



# Securities and Exchange Commission of Pakistan

## BEFORE THE APPELLATE BENCH

In the matter of

### Appeal No. 08 of 2024

Core Securities (Private) Limited

...Appellant

versus

Commissioner (L&RD)

...Respondent

**Date of Hearing:**

April 08, 2026

**Present:**

For the Appellant:

Mr. Mustafa Munir Ahmed (Legal Counsel)

For the Respondent:

1. Mr. Kashif Ali, Additional Director/HOD, Licensing Department, SECP
2. Mr. Umar Yahya, Joint Director, Licensing Department, SECP

## ORDER

1. This Order shall dispose of Appeal No. 08 of 2024 filed by Core Securities (Private) Limited (the "Appellant"), through its Chief Executive Officer namely; Mr. Nasir Munir Ahmed (the "Director/CEO"), under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (the "SECP Act") against the order dated November 21, 2023 (the "Impugned



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Order”) passed by the Commissioner, Licensing and Registration Department (the “Respondent”) under Regulation 3A of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the “Regulations”).

2. The brief facts of the case are that the Appellant Company filed an application seeking permission of the Securities and Exchange Commission of Pakistan (the “Commission”) to undertake securities broker activity in the name of Core Securities (Pvt.) Limited, under Regulation 3A of the Regulations as promulgated through S.R.O. 1914(1)/2022 dated October 14, 2022. While examining the application of the Appellant, it was observed by the Respondent that:

- (i) One of the director and CEO of the Appellant, Mr. Nasir Munir was also appearing as a director in an Insurance company namely; Progressive Insurance Company Limited (“PICL”).
- (ii) That the Commission had filed a winding-up petition before the Honorable Sindh High Court on November 4, 2022 against PICL on account of various non-compliances, which was still pending decision.
- (iii) That penalties imposed by the Commission on the Appellant and CEO in his personal capacity are still outstanding.
- (iv) That the CEO’s resume submitted along with the application, including the reference of him being the Executive Chairman of PICL- without any mention of the duration of the tenure, implying it to be his current position.

3. That in terms of Regulation 8 of the Regulations, the Commission is required to consider the past track record and history of regulatory compliance of the companies in which the directors have or still hold positions. Accordingly, in light of the applicable legal and licensing requirements, the Respondent observed the above referred discrepancies. Further, a hearing in the matter was held on October 20, 2023, wherein the Director/CEO of the Appellant reiterated the stance taken in the application and contended that the application for prior permission ought not to be refused; however, no additional documents or evidence were furnished in support of his position in this regard. In view of the foregoing, and in exercise of the powers vested in the



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Respondent under Regulation 3A of the Regulations, the request for grant of prior permission to the Appellant was declined. The Appellant was, however, advised to either file a fresh application proposing an alternative director in conformity with the applicable regulatory framework within thirty (30) days of the Impugned Order, or to suitably amend its object clause.

4. The Appellant has preferred this appeal under Regulation 10(2) of the Regulations read along with Section 33 of the SECP Act, *inter alia* on the grounds that the Impugned Order suffers from misapplication and non-consideration of material facts placed on record, as well as the submissions advanced during the course of hearing. It was contended that the Impugned Order places exclusive reliance on certain alleged past penalties to disqualify the Appellant on account of Mr. Nasir Munir Ahmed being the CEO/Director, despite the fact that such penalties were neither put to the Appellant nor discussed during the hearing before the Respondent, thereby violating the Appellant's fundamental right to due process. The Appellant further submitted that the penalty orders referred to in the Impugned Order were passed *ex-parte*, without being in the knowledge of the CEO/Director of the Appellant, and in the absence of any opportunity to contest the proceedings or the imposition of such penalties. It was accordingly argued that reliance on such orders is legally untenable. While emphasizing on the settled principle embodied in the maxim *audi alteram partem*, the Appellant asserted that any decision rendered without affording the aggrieved party a reasonable opportunity of being heard is *void ab initio*, without lawful authority and in contravention of the principles of due process and fair trial enshrined under Article 10A of the Constitution of the Islamic Republic of Pakistan, 1973.
5. The Appellant submitted that a perusal of the penal orders referred to in the Impugned Order reveals that the order dated October 20, 2008, passed by the Executive Director (Enforcement), wherein a penalty of Rs. 20,000 was imposed, and the order dated April 30, 2009 passed by the Director (Enforcement), wherein a penalty of Rs. 5,000 was imposed, were passed *ex parte*, without affording the Appellant an opportunity of being heard, in violation of the principles of natural justice. It was further contended that the penal order dated April 30, 2009 does not even



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record or mention the name of Mr. Nasir Munir, the Director/CEO of the Appellant and as such, no liability can be attributed to the said individual on the basis of the aforesaid order, nor can the same be lawfully relied upon against the CEO/Director of the Appellant.

