



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP issues Orders and Warning Letters

ISLAMABAD, January 6: In order to foster a transparent and efficient securities market and to safeguard the investors' interest, the Securities Market Division of the Securities and Exchange Commission of Pakistan (SECP) took enforcement actions and penalized the market participants in grave violation of fair market practices, by issuing three orders in the month of December, 2010. The copies of all the orders are available in on SECP's website.

As a stringent measure to restrain abusive market activities, two separate orders were issued against the Chief Executive Officer of a listed company and its associated company, consequent to their indulgence in an associated scheme of Insider Trading in the shares of a listed company.

Moreover, in another instance of market abuse and insider trading, punitive action was taken and fine was imposed against director of a public limited company who was involved in Insider trading in a listed company. The abusive activity was related to the trading by the director of the public limited company prior to its announcement regarding acquisition of a listed company.

As a part of routine surveillance and monitoring activities, two warning letters were also issued to non-compliant members of the stock exchange for blank sales in addition to a warning letter issued to an individual investor for execution of wash trades.

Furthermore, in order to safeguard the interest of small investors a show cause notice was served to a beneficial owner of a listed company for the recovery of Tenderable gain of Rs12.739 million under section 224 of the Companies Ordinance, 1984.

In addition, 19 investors complaints were resolved by the division during the month of December, 2010.

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