



Securities and Exchange Commission of Pakistan
Securities Market Division
(Market Supervision and Registration Department)

Through Courier

Before the Director/HOD (MSRD)

In the matter of application of A.R. Securities (Pvt.) Limited for grant of certificate of Registration as a Broker under the Brokers and Agents Registration Rules, 2001

Date of Hearings:

- i. January 5, 2015
- ii. January 21, 2015
- iii. February 2, 2015
- iv. February 9, 2015

Present at the Hearings:

No one appeared on behalf of A.R. Securities (Pvt.) Limited

ORDER

1. This Order shall dispose of the application of A.R. Securities (Pvt.) Limited (“ARSL”) for grant of certificate of registration as a broker under the Brokers and Agents Registration Rules, 2001 (“the Rules”), forwarded to the Securities and Exchange Commission of Pakistan (“the Commission”) by the Karachi Stock Exchange Limited (“the exchange”).

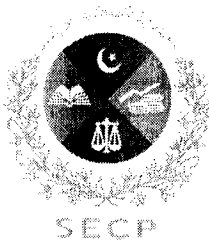
2. As per the requirements of the Rules, while examining the documents submitted along with the application revealed that the subject application was forwarded to the Commission without the following documents.

- i. Net Capital Balance Certificate (“NCB”);
- ii. Copy of the latest financial statement;
- iii. Copies of educational certificates of all the directors;
- iv. List of shareholders of ARSL; and
- v. Documents in support of clearing member of NCCPL.

3. Pursuant to these deficiencies the Commission vide letters/emails dated September 30, 2014, October 2, 2014 and October 21, 2014 repeatedly advised ARSL through the exchange to remove the said deficiencies and duly informed that failing to remove these deficiencies would lead to necessary regulatory proceedings. In addition, the exchange vide its various letters dated September 29, 2014,

SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN
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Islamabad, Pakistan





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October 3, 2014, October 10, 2014, October 22, 2014 and November 26, 2014 reminded ARSL for necessary compliance with the directions of the Commission. However, despite of all the reminders issued in this regard, ARSL failed to submit the required documents.

4. Given all the aforementioned deficiencies, the Commission issued a Show Cause Notice ("SCN") dated December 24, 2014 to afford an opportunity of hearing to ARSL in terms of Rule 5(4) of the Rules. Accordingly, ARSL was advised to appear before the undersigned on January 5, 2015 at 10:00 a.m. at the Commission's Head Office Islamabad. However, no one appeared on behalf of ARSL on the hearing date.

5. However, in reply ARSL vide letter dated January 2, 2015 provided the following documents to the Commission with the request to adjourn the hearing and assured to submit the NCB certificate within one week from the date of the letter.

- i. Copy of the B. Com degree of Mr. Muhammad Jamal Dehdi;
- ii. Copy of "ACCA - affiliate certificate" of Mr. Umar Aijaz Shaikh;
- iii. List of shareholders;
- iv. Copy of the application submitted by ARSL to NCCPL for admission as a clearing member;

6. Acceding to the request of ARSL, second hearing in the matter was scheduled for January 21, 2015. However, ARSL vide its letter dated January 21, 2015 requested the Commission to grant time extension till February 4, 2015 for submission of required documents. Accordingly, the Commission vide its letter dated January 22, 2015 granted the time extension and fixed third hearing for February 2, 2015. On the date of hearing, once again no one appeared on behalf of ARSL and the Commission received a request dated February 2, 2015 from ARSL to change the venue of the hearing from Islamabad to Karachi. As per ARSL's request the venue of the hearing was changed and fourth hearing was scheduled for February 9, 2015 at the Commission's Karachi office. As per schedule the hearing started at 12:30 p.m. however, no one appeared on behalf of ARSL and no adjournment request was also received, therefore, the hearing was concluded accordingly.

7. Since no one appeared on behalf of ARSL despite giving them four opportunities of presenting their case and till date ARSL has failed to submit the following documents.

- i. NCB certificate;
- ii. Copy of latest financial statements;
- iii. Educational qualification certificate of Mr. Muhammad Munir; and
- iv. Documents in support of clearing member of NCCPL.

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8. Based on the deficiencies highlighted at Para 7 above, and considering the fact that despite giving ample opportunities for providing the required documents as provided in the Rules, ARSL has completely failed to do the needful. The Commission made every possible effort to ensure that ARSL acquire the certificate of registration as broker under the Rules, to avoid the repercussions of Section 16(11) of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012. However, due to the deficiencies mentioned at Para 7 above, the application of ARSL for grant of certificate of registration as broker under the Rules cannot be processed, hence refused in terms of Rule 5 (5) of the Rules.



(Imran Inayat Butt)
Director/HOD (MSRD)

Announced on February 12, 2015
Islamabad.