6. The Appellant further submitted that the Respondent has erred in law by misinterpreting the limits prescribed for the 'fit and proper' criteria under the applicable Regulations. It was contended that, while the Impugned Order relies upon Regulation 8(f) of the Regulations, it fails to give due effect to the specific threshold stipulated in Annexure B, item (d)(iv) of the Regulations. According to the Appellant, the said provision clearly provides that a person shall be considered not 'fit and proper' only where a penalty of PKR 500,000 or more has been imposed by the Commission within the preceding three years under any law administered by it. The Appellant further contended that, even if the *ex-parte* orders passed against the CEO/Director of the Appellant have attained finality, the applicable regulatory framework does not prescribe any automatic or absolute disqualification from consideration under the 'fit and proper' criteria. It was submitted that such orders, at best, constitute one of the factors to be assessed within the overall regulatory evaluation, rather than operating as a *per se* bar to approval. It was further argued that such rejection unjustly deprives the Appellant of its right to have the application adjudicated on its merits and, correspondingly, deprives the Appellant's CEO/Director of his lawful entitlement to be considered in accordance with the applicable legal and regulatory framework
7. The Appellant further argued that the CEO/Director of the Appellant only acted as a Director of PICL for a term of less than one year, starting from 2007 and ending in 2008, at which he finally resigned. Accordingly, the Appellant submitted and brought on record a copy of the resignation letter dated December 22, 2008 addressed to the CEO and Board of PICL and further submitted that it was the statutory duty of PICL to file the requisite Form 29 before the Commission, reflecting the resignation of Mr. Nasir Munir Ahmed, which PICL clearly failed to do.



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8. The Appellant asserted that PICL's fraudulent filings is proven by their annual account's FY 2022, wherein, the record of the books of accounts claim that Mr. Rashid Munir Ahmed who happened to be the brother of Mr. Nasir Munir, attended two audit committee meetings, it is brought on record that Mr. Rashid Munir Ahmed passed away in February, 2022 during the Covid-19 pandemic and it is factually impossible for the deceased individual to attend board meetings. Accordingly, the Appellant submitted that the above mentioned discrepancy raises serious doubts regarding the accuracy, authenticity and veracity of the information contained in PICL's statutory filings and calls into question the reliability of the records relied upon by the Respondent.
9. In response to the submissions advanced by the Appellant, the Respondent, *inter alia*, contended that the Appellant was required to comply with the regulatory prerequisites for the grant of permission to undertake the licensed activity. The Respondent further raised a preliminary objection regarding the maintainability of the appeal, asserting that the Impugned Order constitutes an administrative direction issued to the Appellant, which does not fall within the ambit of Section 33 of the SECP Act. In this regard, reference was made to proviso (A) to Section 33(1) of the SECP Act, which stipulates that "*no appeal shall lie against an administrative direction given by a Commissioner or an officer of the Commission.*" Accordingly, it was argued that the Impugned Order, being administrative in nature, is not amenable to appeal under Section 33 of the SECP Act. It was further contended that the Appellant has invoked Regulation 10(2) of the Regulations in filing the present appeal, however, the said provision is not attracted in the circumstances of the case. The Respondent submitted that the Impugned Order merely declined to grant permission to undertake securities broker activity under Regulation 3(A) of the Regulations, and does not constitute a refusal to grant or renew a licence. It was argued that Regulation 10(2) of the Regulations contemplates an appellate remedy only in cases where a licence is refused or its renewal is denied by the Commission, and therefore, the present appeal falls outside the scope of the said provision and is not maintainable thereunder.

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10. The Respondent asserted that Regulation 8 of the Regulations requires the Commission to take into account the past track record and regulatory compliance of the companies wherein proposed directors have held positions and the Respondent has rightly passed the Impugned Order after taking into account the past conduct of the CEO/Director of the Appellant. For reference Regulation 8(f) is reproduced below:

*8. Grant of license: (1) The Commission, while considering the application for grant of a license, shall inter-alia take into account the following matters,-....*

*(f) history of past regulatory compliance and any pending penal action against the applicant, its sponsors, directors and senior management officers for an offence under the Act, the Futures Act and the Companies Act.*

11. In rebuttal to the Appellant's contention that the penal order dated April 30, 2009, issued by the Executive Director (Enforcement), does not reflect the name of the CEO/Director of the Appellant Company, the Respondent submitted that such an omission is attributable to a clerical and typographical error, and does not in any manner vitiate the validity or enforceability of the said order.

