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

Confidential

File No. 1(7) SMD/MSRD/C&IW/2013

September 17, 2013

The Chief Executive Officer,
Dattoo Securities (Private) Limited,
24-25, Stock Exchange Building,
Stock Exchange Road,
Karachi

Subject: Inspection of Dattoo Securities (Private) Limited

Dear Sir,

This is with reference to the inspection order dated May 08, 2013 whereby, an onsite inspection of Dattoo Securities (Private) Limited ("DSL") 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 DSL for its comments.

2. The Commission, after considering findings of the inspection report and the reply submitted by DSL, 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

- i. Rule 3 (e) of the Securities & Exchange Rules, 1971 with regards to weekly reporting of Net Capital Balance.
- ii. Rule 4 (4) of the Securities & Exchange Rules, 1971 with regards to order confirmation to the clients.

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

The Standardized Account opening forms must be in accordance with Regulation 40 of the General Regulations of the exchange.



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C. KYC/CDC Guidelines

DSL is advised to develop a policy with regards to KYC/CDD as per the guidelines issued on March 16, 2012.

3. DSL is further advised to exercise caution and be careful in future and ensure strict compliance with the governing regulatory framework.

4. 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 Managing Director,
Karachi Stock Exchange Limited