



# Securities and Exchange Commission of Pakistan

Securities Market Division

Market Surveillance and Special Initiatives Department

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1(25)WASH/KSE/MSW/SMD/2015 1432-1433

March 17<sup>th</sup>, 2015

**Mr. Sardar Shahbaz Ali Khan Khosa**

H.No. 2-X, Moh, Khosa House

D.H.A, Cantt

Lahore.

**Subject: Wash Trades Conducted in Trading of Shares of BoP on February 18<sup>th</sup>, 2015**

Dear Sir,

1. This is with reference to our earlier letter dated March 5<sup>th</sup>, 2015 on the subject noted above, and your subsequent response dated March 9<sup>th</sup>, 2015.
2. In this regard, the justification provided by you that the wash trades were conducted due to a misunderstanding with the broker is not valid as the buy orders placed through one brokerage house were all matched by your sell orders from another brokerage house rather than canceled or reversed after the first transaction had taken place.
3. Please note that execution of wash trades through your accounts maintained with Standard Capital Securities (Pvt.) Ltd and Pearl Securities Limited did not result in any change in beneficial ownership. Moreover, the execution of the aforesaid wash trades created false impact of active trading in the share and has interfered with fair and smooth functioning of the market. Please note that being an active participant in the market, it is your obligation to abide by all the prevalent rules and regulations while trading in the equity market.
4. The execution of wash trades by you indicates that you ignored the provisions of the prevalent securities market law. However, keeping in view the fact that this was the first instance of wash trades, which was observed by the Commission, only a warning is being issued to you with advice to exercise due care and diligence while trading. Moreover, it is asserted that you must adopt a cautious approach while trading to ensure compliance of all the relevant rules and regulations and to avoid such misconduct in future failing which appropriate action will be taken against you.

(Abid Hussain)

Director/HoD (MSSID)

Copy to:

1433 (i) Managing Director,  
Karachi Stock Exchange