



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

Confidential

File No. 1(20) SMD/MSRD/C&IW/2013

February 27, 2014

The Chief Executive Officer,
A.H.M Securities (Private) Limited,
154, Bangalore Town,
Tipu Sultan Road,
Karachi.

Subject: Warning in respect of Inspection of A.H.M Securities (Private) Limited

This is with reference to the inspection order dated October 28, 2013 whereby an onsite inspection of A.H.M Securities (Private) Limited ("AHM") 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 AHM for its comments.

2. The Commission, after considering findings of the inspection report and the reply submitted by AHM, is of the view that certain violations of the applicable regulatory framework highlighted by inspection team needs to be rectified/removed by AHM. Accordingly, AHM 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")

Preparation of Net Capital Balance Certificate in accordance with the Third Schedule of the Rules and the Guidelines issued by the Commission.

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

Clause 7(b) of the Special Terms and Conditions specified in the Standardized Account Opening Form contained in the KSE General Regulations with regard to settlement of securities in case of nonpayment by the clients.

C. Regulations for Proprietary Trading, 2004

Clause 7(iii) of the Regulations for Proprietary Trading, 2004, with regard to proper classification of the accounts of its directors.



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D. 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 requirements as prescribed by the KSE.

3. AHM is further directed to immediately stop imposing late payment charges to its clients. 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