12. The Respondent emphatically controverted the Appellant's assertion that Mr. Nasir Munir had disassociated himself from PICL, contending that such a stance is wholly misconceived and unsupported by the record. In this regard, the Respondent placed reliance on the annual report of PICL for FY 2022, wherein Mr. Nasir Munir is expressly reflected as a serving director of PICL. It was further submitted that his continued participation in Board meetings, as well as his role as a member of the Audit Committee, unequivocally demonstrate his active involvement in the affairs and governance of PICL.



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13. The Respondent further submitted that the Appellant's interpretation of *Annexure B*, item (d)(iv) of the Regulations is fundamentally flawed and misconceived. It was contended that the 'fit and proper' criteria prescribed therein are confined to assessing an individual's past conduct specifically within the brokers' market only, and do not extend to conduct in relation to any other company. Accordingly, the Respondent argued that the Appellant's attempt to broaden the scope of the said criteria beyond its intended regulatory framework is legally untenable and liable to be rejected.
14. The Appellate Bench (the "Bench") questioned the Appellant on whether PICL was contacted with regard to correction of Mr. Nasir Munir Ahmed in the record of PICL. The Appellant accordingly replied that the CEO/Director of the Appellant could have no knowledge of any correspondence, including any notice of meeting(s) if any kind, as the address maintained by PICL for the Appellant was also incorrect as the CEO/Director of the Appellant ceases to reside on the address in PICL's record for more than a decade and therefore, any reference or usage of name of the CEO/Director of Appellant by PICL is fraudulent, and without knowledge and consent of the CEO/Director of the Appellant. The CEO/Director of the Appellant submitted before the Bench a resignation letter dated December 22, 2008, addressed to the Chief Executive Officer of PICL, whereby he had resigned and ceased to hold office as Director of PICL. The Appellant further placed on record an acknowledgment of retirement of Mr. Nasir Munir. During the course of hearing, the Bench inquired as to why the aforesaid resignation letter had not been produced at the time of proceedings before the Respondent. In response, the Appellant submitted that the said resignation letter, pertaining to the year 2008, was located in the record after considerable effort and due diligence.
15. The Appellant further placed on record, an acknowledgment of retirement letter of Mr. Nasir Munir, issued by PICL on October 23, 2023, evidencing the retirement of Mr. Nasir Munir as a director from PICL. The said letter was found to have been issued at the previous address where the CEO/Director of the Appellant no longer resides. Furthermore, the Appellant categorically denied any continued association of Mr. Nasir Munir with PICL, specifically



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asserting that he neither participated in nor attended any Board meetings of PICL since his resignation in the year 2008. It was thus maintained that any implication of his involvement in the affairs or governance of PICL is factually incorrect and devoid of merit.

16. With respect to the preliminary objection raised by the Respondent challenging the maintainability of the appeal on the ground that it is directed against an administrative direction and, as such, is not appealable under Section 33 of the SECP Act, the Bench observes that the present appeal has been preferred under Regulation 10 of the Regulations. In terms of Regulation 10(2) thereof, an appeal lies before the Appellate Bench of the Commission under Section 33 of the SECP Act against the relevant decision of the Commission. The Bench further observes that an application under Regulation 3A of the Regulations constitutes the foundational step and a mandatory precondition for the grant of a license by the Commission, and any refusal thereof, in substance, amounts to a refusal to grant such license. Accordingly, the impugned decision cannot be viewed in isolation as a mere administrative direction, but is intrinsically connected to the licensing framework governed by the Regulations. In view of the foregoing, the Bench is of the considered opinion that the Appellant has rightly invoked the appellate jurisdiction of this forum under the applicable statutory and regulatory framework, and the objection as to maintainability is accordingly found to be without merit.
17. The Bench further observes that the interpretation advanced by the Respondent with respect to *Annexure B* of the Regulations is unduly restrictive. The 'fit and proper' criteria prescribed therein ought to be applied in a holistic and uniform manner to assess the overall conduct of an individual across all companies governed under the Companies Act, 2017, rather than being confined narrowly to a particular segment. Accordingly, reliance on past conduct must be aligned with the thresholds and parameters expressly provided in the said Annexure.
18. The Bench further finds that the resignation letter dated December 22, 2008, placed on record by the Appellant, has not been adequately rebutted by the Respondent. In the absence of cogent evidence to the contrary, the said resignation is liable to be accepted, and any continued

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reflection of the Proposed Director/CEO in the records of PICL cannot, in itself, be determinative of his present status or involvement.

