



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,
Stock Vision (Pvt.) Limited
301, 3rd Floor, ISE Towers, 55-B,
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 Stock Vision (Private) Limited

Date of Hearing	October 06, 2016
Present at the Hearing	
<u>Representing M/s. Stock Vision (Private) Ltd.</u>	
(i) <u>Mr. Nooh Adnan</u>	Chief Executive Officer
<u>Representing the Department</u>	
(i) <u>Mr. Amir Saleem</u>	Joint Director (SSED)
<u>Assisting the Executive Director (PRPD)</u>	
(i) <u>Mr. Nasir Askar</u>	Director (PRPD)
(ii) <u>Mr. Muhammad Farooq</u>	Additional Director (PRPD)
(iii) <u>Mr. Sabeel Ahmed</u>	Management Executive (PRPD)

ORDER

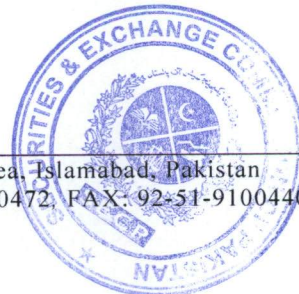
This Order shall dispose of the proceedings initiated through Show Cause Notice bearing No. 1(72) SMD/PRPD/PSX/2016 dated August 04, 2016 ("SCN") served to Stock Vision (Private) Limited ("Respondent") by the Securities and Exchange Commission of Pakistan ("Commission") under section 22 of the Securities 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.

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 letters dated June 11, 2015, September 30, 2015, October 26, 2015, December 10, 2015, January 27, 2016 and February 11, 2016 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 by August 11, 2016 and to attend hearing on August 17, 2016. On the request of the Respondent, the hearing was rescheduled for October 06, 2016.

7. On the given date, Mr. Nooh Adnan, chief executive officer (CEO) attended the hearing on behalf of Respondent and contended that the Respondent was inactive since the last five years. He further informed that the Respondent had settled the accounts of 95% of its clients and issued final notices to the remaining clients to settle their accounts. Moreover, the sponsors of the Respondent were in negotiations with a potential buyer for transfer/sale of its TREC. During the hearing, the CEO was advised to provide documentary evidence in support of his verbal submissions. The CEO vide letter dated November 02, 2016 submitted the following documentary evidence:

- (i) Copies of reminders sent to the clients to settle their accounts dated March 23, 2016 April 01, 2016, April 11, 2016.
- (ii) Copy of agreement with the potential buyer for transfer of its TREC.
- (iii) Copy of notice in the newspaper to the clients providing them final opportunity to settle their accounts latest by June 28, 2016.

8. Subsequent to the hearing, PSX vide notice dated October 13, 2016 switched off the trading terminals of the Respondent in terms of regulation 6 (6) of Securities Brokers (Licensing and Operating) Regulations, 2016. Further, Central Depository Company of Pakistan Limited ("CDC") imposed restriction on the admission of the participant to the CDS vide notice dated October 13, 2016 and National Clearing Company of Pakistan Limited ("NCCPL") suspended its access to the NCS system vide notice dated October 13, 2016.

9. Based on the foregoing facts, pressing the Respondent to file the abovementioned returns would not be fruitful. Therefore, the proceedings initiated through SCN are concluded without imposing any penalty. However, the Respondent is directed to share this Order with the prospective buyer of the TREC and brokerage business so that the prospective buyer is aware of the aforesaid regulatory requirement.

10. 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 23, 2016

Islamabad.

