

Reproduced hereunder letter received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN, Securities Market Division, Licensing & Capital Issue Department**, regarding **FIRST EQUITY MODARABA**, for information of all concerned.

(Copy of the same is also available on our Website www.kse.com.pk).



Securities and Exchange Commission of Pakistan

Securities Market Division
Licensing & Capital Issue Department

No. SM/2(33)/MOD/BR/2015/

October 21, 2015

The Chief Executive Officer,

First Equity Modaraba,
Islamic Finance, B-1004, 10th Floor,
Lakson Square Building # 3,
Sarwar Shaheed Road,
Karachi.

SUBJECT: Permission to form a wholly owned subsidiary for transfer of Trading Right Entitlement Certificate (TREC) and brokerage related assets

Dear Sir,

This is with reference to your letter dated October 06, 2015 wherein the Modaraba requested the Commission to allow it to establish a wholly owned subsidiary for the purpose of transfer of TREC and brokerage related assets in compliance with the requirements of Demutualization Act, 2012.

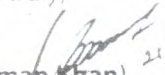
2. In this connection, I am directed to inform you that the Commission has considered and acceded to your request, subject to the following conditions:

- i. The Modaraba shall ensure that the operations of the wholly owned subsidiary are conducted in accordance with Shariah principles.
- ii. The Modaraba shall comply with any other condition imposed by the Registrar Modaraba in the best interest of Modaraba certificate holders.

3. I am further directed to inform you that the change of name of TREC holder i.e. from Modaraba to its wholly owned subsidiary shall not be construed as a transfer of TREC. In view of the above, you are advised to approach the Registrar Modaraba for formation of the wholly owned subsidiary and transfer of TREC and brokerage related assets.

4. Please note that the above approval has been granted to facilitate the Modarabas with valid TRECs. In future no Modaraba shall be allowed to form subsidiaries to undertake business of brokerage.

Yours truly,


(Nauman Khan)
Deputy Director (BR & ICW)

CC:

The Managing Director
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Stock Exchange Road,
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The Managing Director
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