules, 2001) was made on July 14, 2016 and Pakistan Stock Exchange vide their letter dated August 26, 2016 intimated to us that our application for renewal of Licence expiring on August 25, 2016 has been sent to SECP vide PSX/SECP-5796 dated August 03, 2016.

Instead of receiving renewed Licence on August 26, 2016, we were informed by PSX that the application for Renewal will have to be now made afresh under the new Securities Brokers



Securities and Exchange Commission of Pakistan

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(Licensing & Operations) Regulations, 2016 of the Government of Pakistan. We submitted our revised application under the said regulations on August 29, 2016. We kept on providing all the requirements of SECP asked by PSX up to February 15, 2017. During all this period, we did not receive the renewed Licence which was due on August 26, 2016.

In the absence of any renewal (which was due on August 26, 2016) legally we did not have any Licence or mandate of SECP or GOP to proceed with performing brokerage operations. Also with no legal standing we cannot by way of business offer or induce any person to enter in agreement for or with a view to buying, selling, exchanging or subscribing or effect transactions in securities for clients or in our own account. Thus, up to March 27, we have no legal stand to conduct brokerage operations.

We have a fully equipped brokerage house, self-owned building with executive offices. The brokerage house has all necessary computer installations for system of KATS Terminal, Disaster Recovery Terminal and necessary software from CDC and National Clearing Company of Pakistan, configured for the company and all linked by Internet Services of Cybernet to conduct electronically shares transactions.

We can start operations, provided SECP gives the following clarifications/assurances:

- 1) There is no illegality in conducting stock brokerage operations in absence of registration as broker with SECP, not renewed since August 26, 2016.*
- 2) SECP will stand with us if legality of any transactions is challenged by any client, department or concerned agency,*

OR

- 3) SECP may renew our Licence, while we undertake to immediately commence operations upon receipt of renewal of registration."*

7. The Respondent was further provided an opportunity of personal hearing vide letter dated April 07, 2017. A hearing in the matter was held on April 13, 2017 before the undersigned wherein Mr. Riaz Asghar, Authorized Representative of the Respondent appeared before me and reiterated the assertions as submitted vide letter dated March 27, 2017.

8. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The Respondent failed to undertake any business of securities broker since August 26, 2014 i.e. the date of grant of registration.

The Respondent had no clients.

The Respondent misinterpreted the fact that the Respondent is not granted licence and hence the respondent cannot perform business operations as the Respondent is deemed licenced under section 177(3) and 178(2)(e) of the Act.

The Respondent's plea to undertake business activity as securities broker, in near future and his request for renewal of its license has been reviewed in light of the prevalent legal position as well as the past track record of the Respondent. It is pertinent to highlight here that the Act came into force with effect from May 13, 2015 i.e. almost 24 months ago. The Respondent failed to undertake any activity of securities broker during the said 24 months. Moreover, the Respondent did not pay





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any heed to the regulatory requirement as he failed to apprise this office in this regard till the issuance of notice by this office.

Additionally, Act clearly stipulates the way forward with regard to such noncompliance. Therefore, the plea taken by the Respondent is untenable at this point in time.

9. Based on the foregoing, it is evident that the Respondent is not in compliance with the provisions of section 152(1)(b)(iii) and 152(6)(a) of the Act. I am of the considered opinion that the Respondent's application for grant of licence as securities broker has been found noncompliant with the provisions of the Regulations read with the Act. Hence, Respondent's application for grant of licence as securities broker cannot be processed therefore refused in terms of regulation 10 of the Regulations.

10. Furthermore, in exercise of the powers conferred under section 12, 31 and 55 of the Act, I hereby direct PSX, Central Depository Company of Pakistan Limited (CDCPL), National Clearing Company of Pakistan Limited (NCCPL) that:

A. PSX shall:

- a. Immediately suspended the Trading terminals of the Respondent and proceed further under the applicable regulatory framework.

B. CDC shall:

- a. Immediately suspended the admission of the Respondent as CDS participant and proceed further under the applicable regulatory framework.

C. NCCPL shall:

- a. Immediately suspended the admission of the Respondent as Broker Clearing Member and proceed further under the applicable regulatory framework.

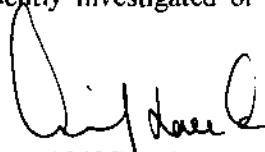
11. Moreover, the Respondent is hereby directed to:

- a. Immediately initiate the process for changing the name and Memorandum of Association of the company or winding up of the company as the case may be.

12. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

Announced on May 26, 2017
Islamabad.




Akif Saeed
Commissioner (SMD)