

Press Release

SEC Advises Companies to Obey Rules, Regulations

Islamabad – May 11, 2005: The Securities and Exchange Commission of Pakistan (SEC) has advised all registered companies to abide by the rules and regulations and refrain from undertaking activities beyond the limits as specified in their Memorandum of Association. Strict legal action will be taken against the companies involved in ultra-vires activities.

The SEC had recently noticed that certain companies, firms or individuals in the market were inducing the general public to invest their money in multi-level marketing and pyramid schemes etc, with the promise of high returns in a very short span of time. Investigations into the affairs of such companies revealed that most of them were involved in activities not contained in their Memorandum of Association or doing unauthorised businesses. The SEC has taken appropriate legal actions against such companies.

The SEC is committed to continue efforts to curb unauthorized activities and is closely monitoring the affairs of companies involved in illegal businesses. General public is warned to be careful while dealing with companies offering unreasonable returns and dealing in multi-level marketing and pyramid schemes etc.