

# Securities and Exchange Commission of Pakistan

## BEFORE APPELLATE BENCH NO. I

In the matter of

Appeal No. 36 of 2015

KKK Securities (Pvt) Limited

...Appellant

**Versus**

Director/HOD (MSRD) SECP

...Respondent

**Date of hearing:**

11/11/15

**Present:**

**For Appellant:**

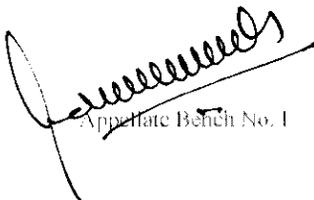
Mr. Ahmad Nawaz Khurram, Advocate

**For Respondent:**

- i. Mr. Nasir Askar, Director (LCID, SMD)
- ii. Ms. Nazish Zubair, Deputy Director (LCID, SMD)

## **ORDER**

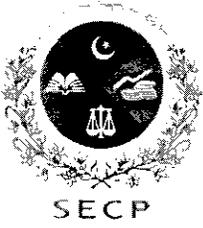
1. This order shall dispose of appeal No. 36 of 2015 filed under section 33 of the Securities and Exchange Commission of Pakistan Act 1997 against the order dated 26/02/15 (the Impugned Order) passed by the Respondent.
2. Brief facts of the case are that application of the Appellant for grant of certificate of registration as a broker under the Brokers and Agents Registration Rules, 2001 (the Rules) was received by Respondent from the Lahore Stock Exchange Limited (the Exchange). Scrutiny of the application revealed that it was not in accordance with the

  
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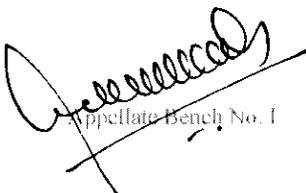


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requirements of the Rules, therefore, the Respondent advised the Appellant to remove the following deficiencies:

- i. Qualification Certificates of the directors
- ii. Experience Certificates of the directors
- iii. National Clearing Member ID

3. The Appellant failed to remove the above mentioned deficiencies despite the reminders; therefore the Respondent issued a hearing notice to the Appellant for 30/12/14 in terms of Rule 5(4) of the Rules. On 26/12/14 an email was received by the Respondent from Mr. Ahmed Nawaz Khurram on behalf of the Appellant who sought adjournment therefore matter was re-fixed for 23/01/15 and the same was also communicated to the Appellant. However, on the date of hearing, neither the Appellant appeared nor any request for further extension of time was received. Furthermore, the required documents were also not provided by the Appellant. In the above circumstances, due to non-compliance of the requirements contained in Rule 3(1) of the Rules, clause 17 of the Form A of First Schedule of the Rules, the application for grant of certificate of registration as broker was refused by the Respondent in terms of Rule 5 (5) of the Rules.
4. The Appellant has preferred the instant appeal against the Impugned Order on a single ground that proper opportunity of hearing was not provided.
5. The Respondent denied the ground of the appeal and stated that the Appellant was given two opportunities for personal hearing and to provide the required documents, however it failed to appear and avail the opportunities to plead the appeal.
6. We have heard the parties) and perused the record with the able assistance of parties i.e. Appellant and Respondent.

  
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7. The plea of the Appellant that proper opportunity of hearing was not provided to the Appellant is contrary to the facts and record of the case, therefore cannot be acceded. The Respondent has provided ample opportunities to the Appellant to remove the deficiencies and get registered as broker; however these were not availed purposefully by the Appellant. The positive efforts of the Respondent are evident from the following sequential chart of the events:

Sr. No	Date	Event
1.	August 26, 2014	Application for registration as broker was received from LSE.
2.	September 23, 2014	Original Certificate of Net Capital Balance as at 12/09/14 was received from LSE.
3.	September 30, 2014	Deficiencies were communicated to LSE by the Respondent.
4.	October 24, 2014	Again deficiencies were communicated to LSE by the Respondent.
5.	November 17, 2014	LSE reminded the Appellant that the documents are still awaited.
6.	December 08, 2014	LSE issued a reminder and in response the Appellant stated that they have applied for attested copy of Form 29 and as soon as they receive it they will open account with CDC/NCCPL and then file reply with SECP for registration.
7.	December 19, 2014	No response was received from the Appellant in this regard, therefore a hearing notice was issued to explain in writing by December 26, 2014 as to why the application may not be refused due to non-provision of the requisite documents. Hearing in the matter was fixed for December 30, 2014.
8.	December 26, 2014	Adjournment request was received on behalf of the Appellant.
9.	January 15, 2014	Due to adjournment request, hearing was re-fixed for January 23, 2014.
10.	January 23, 2014	No one appeared on behalf of the Appellant and no comments were received.



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11.	February 26, 2015	Since deficient documents were not provided, and no further request for adjournment was received, therefore the Impugned Order was passed.
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8. In the view of the aforesaid facts, we find no reason to interfere with the Impugned Order. The Respondent has rightly refused to grant the certificate of registration to act as broker, therefore instant Appeal is hereby dismissed.

9. Parties to bear their own cost.

  
(Zafar Abdullah)  
Commissioner (SCD)

  
(Tahir Mahmood)  
Commissioner (CLD)

Announced on: 01 DEC 2015