



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH

In the matter of

Appeal No. 19 of 2018

CMA Securities (Pvt) Limited

Appellant

Versus

The Commissioner, (SMD), SECP, Islamabad.

Respondent

Date of hearing:

September 16, 2019

Present:

For Appellant:

- i. Mr. Ali Muddassar (Sheikh & Chaudhri, Chartered Accountants)
- ii. Syed Shahzad Ali (Sheikh & Chaudhri, Chartered Accountants)

For Respondent:

- i. Ms. Amina Aziz, Director (SMD)
- ii. Ms. Mehwish Naveed, Management Executive (SMD)

ORDER

1. This Order shall dispose of Appeal No. 19 of 2018 filed by the CMA Securities (Pvt) Limited (the Appellant) against the Order dated May 30, 2017 (the Impugned Order) passed by the Commissioner-SMD (the Respondent) under Section 150 of the Securities Act, 2015.
2. Brief facts of the case are that the Appellant in contravention of Circular No. 4, dated April 16, 2013, failed to file quarterly financial returns through online Financial Reporting System (the FRS) for the quarters ended June 30, 2016, September 30, 2016 and December 31, 2016. In addition to this, the Appellant did not send details of all its bank accounts and hard copy of its half yearly accounts for the period ended December 31, 2016 to the Securities and Exchange commission of Pakistan (the Commission) as required through the Pakistan Stock Exchange Notice no. PSX/N-798, dated February 8, 2017. In this regard, the Commission also issued a reminder dated March 17, 2017 to the Appellant,



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however, it failed to comply with the requirements. Therefore, a Show Cause Notice dated April 10, 2017 (the SCN) was issued to the Appellant. The Appellant filed its reply vide letter dated April 17, 2017. Hearing in the matter was held on May 4, 2017, wherein, *inter alia* others, the Appellant had taken plea that it has a small setup and there are no active clients therefore, requested for a lenient view. However, the respondent being dissatisfied with the response of Appellant, imposed a penalty of Rs. 100,000/-.

3. The Appellant reiterated its stance before the Appellate Bench (the Bench) and requested for a lenient view. In response to the Bench's query, the Respondent stated that the required quarterly accounts for the period ended June, 30, 2016, September 30, 2016 and December 31, 2016 were filed prior to the hearing of SCN and passing of the Impugned Order. The Respondent's Representative stated that as per their record all three quarterly accounts were filed on April 25, 2017. The Respondent's representative further confirmed that Appellant had also filed hard copy of half yearly accounts for the period ended December 31, 2016 and detail of bank account maintained with Bank Alfalah, LSE Branch Lahore on March 27, 2016 (Prior to issuance of SCN and Impugned Order).
4. The Bench has heard the parties and perused the record. In view of the facts mentioned in para three above, it is evident from the record that the Appellant had complied with the non-compliances mentioned in the SCN with a delay. Therefore, we are not inclined to exonerate it from the violations mentioned in the SCN however, in view the subsequent compliance, we hereby reduce the penalty imposed through the Impugned Order, from Rupees 100,000/- to Rupees 50,000/- and direct the Appellant to comply with the regulatory and statutory requirements in letter and spirit, to avoid strict penal action in future.
5. The Appeal is disposed of accordingly, without any order as to cost.

(Farrukh Hamid Sabzwari)
Commissioner (AML)

(Shaukat Hussain)
Commissioner (Insurance)

Announced on: **26 SEP 2019**