



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
(Securities Market Division)
Market Supervision and Registration Department

SECP

Confidential

File No. 1(23) SMD/MSRD/C&IW/2013

March 31, 2014

The Chief Executive Officer,
Time Securities (Private) Limited,
98-99, 2nd Floor, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Warning in respect of Inspection of Time Securities (Private) Limited

This is with reference to the inspection order dated November 29, 2013 whereby, an onsite inspection of Time Securities (Private) Limited ("TSL") was conducted by the Securities and Exchange Commission of Pakistan ("the Commission"). Pursuant to the said inspection, the inspection team submitted its report, the findings of which were duly shared with TSL for its comments.

2. The Commission, after considering findings of the inspection report and the reply submitted by TSL, is of the view that certain violations of the applicable regulatory framework highlighted by inspection team needs to be rectified/removed at your end. You are, therefore, advised to ensure compliance with the following:-

A. Securities & Exchange Rules, 1971 ("the Rules")

- i. Preparation of Net Capital Balance Certificate in accordance with the Third Schedule of the Rules and Guidelines issued by the Commission.
- ii. Rule 8 of the Securities & Exchange Rules, 1971 with regards to recording of off-market transactions in the books of accounts.

B. General Regulations of Karachi Stock Exchange Limited ("the KSE")

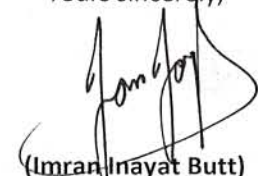
Regulation 41(1)(a) of the KSE General Regulations with regard to segregation of clients' assets.

C. Regulations Governing Risk Management

Regulation 9.4 with regard to collection of all margins and MTM losses from the respective clients in accordance with total margin requirement as prescribed by the KSE.

3. TSL is advised to exercise caution and be careful in future and ensure strict compliance with the governing regulatory framework. Please note that this letter is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law on matters subsequently taken up or investigated and/ or brought to the knowledge of the Commission.

Yours sincerely,


(Imran Inayat Butt)
Director/HOD (MSRD)

Cc:
The Chief Regulatory Officer,
Karachi Stock Exchange Limited

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