



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

S/B
21/5/17

No. 4(BRC-322)PMEX/SMD/2017

May 26, 2017

Chief Executive Officer,
Motiwala Commodities (Private) Limited
House # 43-16-D,
Block 6, PECH,
Karachi.

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 Motiwala Commodities (Pvt.) Limited in terms of Application for Grant of Registration as Broker under the Commodity Exchange and Futures Contracts Rules, 2005 (the "Rules")

Date of Hearing	May 16, 2017
Present at the Hearing Representing Motiwala Commodities (Pvt.) Limited	Mr. Muhammad Hanif Chief Executive Officer
Assisting the Commissioner (SMD)	Mr. Faisal Nawaz Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s. Motiwala Commodities (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 March 15, 2017 forwarded the application of the Respondent for grant of certificate of registration as "broker" under the Rules. The application of the Respondent forwarded by PMEX was found deficient in respect of requisite information/documentation and same was communicated to PMEX vide email dated March 22, 2017 which was addressed by PMEX on April 01, 2017.

3. While processing the application it was observed that "Mr. Muhammad Hanif" the Chief Executive Officer (the "CEO") of the Respondent is not meeting the educational qualification requirement and applied for relaxation in educational qualification based on his experience 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;.....

The Respondent had not submitted any documentary evidence in respect of other director regarding fulfilling the requirements of rule 11(1) as mentioned in rule 11(3) of the Rules which is





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reproduced hereunder:

11. Eligibility for registration. – (1) A person shall be eligible for registration as a broker 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. In view of the above facts the Respondent, prima facie, was not compliant with the requirements of rule 11(1)(d) and rule 11(3) of 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.

6. A hearing in the matter was held on May 16, 2017, wherein Mr. Muhammad Hanif, the CEO of the Respondent, appeared before me and submitted as follows:

- i. *He has experience of 30 years in gold trading as manufacturer, seller and buyer.*
- ii. *He is also running a brokerage house in Dubai and mostly remains out of country.*
- iii. *In his absence, his son will look after the business in Pakistan.*

7. I have analyzed the facts of the case, relevant provisions of the Rules and arguments put forth by 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).
- ii. Furthermore, the Respondent failed to provide any documentary evidence in respect of other director regarding meeting the requirements of rule 11(1) as mentioned rule 11(3) of the Rules.

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



Akif Saeed
Akif Saeed
Commissioner (SMD)

Announced on May 26, 2017
Islamabad.