



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
(Securities Market Division)

Market Supervision and Registration Department

File No. 1(21) SMD/MSRD/C&IW/2014

February 6, 2014

The Chief Executive Officer,
Taurus Securities Limited,
Room # 604, 6th Floor,
Progressive plaza,
Beaumont Road, Civil lines,
Karachi.

Subject: Warning Letter in respect of Inspection of Taurus Securities Limited

This is with reference to an onsite inspection of Taurus Securities Limited ("TSL") 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 by TSL. Accordingly, TSL is strictly warned to exercise caution and be careful in future and ensure strict compliance with the governing regulatory framework in general and with regard to the following in particular:-

A. *Securities and Exchange Rules, 1971 ("SEC Rules")*

- i. Rule 2 (d) of the SEC Rules and subsequent guidelines issued by the Commission with regard to Net Capital Balance ("NCB");
- ii. Rule 3(e) of the SEC Rules with regard to weekly computation and reporting of NCB

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

- i. Regulation 41(1)(a) of the KSE Regulations with regard to segregation of clients' assets.
- ii. Regulation 40 of the KSE Regulations with regard to Standardized Account Opening Forms

C. *Members Agents and Traders Eligibility Standards Rules, 2001 ("Eligibility Rules")*

- i. Meet the qualification requirements for its employees as specified in the Eligibility Rules.



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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 Chief Regulatory Officer,
Karachi Stock Exchange Limited