

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to First Equity Modaraba

Dates of Hearing

February 08, 2021

Order-Redacted Version

Order dated May 31, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of First Equity Modaraba. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 10, 2020
2. Name of Respondent	First Equity Modaraba (the Modaraba Fund and/ or the Respondent)
3. Nature of Offence	Alleged contraventions of <u>Regulations 6(3)(a), 6(3)(c), 6(4), 11(2), 13(1) and 13(3) of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Counter Financing of Terrorism) Regulations, 2018 (the AML Regulations) read with Section 40A of the Securities Exchange Commission of Pakistan Act, 1997.</u>
4. Action Taken	Key findings were reported in the following manner: Considering the fact that the Respondent has failed to convert its brokerage business to a company and/ or companies within the time period as stipulated in the Securities Act & Futures Market Act and licensing regulations made thereunder, therefore, I am of the view that the Respondent is not a lawful securities & futures broker, being not an eligible person under the law to even hold the requisite licenses. In view of the aforesaid, the SCN dated December 01, 2020 issued to the respondent for contravention of AML Regulations as Securities & Futures broker with the presumption that it is lawful securities & futures broker was improper and is therefore, hereby, withdrawn.
5. Penalty Imposed	Advise
6. Current Status of Order	No Appeal has been filed by the respondents.