



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

No. 1 (01)/Wash/KSE/MSW/SMD/2009/96

Through Courier
January 3, 2012

The Chief Executive,
KASB Securities Limited,
5th Floor Trade Centre,
I.I. Chundrigar Road,
Karachi.

Subject: WARNING WITH RESPECT TO WASH TRADES IN VARIOUS SCRIPS

Dear Sir,

This is with reference to your letter dated December 30, 2011 in response to our letter of even number dated December 26, 2011 in respect of evidence for change of beneficial ownership in different scrips.

2. In reply, you have conceded that wash trades were mistakenly held on part of concern traders and due to your internal oversight, the same could not be reported to the KSE. 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 proprietary 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 under Rule 8 (a) and (b) of the Rules.
4. The execution of wash trades in various scrips in your proprietary 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,

(Imran Inayat Butt)
Director /HOD (MSCID)

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

F