



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Securities Market Division
(Licensing & Capital Issue Department)

Through Courier

Before The Director / HOD (LCID)

In the matter of Show Cause Notice dated November 24, 2015 issued to Millennium Markets (Private) Limited under Section 22 of the Securities and Exchange Ordinance, 1969

Date of Hearing:

December 18, 2015

Present at the Hearing:

Representing Millennium Markets Limited

No body appeared

ORDER

This Order shall dispose of the proceeding initiated through the Show Cause Notice dated November 24, 2015 ("**Notice**") issued to Millennium Markets (Private) Limited, ("**Respondent**") broker of the Pakistan Mercantile Exchange Limited under Section 22 of the Securities and Exchange Ordinance, 1969 ("**the Ordinance**").

2. Brief facts of the case are as under:-

- i). The Securities and Exchange Commission of Pakistan ("**the Commission**") received a complaint from Mr. Sardar Ahmed ("**the Complainant**") alleging that the he had opened an account with the Respondent's Mirpur Mathelo branch and had deposited Rs. 1,350,000/-. However, the Respondent was not returning back his deposited amount.
- ii). The Commission took up the matter with Respondent advising it to furnish certain information and documents including bank accounts and other details of the Complainant's account. The Respondent submitted the requisite information and informed that they did not maintain any account in the name of Complainant.
- iii). The Commission scrutinized the information received from the Complainant and Respondent. Review of the information revealed that the Respondent had a branch at Mirpur Mathelo and Mr. Sajid Ali Somro was its branch manager. The information provided further revealed that the Respondent vide letter dated September 22, 2014 requested PMEX to cancel the registration of Mr. Sajid Ali Somro as its authorized person. In the same letter the Respondent in terms of regulation 5.8 of the PMEX Regulations made the following undertaking:



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"We undertake to honor all the liabilities/obligations arising from the acts of omission or commission of the Authorized Person done by the Authorized Person/Employee of the Authorized Person for the tenure when he/she was registered as Authorized Person affiliated with us till the cancellation of registration by the Exchange."

3. In view of the above, the Commission on October 30, 2015 directed the Respondent to settle the claim of the Complainant latest by November 6, 2015. However, the Respondent despite reminder dated November 9, 2015 failed to settle aforesaid claim of the Complainant.

4. The above non-compliances with the directions of the Commission was violation of sub-rule (e) of rule 15 read with clause (b) of sub-rule (1) of rule 2 of the Commodity Exchange and Futures Contract Rules, 2005, (the Rules). It is pertinent to mention here that the Rules were made under section 33 of the Ordinance and any violation of the rules attracted penal provisions of section 22 of the Ordinance. Accordingly, the Notice was issued to the Respondent.

5. The Respondent did not respond to the Notice despite a reminder dated December 7, 2015. The Notice was also sent at the residential addresses of the chief executive of the Respondent i.e. Mr. Khalid Hussain and the director of the Respondent, Mr. Amad Mustafa. However, the same were returned undelivered. The Respondent was provided an opportunity of hearing on December 18, 2015. However, on the date of hearing, neither the Respondent in person nor any authorized representative appeared before the undersigned nor any request for extension of time was received from Respondent. Subsequent to the hearing, the matter was taken up with PMEX and PMEX informed that the office of Respondent has been closed.

6. In view of the reasons stated above, I am of the opinion, that the Respondent has been provided sufficient opportunity to present its case before the undersigned. Further, the issuance of Notice wherein the Respondent was asked to furnish its reply in writing and the opportunity of personal hearing scheduled for December 18, 2015 sufficiently discharges the Commission's obligation to afford Respondent an opportunity of hearing in terms of Section 22 of the Ordinance.

7. As the Respondent failed to file reply to the Notice in writing and did not appear in person or through authorized representatives before the undersigned therefore, it is deemed that the Respondent has nothing to say in their defense and the matter is being decided ex-parte.

8. In view of the facts stated above, I am of the view that the Respondent has failed to discharge its obligations in terms of regulation 5.8 of the PMEX Regulations and sub-rule (e) of rule 15 read with clause (b) of sub-rule (1) of rule 2 of the Rules and has not complied with the directives issued by the Commission. Therefore, in exercise of power conferred upon me under Section 22 of the Ordinance, I hereby impose a penalty of Rs 300,000/- on the Respondent.



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9. The matter is disposed of in the above manner and the Respondent is directed to deposit the penalty in the account of the Commission being maintained with designated branches of MCB Bank Ltd not later than thirty (30) days from the date of this order and furnish a copy of the deposit challan to this office.

10. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law on matter subsequently investigated or otherwise brought to the knowledge of the Commission

(Nasir Askar)

Director/HOD (LCID)

Announced on January 19, 2016

Islamabad.

Copy to:

Managing Director,
Pakistan Mercantile Exchange Limited,
3-B, 3rd Floor, Bahria Complex IV,
CH Khalique-uz-Zaman Road, Gizri,
Karachi-75600.

