



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
(Securities Market Division)
Public Offering and Regulated Persons Department

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File No. 1(72) SMD/PRPD/PSX/2016 - 2386

October 04, 2016

Chief Executive Officer,
AKD Securities Limited
602, Continental Trade Centre,
Clifton Block 8,
Karachi,

Subject: ORDER IN RESPECT OF SHOW CAUSE NOTICE DATED AUGUST 4, 2016 BEARING NO 1(72) SMD/PRPD/PSX/2016.

Dear Sir,

Please find enclosed herewith a copy of order in the title matter for your record and necessary action.

Yours truly,

(Muhammad Farooq)
Additional Director (PRPD)



Securities and Exchange Commission of Pakistan

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Before the Executive Director (PRPD)

In the matter of Show Cause Notice Issued to AKD Securities Limited

Date of Hearing

August 17, 2016

Present at the Hearing

Representing AKD Securities Limited

(i) Mr. Tanveer Hussain

Chief Financial Officer

(ii) Mr. Naveed Anjum

Head of Compliance & Internal Audit

Representing the Department

(i) Mr. Amir Saleem

Joint Director (SSED)

(ii) Mr. Ishfaq Ahmed Saqi

Assistant Director (SSED)

Assisting the Executive Director/HOD (PRPD)

(i) Mr. Nasir Askar

Director (PRPD)

(ii) Mr. Muhammad Farooq

Additional Director (PRPD)

(iii) Mr. Sabeel Ahmed

Management Executive (PRPD)

ORDER

This Order shall dispose of the proceedings initiated through Show Cause Notice bearing No. 1(72) SMD/PRPD/PSX/2016 dated August 04, 2016 ("SCN") served to AKD Securities Limited ("**Respondent**") by the Securities and Exchange Commission of Pakistan ("**Commission**") under section 22 of the Securities and Exchange Ordinance, 1969 ("**Ordinance**") and rule 8 of the Brokers and Agents Registration Rules, 2001. ("**Brokers Rules**"). The Respondent is a Trading Right Entitlement Certificate ("**TREC**") holder of Pakistan Stock Exchange ("**PSX**") and registered with the Commission as a broker under Brokers Rules.

2. Brief facts of the case are that the Commission vide Circular No. 4/2013 dated April 16, 2013, in exercise of powers conferred under section 6(3) of the Ordinance read with Third Schedule of the Brokers Rules directed all the TREC holders/brokers to submit their financial information through online Financial Reporting System ("**FRS**"), within 30 days of the close of the each quarter. Pursuant to aforesaid directive, the TREC holders were required to submit their financial information online through FRS since the quarter ended on September 2013.

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3. The Commission also arranged the awareness and training session in June- July, 2015 and March, 2016 for the TREC holders on FRS in Islamabad, Lahore and Karachi. The basic purpose of sessions was to give awareness to the TREC holders on FRS and provide them guidance for filing of their returns.

4. The Commission vide letters dated January 30, 2014, June 10, 2015 and November 03, 2015 directed to then stock exchange(s) to ensure that all TREC holders must submit their financial returns to the Commission through online reporting system, within the stipulated time limit and the stock exchanges disseminated the said direction of the Commission on their websites for information and compliance by the TREC holders.

5. Besides, the Respondent was directed/reminded vide letters dated June 12, 2015, December 10, 2015, January 27, 2016 and February 11, 2016 for filing of its financial information through FRS but it had failed to file the obligatory information, detail of which is as under:-

Quarter Detail	Due Date	Status
September-2013	October 30, 2013	Not Filed
December-2013	January 30, 2014	Not Filed
March-2014	April 30, 2014	Not Filed
June-2014	July 30, 2014	Not Filed
September-2014	October 30, 2014	Not Filed
December -2014	January 30, 2015	Not Filed
March-2015	April 30, 2015	Not Filed
June-2015	July 30, 2015	Not Filed
September-2015	October 30, 2015	Not Filed
December -2015	January 30, 2016	Not Filed
March-2016	April 30, 2016	Not Filed

6. The Commission took cognizance of the matter and served the SCN to the Respondent under section 22 of the Ordinance and rule 8 of the Brokers Rules. The Respondent was directed to file written reply to the notice and attend hearing on August 17, 2016 to present stance in person. The Chief Executive Officer of the Respondent vide letter dated August 15, 2016 filed written response to the Notice. On the given date, Mr. Tanveer Hussain, Chief Financial Officer and Mr. Naveed Anjum, Head of Compliance and internal Audit called hereunder (the "**Representatives**") appeared on behalf of the Respondent through video link from Commission's regional office, Karachi and stated that all overdue financial returns for the requisite quarters have now been filed through online FRS. The Representatives further

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stated that said returns could not be filed within the stipulated time period due to some technical issues and default was not committed willfully and knowingly. The Representatives assured that in future, the financial information would be filed within the stipulated time limit. The relevant department of the Commission i.e. Surveillance, Supervision and Enforcement Department has confirmed in writing that the Respondent has filed all financial returns for the requisite quarters through FRS.

7. I have considered the aforesaid submissions made on behalf of the Respondent. The Respondent has filed all over due returns through online FRS and assured that in future financial information would be filed online through FRS, within the stipulate time limit.

8. Based on the foregoing and keeping in view the assurance from the Respondent for timely compliance of directive given through Circular No. 4/2013 dated April 16, 2013, issued in exercise of powers conferred under section 6(3) of the Ordinance read with Third Schedule of the Brokers Rules, I am not imposing monetary penalty under section 22 of the Ordinance on the Respondent. However, the Respondent is strictly warned to ensure compliance of aforesaid regulatory framework in letter and spirit, in future.

9. 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.

Asif Jalal Bhatti

Executive Director/HOD (PRPD)

Announced on 03/10/, 2016
Islamabad.



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INFORMATION ASSESSMENT NOTE

IAN No.: 1(72)SMD/PRPD/PSX/2016

In respect of "NON REPORTING OF FINANCIALS THROUGH FRS BY 18 TREC HOLDERS"

ARN No.: SMD/MSW/FRS/25/2015 dated July 20, 2016 IAN No.: 1(72)SMD/PRPD/PSX/2016 Dated October , 2016

- 1- In continuation of IAN dated August 04, 2016, please find a copy of order passed in the matter of AKD Securities Limited.

Authorized Officer 

Dated: October 04, 2016

Cc: Director/HOD (SSED)

Handwritten:
4-10-2016