



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Adjudication Department

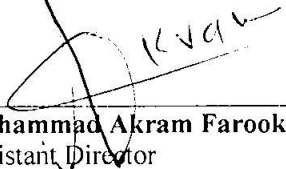
No. 2(144)SMD/Adj/2019

November 20, 2019

**Bank Islami Pakistan Ltd.**  
Through its Chief Executive Officer,  
11<sup>th</sup> Floor, Executive Tower,  
Dolmen City, Marine Drive,  
Block 4, Clifton,  
**Karachi**

**SUBJECT: Order in Respect of Show Cause Notice dated October 16, 2019 Bearing Number No. 2(144)SMD/Adj/2019**

Please find enclosed herewith a copy of order in the title matter for your record and necessary action.

  
\_\_\_\_\_  
**Muhammad Akram Farooka**  
Assistant Director



**Securities and Exchange Commission of Pakistan**  
Securities Market Division

Through Courier

Before the Commissioner (SMD)

In the matter of Show Cause Notice issued to Bank Islami Pakistan Limited

Date of Hearing	October 23, 2019
Present at the Hearing Representing Bank Islami Pakistan Limited	i. Mr. Muhammad Haris Munawar (Head of Investment Banking)

**ORDER**

This Order shall dispose of the proceedings initiated pursuant to Show Cause Notice (the "SCN") No. 2(144)SMD/ADJ/2019 dated October 16, 2019, issued to M/s Bank Islami Pakistan Limited (the "Respondent") by the Securities and Exchange Commission of Pakistan (the "Commission").

- Brief facts of the case are that the Respondent was registered as an underwriter under the Underwriters Rules, 2015 (the "Rules") (now repealed) by the Commission. The existing certificate of registration of the Respondent expired on June 10, 2018. The Respondent, vide letter dated August 28, 2019, requested time extension of ninety days for submission of application for renewal of license to the Commission. It was admitted by the Respondent that it provided services as underwriter after expiry of its license in violation of Section 64(1) of the Securities Act, 2015 (the "Act").
- The Respondent, *prima facie*, acted in contravention of the Act. Accordingly, the Commission took cognizance of the aforementioned facts and served the SCN requiring the Respondent to explain its stance in person on October 23, 2019.
- In response to the SCN, the Respondent vide its email dated October 22, 2019 submitted reply to the SCN, which is reproduced as under:

*"We humbly submit to acknowledge lapse on our part, as to non-renewal of the License to act as Underwriter.*

*The lapse nevertheless, has happened inadvertently, being overlooked; and there is no element of any intentional or deliberate act on the part of the Bank.*

*We regret the lapse and assure to apply for renewal of the License, within shortest time possible, with payment of all the due or overdue fees and charges, for the expiry period.*

*We have our Board of Directors' Meeting this week; and we have already requested for a Board Resolution in this regard.*

*In view of the above, we humbly request to please condone the delay in renewal of the License, waive any penalty or action for the delay; and please allow us to regularize the matter.*

*We being a financial Institution / a bank, will assure you to be more careful In future, in complying with all the applicable laws, rules and regulations."*





**Securities and Exchange Commission of Pakistan**  
Securities Market Division


5. The Respondent appeared before the undersigned on the given date and time through Mr. Muhammad Haris Munawar (Head of Investment Banking of the Respondent) admitted the violation of law and requested to take lenient view in the matter.

6. I have examined the submission of Respondent. In view of the facts that the application for renewal of licence was not made within stipulated period and services of underwriter was provided by Respondent even after the expiry of licence, the offence on part of the Respondent stands established.

7. In view of the foregoing, contraventions of the provisions of the law are evident. Therefore, in terms of powers conferred under section 159 of the Act, a penalty of Rs. 250,000- (Rupees Two hundred and fifty thousand only) is hereby imposed on the Respondent. Furthermore, the Respondent is directed to immediately obtain the licence, if it so wishes to provide regulated activity of underwriter in future.

8. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law on the matter subsequently investigated or otherwise brought to the knowledge of the Commission.



  
**Shauzab Ali**  
Commissioner (SMD)

Announced on: 19-11, 2019  
Islamabad