

## **Update on Action Against Unauthorised and Illegal Activities of so-called Forex and Brokerage Companies**

SECP has been issuing warnings to the general public through the print media and its web-site about the unauthorized activities of certain companies, firms and individuals which were fleecing the public by accepting money in foreign exchange on promise of exorbitant monthly profit. The Commission initiated action against such unscrupulous persons/entities and while looking into their affairs it revealed that they were offering 20% to 70% return on the deposits raised from innocent people and though being companies registered under the Companies Ordinance, 1984 were not maintaining any books of accounts and all the deposits collected from their customers were going in their personal accounts.

2. The Commission after completing necessary legal requirements had moved winding up petitions in the Lahore High Court and the High Court of Sindh against the following companies: -

### **Lahore High Court**

- i. M/s. Bulls & Bears (Private) Ltd.;
- ii. M/s. Offshore Global Management (Private) Ltd.;
- iii. M/s. World Business Consultants (Private) Ltd.;
- iv. M/s. United Brokerage Consultants (Private) Ltd.;
- v. M/s. Forex Services International (Private) Ltd.;
- vi. M/s. Trade Stations Securities (Private) Ltd.;
- vii. M/s. Rouf International Advisory Services (Private) Ltd.
- viii. M/s. Tycoon International (Private) Ltd.;
- ix. M/s. Fidelity Future Management (Private) Ltd.;
- x. M/s. Exchange Impex (Private) Limited.
- xi. M/s. Harvest International (Private) Ltd.;
- xii. M/s. Pindex (Private) Ltd.;

### **High Court of Sindh**

- i. White House Securities (Private) Ltd.;
- ii. Wall Street Securities (Private) Ltd.

3. The Honorable Lahore High Court while admitting liquidation petition presented by the Commission directed to place the names of directors of the companies on ECL and also directed freezing of bank accounts of companies and their directors. The Honorable Sindh High Court appointed the official assignee as Provisional Manager to investigate the affairs of the company with help to State Bank of Pakistan.

4. It was asserted by some of the companies that they want to make refunds to clients but are unable to do so as the bank accounts are frozen. To facilitate refunds, Lahore High Court relaxed the freeze to facilitate the refunds.

5. Complaints were made that these companies were not making payments to clients and were violating the commitments given to the Court. National Accountability Bureau was therefore, requested to investigate and provide relief to depositors. The NAB has completed its examination in most cases and are continuing investigation in other cases. It has already invited the claims from the depositors of the following illegal forex companies/entities

- i. Rouf International Advisory Services (Pvt.) Limited.
- ii. Still Rich Financial Services.
- iii. Trade Station Securities (Pvt.) Limited.
- iv. Prosperity Financial Data Services.
- v. Bulls and Bears (Pvt.) Limited.

6. It may be mentioned that SEC had come down upon on these companies with a heavy hand to curb their unlawful activities, on the one hand, and to save further losses to the general public and provide relief as far as possible to those who have already suffered, on the other hand.

7. As unscrupulous people may continue to fleece the public money through new schemes involving illegal and unlawful business, public is requested in their own interest, not to fall prey to any scheme which promises unusual gains or profits.