

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Securities Market Division)

Public Offering and Regulated Persons Department

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

December 28, 2016

**Chief Executive Officer,
Mam Securities (Pvt.) Limited
501, 5th Floor, ISE Towers,
Jinnah Avenue,
Islamabad**

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 MAM Securities (Private) Limited

Date of Hearing	August 17, 2016
Present at the Hearing	
<u>Representing MAM Securities (Private) Limited</u>	
Mr. Muhammad Ali Asghar	Director
<u>Representing SSED</u>	
Mr. Ishfaq Ahmed Saqi	Assistant Director (SSED)
<u>Assisting the Executive Director (PRPD)</u>	
(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 MAM Securities (Private) 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.

- 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.
- The Commission also arranged the awareness and training sessions 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.
- 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. Besides, the Respondent 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

NIC Building, Jinnah Avenue, Blue Area, Islamabad, Pakistan
PABX: 9207091-94 (232), TEL: 92-51-9100472, FAX: 92-51-9100440

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

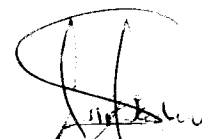
5. The Commission took cognizance of the matter and served the SCN to the Respondent under section 22 of the Ordinance and rule 8 of the Brokers Rules. The Respondent was directed to file written reply to the notice by August 11, 2016, and attend hearing on August 17, 2016 to present stance in person. The Respondent did not file written reply to the Notice. However, on the given date, Mr. Muhammad Ali Asghar, Director of the Respondent “**(Representative)**” appeared on behalf of the Respondent at Commission’s Head Office, Islamabad. The contentions made by the Representative verbally during the course of hearing may be summarized as under: -

“The alleged violation of non-filing of the returns has been committed unintentionally and the management of the brokerage house was unaware of the said non-compliance. After receiving show cause notice from SECP, we have now instructed the relevant staff to file the required information. Further, we assure that the required information would be filed within the week and updated status would be provided to the Commission”. The Representative also assured that “in future the financial information will be filed within the stipulated time limit”.

6. During the hearing, the Representative committed that the Respondent would file the returns within a week and would communicate the compliance status to the Commission. Thus, the Respondent was supposed to submit all the returns by August 24, 2016. In order to ascertain the compliance status of the Respondent, the relevant department of the Commission was asked to provide details of the returns filed by the Respondent through FRS. The department informed that the Respondent had not filed any return through FRS. In order to provide a last opportunity to the Respondent, it was advised vide letter dated December 16, 2016 to submit all the returns by December 23, 2016. On December 23, 2016, the relevant department of the Commission has intimated that the Respondent has filed nine (9) returns through FRS out of 11 overdue returns.

7. Keeping in view that the Respondent had filed financial returns for 9 quarters out of 11 mentioned in the SCN, a lenient view of the matter has been taken and proceedings are concluded without imposing any penalty. However, the Respondent is directed to file financial returns for the remaining two quarters within 15 days from the issuance of this order and ensure compliance of the regulatory framework, in letter and spirit, in future.

8. 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 (PRPD)

Announced on December 27, 2016
Islamabad.

