



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

No. ENF./D-IV/Circulars/2007

Islamabad, February 26, 2007

## CIRCULAR NO.2 /2007

**Subject: DISSEMINATION OF CREDIT RATING**

The Securities and Exchange Commission of Pakistan (the "Commission") has observed that a large number of listed companies are disseminating the credit ratings obtained for various equity / credit instruments through print / electronic media without mentioning the name of the Credit Rating Agency from whom such rating has been obtained. It has further been observed that the companies are publishing the rating category or band instead of the exact rating.

2. The Commission is of the view that it is important to provide the name of the credit rating agency to enable potential investors to approach the agency for details. The credit rating provides the depositors, investors and creditors an independent assessment as to the institutions' capacity to meet its short term and long term obligations as well its future outlook & to make informed decisions about investment and deposit etc. in the institutions. The Commission is further of the view that it is important to state the exact rating rather than merely providing a band within which the rating falls.

3. Considering the critical importance of the information for overall health of the financial system and also to safeguard the interest of prospective investors, depositors and creditors, all the listed companies shall ensure that the following information is disclosed in all the documents through which applications / funds from public are invited:

- a) Name of credit rating agency;
- b) Exact rating instead of rating band or category only; and
- c) All the credit ratings along with the name of the credit rating agencies, if more than one credit rating has been obtained, instead of publishing the higher rating.

**Abid Hussain**  
Director (Enforcement)

**Distribution:**

1. Chief Executives of all listed companies
2. Chief Executives of Stock Exchanges, Karachi/ Lahore/ Islamabad
3. The President, Institute of Chartered Accountants of Pakistan
4. The President, Institute of Cost and Management Accountants of Pakistan
5. Press Information Department, Islamabad
6. Associated Press of Pakistan
7. All officers of the Commission