



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**SECP**

No. 1 (01)/Wash/KSE/MSW/SMD/2009/16

Through Courier  
December 22, 2011

The Chief Executive,  
Live Securities Limited,  
11th Floor, Tower 'A',  
Saima Trade Towers,  
I.I Chundrigar Road,  
Karachi.  
(92-21) 32214642-5

Subject: WARNING WITH RESPECT TO WASH TRADES IN VARIOUS SCRIP

Dear Sir,

This is with reference to your letter dated December 01, 2011 in response to our letter of even number dated November 23, 2011 in respect of evidence for change of beneficial ownership in different scrips.

2. In your reply, you have conceded that wash trades were mistakenly held as the client's associate unintentionally placed order by mistake in client code "D" & "Y//19" instead of correct client code. In this regard please note that the explanation in your aforementioned letter does not provide sufficient justification for execution of the wash trades in your client's account.

3. Please note that the Code of Conduct set forth under the third schedule of the Brokers and Agents Registration Rules, 2001 ("the Rules"), makes it binding on the brokers of the exchanges to conduct their business with due diligence, care and skill failing which appropriate action can be taken against the broker under Rule 8 (a) and (b) of the Rules. Moreover, please note that a broker is responsible for each and every trade executed through its terminal and execution of trade in the wrong client code does not absolve the broker from its responsibilities.

4. The execution of wash trades in various scrip in your client's account through your terminal does not depict that you conducted your business with due care and skill which is a violation of the Code of Conduct. However, on this occasion taking a lenient view you are strictly warned to abstain from trading in such manner in future failing which appropriate action will be taken against you.

Yours truly,

(Inayat Inayat Butt)  
Director /HOD (MSCID)

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Copy to: Managing Director, Karachi Stock Exchange (G) Limited, Karachi Stock Exchange Building, Karachi.