



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Strategy, Development and External Relations Department*

*Press Release*

## **SECP issues orders and warning letters**

ISLAMABAD, June 8: 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 for grave violations of fair market practices in May.

An order was issued against the CEO of an insurance company and penalty was imposed on him for insider trading in the shares of a listed company. Moreover, orders were issued against two members of the Karachi Stock Exchange, Intermarket Securities Ltd and Pearl Capital Management Ltd for non-compliance of securities laws. The SECP also issued 21 warning letters to the directors and beneficial owners of 13 listed companies for late filing of returns under section 222 of the 1984 Companies Ordinance. In addition, 19 show-cause notices were served on the directors and beneficial owners of seven listed companies for non-compliance with 224 (2) of the Companies Ordinance. The copies of all the orders and warning letters are available on the SECP website.

During the month, the SECP granted approval to various futures contracts to be traded at the Pakistan Mercantile Exchange Limited (PMEX). The launch of these futures contracts is expected to contribute positively towards broadening the investor base and the overall economic growth of the country, while also assisting in bringing the PMEX on a par with other commodities exchanges internationally. In order to strengthen the regulatory framework of capital markets, various amendments were made to the exchanges' regulations.

In order to promote activities in the debt market, approval was granted to issue, circulate and publish prospectus for issue of term finance certificates of Rs2,000 million (with a green shoe option of an additional Rs1,000 million) to the public by Engro Corporation Limited. Further, a clearance for publication of prospectus was granted for the offer of 37.208 million ordinary shares of the Pakgen Power Limited by its major shareholders.

A total of 21 complaints pertaining to investors and companies were resolved by the division during the month of May.

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