



Securities and Exchange Commission of Pakistan

Securities Market Division
Market Supervision and Registration Department

No. 4(BRI – 99)SE/SMD/2013

April 18, 2013

Mr. Khaleel Mujeeb ur Rehman,
M/s. Diyanah Islamic Financial Services (Pvt.) Limited,
Suite No 904, 9th Floor, Business Plaza,
Mumtaz Hassan Road,
Off I.I Chundrigar Road,
Karachi.

SUBJECT: ORDER IN THE MATTER OF “APPEAL FOR REVIEW UNDER RULE 5(6) OF THE BROKERS AND AGENTS REGISTRATION RULES, 2001” AGAINST ORDER DATED DECEMBER 31, 2013 ISSUED IN THE MATTER OF “APPLICATION FOR RENEWAL OF REGISTRATION OF M/S. DIYANAH ISLAMIC FINANCIAL SERVICES (PVT.) LTD AS A BROKER UNDER BROKERS AND AGENTS REGISTRATION RULES, 2001

Dear Sirs,

Please find enclosed an order dated April 18, 2014 issued by Director/HOD (Market Supervision & Registration Department), on the captioned matter, for your information and necessary compliance.

Yours truly,

(Saima Shafi Rana)
Deputy Director (BR&ICW)

Copy for information & Placement on the website:
Chief Regulatory Officer, Karachi Stock Exchange
Chief Regulatory Officer, Lahore Stock Exchange
Chief Regulatory Officer, Islamabad Stock Exchange

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
SECURITIES MARKET DIVISION
Market Supervision & Registration Department

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Before the Director/HOD (MSRD)

In the matter of “Appeal for Review” under Rule 5(6) of the “Brokers and Agents Registration Rules, 2001” against Order dated December 31, 2013 issued in the matter of “Application for Renewal of Registration of M/s. Diyanah Islamic Financial Services (Pvt.) Ltd. as a Broker under the Brokers and Agents Registration Rules, 2001”

Date of Hearing: March 21, 2014

Present at the Hearing:

Representing M/s. Diyanah Islamic Financial Services (Pvt.) Ltd.:

- | | |
|----------------------------------|-------------------------|
| i). Mr. Khaleel Mujeeb Ur Rehman | Chief Executive Officer |
| ii). Mr. Khalid Waheed | |
| iii). Mr. Ali Rana | Legal Counsel |

Assisting the Director/HOD(MSRD):

- | | |
|----------------------|------------------------|
| i). Mr. Hasnat Ahmad | Director (MSRD) |
| ii). Ms. Asima Wajid | Deputy Director (MSRD) |

ORDER

1. This Order shall dispose of the application for Review of decision (“**the Review Application**”) under Rule 5(6) of the Brokers and Agents Registration Rules, 2001 (“**the Rules**”) filed by M/s. Diyanah Islamic Financial Services (Pvt.) Ltd. (“**DIFSPL**”), Trading Right Entitlement Certificate Holder (“**TREC Holder**”) of the Islamabad Stock Exchange Limited (“**ISE**”) against the Order dated December 31, 2013 (“**Impugned Order**”) issued in the matter of Application for Renewal of Registration as a broker by DIFSPL.

2. The DIFSPL had applied for renewal of registration as a broker under the Rules on May 8, 2013. Scrutiny of the said application revealed that Mr. Khalid Waheed was a sponsor and major shareholder of the DIFSPL. Mr. Khalid Waheed was the Chief Executive Officer of Hum Securities Limited (Ex-TREC holder of the Karachi Stock Exchange) which failed to meet its obligations towards the investors and all the investor’s claims against Hum Securities Limited were still outstanding despite Commission’s orders and instructions. Therefore, an opportunity of hearing in terms of clause 5(4) of the Rules was provided to the DIFSPL on December 19, 2013.

3. Mr. Khaleel Mujeeb Ur Rehman (“**Representative**”) appeared on behalf of the Company on the said date of hearing. The Commission’s concerns regarding failure of the



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sponsor/major shareholder of the Company to settle the investors' complaints while acting as Chief Executive Officer of Hum Securities Limited were fully explained to the Representative during the course of hearing. The Representative informed that shareholding pattern of the Company has been changed and now the shareholding of Mr. Waheed and his family in the Company has been reduced to 52%. Being not agreed with the arguments of the Representative, he was informed that the major shareholding of the Company is still held by Mr. Waheed and his family who failed to meet his obligations towards the investors. Therefore, the application of DIFSPL for renewal of registration as broker was refused in terms of Rule 5(5) of the Rules.

4. Thereafter, the DIFSPL filed an appeal before the Appellant Bench of the Securities and Exchange Commission of Pakistan ("**the Commission**") against the Impugned Order and the Appellant Bench vide its Order dated February 24, 2014 directed to treat the appeal filed with the Appellant Bench as review application in terms of Rule 5(6) of the Rules.

5. Accordingly, the matter was fixed for hearing on March 4, 2014. However, on the request of the DIFSPL, the said hearing was rescheduled for March 21, 2014. During the hearing, Mr. Waheed himself appeared before the undersigned along with the Chief Executive Officer and Legal Counsel of DIFSPL. The representatives of DIFSPL informed that all the shareholding of Mr. Waheed and his family has been transferred and now Mr. Waheed and his family do not hold any share in the DIFSPL. The Representative was advised to submit necessary documentary evidence regarding transfer of the said shareholding.

6. DIFSPL vide letter dated March 26, 2014 submitted the following documents regarding transfer of the shareholding as stated above:

- (i). Copy of the board resolution
- (ii). Copies of transfer deeds of the shares
- (iii). Copy of the resignation letters of Mr. Moizuddin Ashraf and Mr. Khalid Waheed as director and chairman of DIFSPL respectively.
- (iv). Old and current shareholding pattern of the DIFSPL

7. DIFSPL vide letter dated March 31, 2014 also submitted challan of Form A. Respective Company Registration Office vide email dated April 7, 2014 also confirmed receipt of the Form A from the DIFSPL.

8. In light of the above, I am of the view that the grounds on which the application for renewal of registration of DIFSPL as a broker was refused under the Rules have now been removed. Therefore, the certificate of registration of DIFSPL as a broker is renewed under the Rules.



Imran Hayat Butt
Director/HOD (MSRD)

Announced on April 18, 2014
Islamabad.