



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Strategy, Development and External Relations Department

Press Release

SECP takes action against unfair practices

ISLAMABAD, February 13: As a part of its mandate to regulate the capital market and to safeguard the investors' interest, the Securities Market Division of the SECP took enforcement actions and penalized the market participants for non-compliance with the regulatory framework in January.

An order was passed against a former fund manager of an asset management company under Section 15 of the 1969 Securities and Exchange Ordinance. Another order was issued against a brokerage house of KSE wherein the broker along with its institutional client was reprimanded for indulging in unfair trading practices. Further, in probable instances of front running/ insider trading show cause notices were served to a commercial bank, an asset management company, an employee of a listed company and an individual client under Section 15 of the above-mentioned ordinance. Moreover, four warning letters were issued to the brokerage houses of the KSE and LSE for execution of wash trades/blank sales.

In order to safeguard the interest of minority shareholders, three orders were passed against directors/beneficial owners of listed companies under Section 224(4) of the 1984 Companies Ordinance. In addition, four orders were passed against listed companies under Section 246 (2) of the Companies Ordinance for late filing of annual returns on Form A. Moreover, nine warning letters were issued to the directors of seven listed companies for non-compliance to Section 224 (4) of the Companies Ordinance. The copies of all the orders and warning letters are available on the SECP website.

During the month, nine investor complaints pertaining to brokers and three complaints pertaining to listed companies were resolved. Further, seven amendments were also approved to the regulatory framework of the LSE and the National Clearing Company of Pakistan Limited (NCCPL).

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