



**Through Courier**

No. SMD/MSSID/OC/125/2015

February 13, 2015

The Chief Executive Officer,  
**M.R.A Securities (Pvt.) Limited**  
739-741, Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**SUBJECT: PROHIBITORY ORDER UNDER SECTION 20 OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969**

WHEREAS, it has been observed from examination of the trading data of Karachi Stock Exchange ("KSE") during the period starting from January 01, 2015 to February 06, 2015 ("the Period") that one of the client of MRA Securities (Pvt.) Limited ("The Brokerage House"), TREC Holder of KSE, has been actively placing orders in various scrips at KSE.

2. WHEREAS, review of the order level and trade level data indicates that quantum of trades executed by such client was very few in proportion to the orders placed by him. This leads to a detailed review of the order level data of the client.

3. WHEREAS, the detailed review of the order level data of the client of the Brokerage House, it has been observed that Mr. Tariq bearing client code 334015 against UIN 4210154429707 (hereinafter referred to as the Client), revealed that he had placed significant quantum of buy and sell orders in various scrips during the Period and out of which a large portion of the orders were cancelled/deleted within 05 seconds after placement of the same. The summary of the statistics is given as below:

Sr. #	Name	Client code	Terminal ID	Total orders placed	Orders cancelled	% Age of cancelled Orders to total Orders	Orders cancelled within 05 seconds	% Age of cancelled orders within 05 seconds to total cancelled Orders
1	Tariq	334015	FIX19401 MEM19431 THM19402	4,250	1,947	45.81%	648	33.28%

4. WHEREAS, detailed review of the order level data of the client revealed that out of 118 scrips, the client is practicing the major portion of such activity in 09 scrips which are usually illiquid. The client has significantly placed buy orders at upper lock of the scrips and cancelled within 5-10 seconds of its placement. The summary of the placement of orders and cancellation by the client is as under:

Total Orders Placed	Total Orders Cancelled	No. of orders cancelled within 05 seconds	No. of orders cancelled within 10 seconds	% Age of cancelled orders cancelled to total orders
753	635	479	517	84.33%

5. The scrip-wise detail of the orders placed and cancelled is as under:

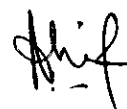
Sr. #	Scrip Name	No. of Orders placed	Orders cancelled	% Age of cancelled orders cancelled to total orders	No. of cancelled orders within 05 seconds to total Orders	% Age of cancelled orders within 05 seconds to total cancelled orders	No. of cancelled orders within 10 seconds to total Orders	% Age of cancelled orders within 10 seconds to total cancelled orders
1	ADOS	51	42	82.35%	34	80.95%	36	85.71%
2	AGTL	253	249	98.42%	212	85.14%	231	92.77%
3	AHL	91	84	92.31%	50	59.52%	54	64.29%
4	CPPL	42	34	80.95%	29	85.29%	32	94.12%
5	MARI	161	110	68.32%	67	60.91%	75	68.18%
6	NMFL	7	7	100%	5	71.43%	5	71.43%
7	PAEL	6	6	100%	6	100%	6	100%
8	PIBTL	84	55	65.48%	43	78.18%	43	78.18%
9	TREET	58	48	82.76%	33	68.75%	35	72.92%
Total		753	635	84.33%	479	75.43%	517	81.42%

6. WHEREAS, the practice referred above adopted by the client of the Brokerage House is in conflict with the fair market practices, wherein the Client has indulged in a practice of placing large sums of orders with no intention to purchase or sale of shares. Please note that such pattern is detrimental to the interest of the investors for buying and selling of shares and create a false and misleading appearance of active trading in any security.

7. WHEREAS, the Brokerage House is responsible for each and every order placed or trade executed through its trading terminal. It is the exclusive responsibility of the Brokerage House that it should monitor all the trading activities being executed through its terminal and should keep track and prevent any transaction being made in violation of the applicable rules and regulations.

8. WHEREAS, being an active participant in the capital market, the Broker should be conscious of the responsibilities it is carrying. It is pertinent to mention here that orders which were placed by the aforesaid client of the Brokerage House were not placed with the intention of executing fair trade transaction in the capital markets and the same was overlooked by the Brokerage House.

9. NOW THEREFORE, in exercise of the powers conferred under Section 20 of the Securities and Exchange Ordinance, 1969, ("Ordinance") the Brokerage House is directed to prohibit such trading practices through its terminals, as referred above, which are not in line with the prevalent regulatory framework and constitute or is calculated to constitute contravention of any provision of this Ordinance and rules and regulations made thereunder. The Brokerage House is further directed to ensure meticulous compliance of the rules and regulations, failing which the Commission shall be constrained to initiate necessary legal proceedings against the Brokerage House.

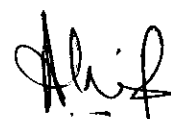


SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
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10. It is to inform you that the Securities and Exchange Commission of Pakistan ("SECP") in exercise of its power conferred under Section 20 (6) (g) of Securities and Exchange Commission of Pakistan Act 1997, has suspended the UIN no. 4210154429707 of Mr. Tariq with immediate effect for a period of 01 year i.e. till February 13, 2016. The client is only allowed to execute trade from his UIN exclusively for selling of his existing holding in the market at a price suitable to him during the suspended period. However, this suspension will not be applicable on settlements which are pending.

11. This Prohibitory Order is issued without prejudice to any other action that the Commission may initiate in accordance with the law on the matters subsequently investigated or otherwise brought to the knowledge of the Commission.



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**Abid Hussain**  
(Director/ HOD – MSSID)

**Encl.:**

1. Letter to Mr. Tariq regarding suspension of UIN
2. Instructions to CDC for freezing of CDC Account
3. Instructions to NCCPL for suspension of UIN