

# Securities and Exchange Commission of Pakistan

Securities Market Division  
Market Supervision and Registration Department

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## Before the Director/HoD (MSRD)

### In the matter of Show Cause Notice issued to M/s. Peoples Financial Services (Pvt.) Ltd

*Date of Scheduled Hearing:*

- i. July 1, 2013
- ii. July 15, 2013

*Present at the Hearing:*

*No one appeared on behalf of the Respondent on the scheduled dates and time.*

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## ORDER

1. This Order shall dispose of the proceedings initiated through Hearing /Show Cause Notice No. 4/BRC-246/PMEX/SMD/2012 dated June 19, 2013 (the “**SCN**”) under Rule 12(4) of the Commodity Exchange and Futures Contract Rules, 2005 (the “**Commodity Rules**”) issued to M/s. Peoples Financial Services (Pvt.) Limited (the “**Respondent**”), member of the Pakistan Mercantile Exchange Limited (the “**PMEX**”).

2. Brief facts of the case are that the Respondent submitted its application to the Securities and Exchange Commission of Pakistan (the “**Commission**”) for grant of certificate of registration as a Broker. While reviewing the said application, it was observed that the Respondent submitted an experience certificate provided by M/s. Intermarket Securities Limited (the “**ISL**”), a broker of Karachi Stock Exchange Limited, stating therein that the applicant had more than five years of experience in the relevant field. However, on further probe, it was revealed that the certificate was fake/false. Pursuant to which, the Commission also initiated proceedings against ISL.

3. Upon the advice of the Commission, the applicant submitted another certificate from M/s. Link International, which was not to the satisfaction of the Commission. Thereafter, the Commission served an SCN dated June 19, 2013 to the Respondent under Rule 12(4) of the Commodity Rules stating therein that the Respondent *prima facie* has no relevant work experience and has submitted a fake experience certificate in contravention of Rule 26 of the Commodity Rules.

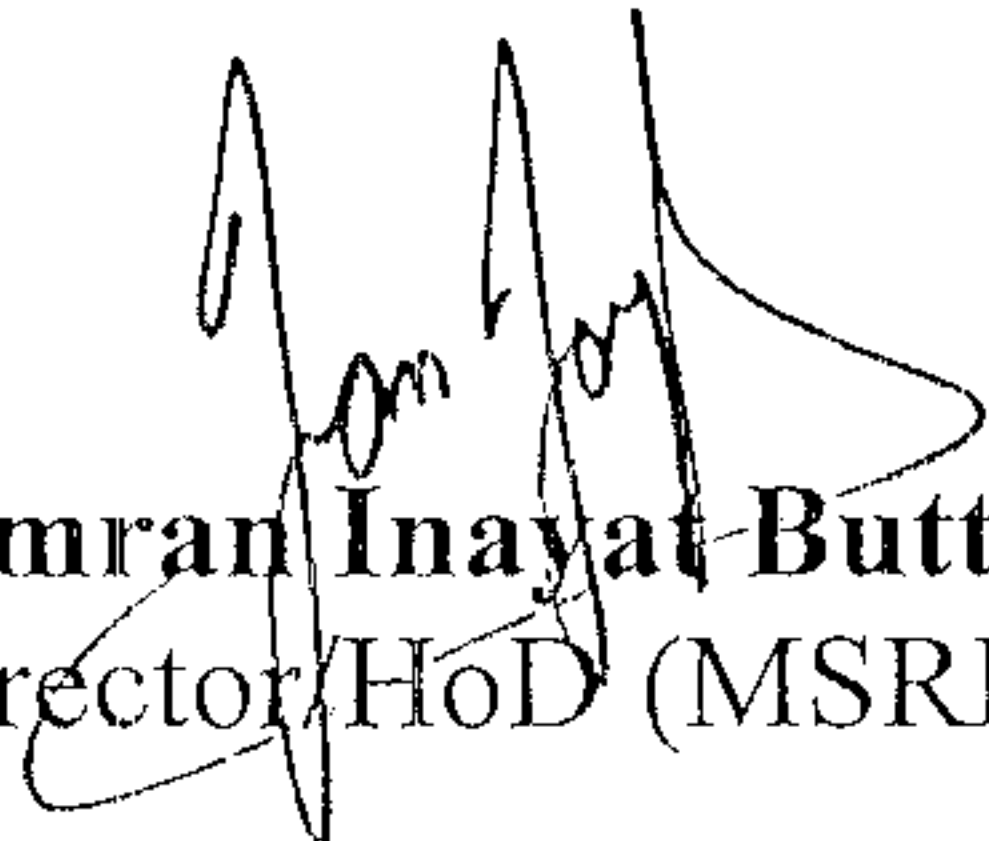
4. The Respondent through SCN was asked to explain its position through written reply and also required to appear in person or through an authorized representative before the undersigned on July 1, 2013 to explain as to why an action under Rule 12(4) of the Commodity Rules may not be initiated against the Respondent.

5. However, no written response was received from the Respondent. Instead, the Respondent vide its letter dated June 26, 2013 requested to adjourn the said hearing and to re-fix the same after two weeks. In the interest of justice, the request of the Respondent to adjourn the hearing

was acceded to. Subsequently, the Respondent vide letter dated July 8, 2013 was provided a final opportunity to appear before the undersigned on July 15, 2013. It was specifically communicated through Commission's aforesaid letter that upon failing to appear on the given date and time; the Commission would be constrained to conclude the matter on the basis of available record. However, no representative of the Respondent appeared on the given date and an intimation of this effect was also not made to the Commission. The non-serious attitude of the Respondent, which has been depicted by ignoring the Commission's hearing notices, is taken with grave disappointment, concern and seriousness.

6. Nevertheless, considering that the Respondent has nothing to present in its defense and also being watchful of the fact that the certificate originally provided by the Respondent was fake; I am of the considered opinion that the Respondent lacks experience of more than five years in the business of buying, selling or dealing in commodities, commodity futures contract or other securities as required under Rule 11(1) h of the Commodity Rules. Thus the application of the Respondent made through PMEX on September 7, 2012 for grant of Certificate of Registration as a broker under the Commodity Rules cannot be processed; hence refused in terms of Rule 12(4) of the Commodity Rules. Moreover, through this Order, the Respondent is strictly prohibited to undertake any regulated financial activity unless registered with the relevant authority.

7. The matter is disposed of in the above manner. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

  
(Imran Inayat Butt)  
Director/HoD (MSRD)

**Announced on July 17, 2013  
Islamabad.**

