



PRESS RELEASE

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SECP takes enforcement action against non-compliant companies

ISLAMABAD, March 3: In order to develop an efficient and dynamic securities market and to safeguard investors' interests, the Securities Market Division of the Securities and Exchange Commission of Pakistan (SECP) took enforcement actions and penalized market participants for non-compliance with rules and regulations during the month of February 2014.

Following onsite inspections of the brokerage houses of the Karachi Stock Exchange Limited (KSE), an enforcement action against Moonaco Securities (Private) Limited was taken and penalty of Rs25,000 was imposed under the 2001 Brokers and Agents Registration Rules. Moreover, warning letters were issued to Taurus Securities (Private) Limited and A.H.M. Securities (Private) Limited for rules' violation.

Furthermore, 18 orders were passed against directors/beneficial owners of 13 listed companies under Section 224(4) of the 1984 Companies Ordinance for late filing of returns of beneficial ownership. In this regard, beneficial owners of 8 listed companies were penalized and the rest were warned, and directed to be in compliance with the applicable regulatory framework in future.

On account of non-settlement of investors' complaints, Highlink Capital (Private) limited, broker of the Lahore Stock Exchange Limited, was suspended. In another instance, on account of use of investors' shares without authority, the SECP penalized First National Equities Limited, a broker of the KSE with an amount of Rs500,000 under Section 28 (2) of the 1997 CDC Act.

During February 2014, 16 investor complaints pertaining to brokers and 10 complaints pertaining to listed companies were resolved. In addition, to help promote and develop the capital market, the SECP granted approval to Hascol Petroleum Limited to issue, circulate and publish prospectus for issue of 25 million ordinary shares to the institutional investor, high net worth individuals and general public.