

## **Prohibition of Wash Trades**

### **Wash Trade**

An ***illegal act*** in which an [investor buys](#) and [sells](#) the same security at the exact same time, either through two different brokers or the same. This results in neither [profit](#) nor [loss](#) for the investor, but creates the impression that the security is undergoing heavy [trading](#), which could drive up the [price](#) or generate unwarranted interest. The Transaction results in no change in the beneficial ownership of the security.

As per section 17(e)-iii of the Securities & Exchange Ordinance 1969,

-No person shall effect any transaction in such security which involves no change in its beneficial ownership; and

-No person shall enter into an order or orders for the purchase and sale of security which will ultimately cancel out each other and will not result in any change in the beneficial ownership of such security.

It is therefore requested to all our valued customers to refrain from entering in to the aforementioned and all other forms of transactions which are not allowed under the Rules and Regulations issued by the Securities & Exchange Commission of Pakistan and the Karachi Stock Exchange (Guarantee) Limited. In case of any violation on part of a customer, the customer will be the sole responsible for all consequences including losses and damages that may be suffered or sustained by KASB Securities.