

PRESS RELEASE

Chairman CBR Visits SEC

ISLAMABAD – 6 April 2004: Dr. Tariq Hassan, Chairman, Securities and Exchange Commission of Pakistan (SEC) and Mr. Abdullah Yusuf, Chairman, Central Board of Revenue (CBR) have resolved to work in close coordination to promote a vibrant and efficient corporate sector in Pakistan. Mr. Abdullah Yusuf, who was appointed Chairman CBR last month, visited the SEC head office in Islamabad on Tuesday and met the Chairman and senior officials of the SEC.

During the meeting, the CBR Chairman was apprised about the structure and mandate of the SEC. The broad tax policy objectives, as envisaged by the SEC for benefit of the corporate sector, were also highlighted along with major issues and recommendations to allow graduation and progressive development of companies. The two regulators agreed that the existing framework for taxpayers should be rationalized and the objectives of tax policy clearly defined to encourage corporatization and investment in the country.

The Chairman CBR said that the two agencies must closely coordinate to achieve common objectives in the overall interest of Pakistan. Appreciating SEC's efforts towards corporatization of the economy, Mr. Yusuf said that "Corporatization would lead to better reporting mechanism, lesser tax evasion as well documentation of the economy." He also stressed on the need for providing appropriate incentives to encourage the service sector. "We must define the way forward to engender an environment conducive to investment", he said.

The Chairman SEC appreciated the cooperation that CBR has been extending to the SEC. He also proposed that CBR and SEC should collaborate to share their collective knowledge and experience and work together to resolve the issues faced by the corporate sector. He further suggested that a task force may be set up to analyze impediments to the growth of corporate sector and give recommendations in consultation with stakeholders.

Mr. Yusuf said that a reform program has been initiated in the CBR to facilitate and educate tax payers and invited the SEC Chairman to visit the CBR head office.