



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Public Offering and Regulated Persons Department

BS/TS  
Dini  
29/5/17

No. 4(BRC-323)PMEX/SMD/2017

May 26, 2017

Chief Executive Officer,  
Fin Tech (Private) Limited  
Plaza No.85, 2<sup>nd</sup> Floor, CCA,  
Phase-V, DHA,  
Lahore.

Subject: Order in the matter of application for grant of certificate of registration as a broker under the under the Commodity Exchange and Future Contracts Rules, 2005 (the "Rules")

Dear Sir,

Please find enclosed herewith a copy of order dated May 26, 2017 in the title matter for your record and necessary action.

(Asima Wajid)  
Additional Joint Director (PRPD-SMD)

Copy to:

✓ Pakistan Mercantile Exchange



# Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Fin Tech (Pvt.) Limited in terms of Application for Grant of Registration as Broker under the Commodity Exchange and Futures Contracts Rules, 2005 (the "Rules")

<b>Date of Hearing</b>	May 16, 2017
<b>Present at the Hearing</b> Representing Fin Tech (Pvt.) Limited	i. Mr. Ali Shaffi-Director ii. Mr. Sammi Hussain-Director
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

## ORDER

This Order shall dispose of the application of M/s. Fin Tech (Pvt.) Limited (the "Respondent") for obtaining registration as a broker under the Commodity Exchange and Futures Contracts Rules, 2005 (the "Rules").

2. Brief facts of the case are that the Respondent is a Member of the Pakistan Mercantile Exchange Limited ("PMEX"). PMEX vide letter dated April 04, 2017 forwarded the application of the Respondent for grant of certificate of registration as "broker" under the Rules.

3. While processing the application it was observed that "Mr. Amjad Hussain" the Chief Executive Officer (the "CEO") of the Respondent being a non-graduate is not meeting the educational qualification requirement as prescribed in rule 11(d) of the Rules which is reproduced hereunder:

**11. Eligibility for registration.** – (1) A person shall be eligible for registration as a broker under these rules, if he

(a) .....

(d) has at least passed graduation or equivalent examination from an institution recognized by the Government; Provided that the Commission may relax the educational qualification in suitable cases on merit having regard to the applicant's experience;.....

4. The Respondent vide email dated April 28, 2017 was advised to provide the details of at least one director along with the documentary evidence who is meeting the requirements of rule 11(1) as mentioned rule 11(3) of the Rules which is reproduced hereunder:

**11. Eligibility for registration.** – (1) A person shall be eligible for registration as a broker



Fin Tech (Pvt.) Limited

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*under these rules, if he (1).....*

*(3) Every applicant which is a corporate entity shall have at least one director who will satisfy the requirements set forth under sub-rule (1) above, provided that net worth and net capital of the corporate entity are used to fulfill the requirements set out under sub-rule (1) n.*

5. The Respondent in response to the aforesaid email submitted educational and experience documents in respect of Mr. Ali Shaffi one of the Directors of the Respondent. Upon scrutiny of the documents it was observed that the experience certificate of Mr. Ali Shaffi showed that he worked as a Freelancer Advisor expert on Forex, Commodities and Indices in **ajaj** (a UAE based company) from January 2011 to January 2017. It was further observed that Mr. Ali Shaffi completed his B.Sc. (Hons) from Beaconhouse National University Lahore from 2008 to 2012, i.e. there is an overlapping period while he was working in UAE and completing his studies in Lahore.

6. In view of the above facts the Respondent, prima facie, was not compliant with the Rules for grant of certificate of registration as broker. Consequently, a notice dated May 11, 2017 was issued to the Respondent whereby it was called upon to explain as to why the Respondent's application for grant registration as broker may not be refused. The Respondent had not submitted any written response against the said notice.

7. A hearing in the matter was held on May 16, 2017, wherein Mr. Ali Shaffi and Mr. Sammi Hussain, Directors of the Respondent called hereunder as (the "**Representatives**") of the Respondent, appeared before me and submitted as follows:

*Submission of Mr. Ali Shaffi, Director of the Respondent:*

- i. He was providing the advisory services while sitting in Pakistan for execution of trades for ajaj, a Dubai based company through virtual platform using IT systems.*
- ii. The remuneration agreed with the company for advisory services was 10% of the commission generated on the trades for which advisory was provided.*
- iii. The company paid him remuneration through moneychanger using on line system named as SKRILL.*
- iv. The said company is not registered with any regulatory body in Dubai.*
- v. He has also completed his MS while working with that company.*

*Submission of Mr. Sammi Hussain, Director of the Respondent:*

- i. He served in Enrichers (Pvt.) Ltd. but the said brokerage house is not issuing the experience letter as they became aware that I am setting up my own brokerage company.*

8. I have analyzed the facts of the case, relevant provisions of the Rules and arguments put forth by the Representatives of the Respondent during the course of hearing. Considering these following is hereby concluded:

- i. The CEO of the Respondent being a non-graduate is not fulfilling the requirement of rule 11(d);*

The document subsequently submitted in respect of Mr. Ali Shaffi, one of the Director





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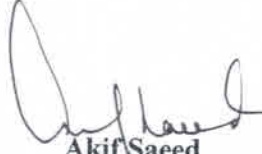
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of the Respondent was also found deficient with regard to rule 11(h) as the experience was not appropriate owing to the following:

- a. Mr. Ali Shaffi was not a full time employee of the company as he was providing Freelancer Advisory services for execution of trades.
- b. The company where Mr. Ali Shaffi worked is not registered with any regulatory authority of that country.
- c. Mr. Ali Shaffi failed to produce the evidence of payment of remuneration by the company through the legitimate banking channel.
- d. Mr. Sammi Hussain failed to produce any documentary evidence in support of requisite experience.

9. In view of the submissions and documents on record, I am of the considered opinion that granting certificate of registration to M/s. Fin Tech (Pvt.) Limited, will not be in the interest of the Commodities market. Therefore, the application of M/s. Fin Tech (Pvt.) Limited for grant of certificate of registration as broker under the Rules is hereby rejected.



  
Akif Saeed  
Commissioner (SMD)

Announced on May 26, 2017  
Islamabad.