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

File No. 1(72) SMD/PRPD/PSX/2016 December 23, 2016

Chief Executive Officer,
Infinite Securities Limited
20-K, Gulberg-II,
Lahore

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
Securities Market Division
Public offering and Regulated Persons Department

Before the Executive Director (PRPD)
In the matter of Show Cause Notice Issued to Infinite Securities Limited

Date of Hearing	October 26, 2016

Present at the Hearing

Representing Infinite Securities Limited

(i)	*Salman Farooq*	Manager Operations

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 Infinite 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 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.

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 letter dated June 11, 2015 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. On the request of the Respondent, the hearing was rescheduled to October 26, 2016.

7. The Respondent filed its written reply to the SCN on October 24, 2016. On the date of hearing, Mr. Salman Farooq, Manager Operations of the Respondent (**Representative**) appeared on behalf of the Respondent through video link from Commission's regional office located at Lahore. The Representative made the following submissions during the hearing:

"*We respectfully state that we have filed all the pending quarterly statements of Financial Reporting System. We regret for the late filing of the aforesaid statements which was because of preparing old accounts on quarterly basis. However, we assure you to be more careful in future regarding filing and submitting information to the Commission*".

The relevant department of the Commission confirmed that the Respondent had filed all the returns.

8. Based on the foregoing and keeping in view the assurance given by the Respondent to comply with the regulatory framework in future, no penalty is being imposed on the Respondent under section 22 of the Ordinance. However, the Respondent is strictly warned to comply with the 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 Salal

Asif Jalal Bhatti 23/12/16

Executive Director/HOD (PRPD)

Announced on <u>December 23, 2016</u>

Islamabad.

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

SECP