



No. 1 (01)/Wash/KSE/MSW/SMD/2009 /117

Through Courier  
December 31, 2012

**Mr. Ammir Shehzad,**  
SVP/ Head of Capital Market Division,  
National Bank of Pakistan,  
NBP Building,  
I.I. Chundrigar Road,  
Karachi.

**Subject: WARNING WITH RESPECT TO WASH TRADES IN THE SCRIPS OF IGI INSURANCE LIMITED AND PAKISTAN TELECOMMUNICATION COMPANY LIMITED**

Dear Sir,

This is with reference to your letter dated December 11 , 2012 in response to our letter of even number dated December 06 , 2012 in respect of evidence for change of beneficial ownership in the scrips of IGI Insurance Limited (“IGIIL”) and Pakistan Telecommunication Company Limited (“PTC”).

2. In reply, you have conceded that wash trades with regard to 95,000 and 150,000 shares in the scrips of IGIIL and PTC respectively, were mistakenly held as a result of internal miscommunication. In this regard please note that the explanation in your aforementioned letter does not provide sufficient justification for execution of the wash trades in the trading accounts of National Bank of Pakistan (“NBP”).

3. Please note that execution of wash trades through accounts of NBP maintained with different brokerage houses did not result in any change in beneficial ownership. Moreover, the execution of the aforesaid wash trades created false impact of trading in the scrips. Please note that being an active participant in the market, it is your obligation to abide by all the prevalent rules and regulations while trading in the equity market.

4. The execution of wash trades indicates that you ignored the provisions of the prevalent securities market law. However, keeping in view the fact that this was the first instance of wash trades, which was observed by the Commission, only a warning is being issued to NBP with advice to exercise due care and diligence while trading. Moreover, it is asserted that you must adopt a cautious approach while trading to ensure compliance of all the relevant rules and regulations and to avoid such misconduct in future failing which appropriate action will be taken.

Yours truly,

**(Imran Inayat Butt)**  
Director /HOD (MSCID)

Copy to:

1. President, National Bank of Pakistan.
2. Managing Director, Karachi Stock Exchange Limited.

of

SECURITIES & EXCHANGE  
COMMISSION OF PAKISTAN  
NIC Building, 63 Jinnah Avenue,  
Islamabad, Pakistan