19. The Bench also takes note that the penalties relied upon by the Respondent in the Impugned Order are of a relatively minor quantum, thereby diminishing their evidentiary value in the context of present licensing considerations in light of the 'fit and proper' criteria under the Annexure B to the Regulations. The Bench has further noted that the penal order dated April 30, 2009, passed by the Executive Director (Enforcement), whereby a penalty of Rs. 151,000/- has been attributed to the CEO/Director of the Appellant, does not contain any reference to the name of the CEO/Director of the Appellant. Upon a reading of the said order, it is evident that the name of Mr. Nasir Munir Ahmed does not appear at any place therein. In these circumstances, the Bench is not persuaded by the Respondent's contention that the omission is merely typographical in nature. The fact that, even after becoming aware of the omission, no evidence was produced before the Bench to demonstrate that any corrective action had been undertaken to incorporate the name of Mr. Nasir Munir in the relevant records lends considerable support to the Appellant's position and such continued inaction is inconsistent with the Respondent's explanation and undermines the credibility of the plea that the omission was inadvertent or purely clerical. Accordingly, the Bench is of the considered view that, in the absence of any express identification or clear attribution in the above-mentioned penal order, no liability can be fastened upon the CEO/Director of the Appellant on the basis thereof.
20. The Bench further observes that PICL was neither impleaded nor called upon to appear and explain its position with respect to the disputed matter. In the absence of such clarification from PICL, the Respondent ought to have undertaken further inquiry or summoned the concerned representatives of PICL to ascertain the true factual position before arriving at an adverse conclusion. In these circumstances, fastening liability upon Mr. Nasir Munir solely on the basis of an omission attributable to PICL would be contrary to the principles of natural justice and fair adjudication. The record does not justify penalizing Mr. Nasir Munir for an act



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or omission over which he had no demonstrated control, nor should he be made to suffer adverse consequences arising from the apparent lapses or shortcomings of another entity.

21. The Bench has also taken cognizance of the affidavit dated April 21, 2022, submitted by the CEO/Director of the Appellant before the Commission at the time of incorporation of the Company. Through the said affidavit, the deponent categorically declared that he had not previously created any e-Services login ID and requested that any pre-existing ID, if found in his name, be deleted or reset to facilitate the creation of a new ID for the incorporation process. This contemporaneous document assumes considerable evidentiary value and lends support to the Appellant's contention that the CEO/Director was not associated with any other company at the relevant time. The affidavit, having been furnished before the Commission itself and prior to the initiation of the present proceedings, carries persuasive weight and reinforces the Appellant's position that the CEO/Director neither knowingly held nor exercised any role in the affairs of the company alleged by the Respondent. Consequently, the said document substantially weakens the basis for attributing liability to the CEO/Director of the Appellant in respect of the alleged association with such company.
22. In view of the foregoing facts and circumstances of the case, the material available on record, and the submissions advanced by the parties, the Bench is of the considered view that the Impugned Order cannot be sustained due to the aforementioned reasons. While the Bench acknowledges the importance of strict regulatory compliance, it is equally mindful of its mandate to facilitate and promote a fair and enabling business environment, consistent with the objectives of the regulatory framework.
23. Therefore, in light of the above while ensuring adherence to the regulatory framework, the appeal is hereby allowed. The Impugned Order is set-aside and the Respondent is hereby directed to reconsider and review the Appellant's application for grant of permission under Regulation 3A of the Regulations in accordance with law and the observations made herein,



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subject to the Appellant's fulfilment of all other applicable legal and regulatory requirements, the Respondent shall process the application and if found compliant, grant the requisite permission under the Regulations. Further, the CEO/Director of the Appellant is directed to submit any penalty amount that has been imposed by the Commission on the CEO/Director of the Appellant

24. The appeal stands disposed of in the above terms.

**(Imtiaz Haider)**  
Commissioner

**(Zeeshan Rehman Khattak)**  
Commissioner

Announced on: 11 JUN 2026