

PRESS RELEASE

Meeting of the EMC Advisory Board IOSCO

ISLAMABAD – 9 February 2004: The Securities and Exchange Commission of Pakistan (SEC), represented by its Chairman, Dr. Tariq Hassan, participated in the recently concluded meeting of the Emerging Markets Committee (EMC) Advisory Board of the International Organization of Securities Commissions (IOSCO).

As Chairman of the EMC Working Group (WG) 3, Dr. Hassan briefed the EMC Advisory Board on the activities of WG-3 and informed them that “cross border activities of securities firms in emerging markets” had been adopted as the new mandate as most members expressed their interest in this area. He further informed them that a small core group out of the members of the WG-3 would prepare the report on the new mandate.

Dr. Hassan also held a meeting of the core group comprising, in addition to the SEC, representatives of the Securities Commissions of India, Jordan, Malaysia, Nigeria, South Africa and Turkey. During this meeting, while discussing the objective behind the mandate, Dr. Hassan said, “EMC regulators must be in a position to assess the nature of cross-border transactions and equipped to take action. In this regard, cross-jurisdictional cooperation and information sharing is essential to ensure domestic stability and reduction of systemic risk.”

Chairman SEC further said that fraud, market manipulation, insider trading and other illegal conduct that crosses jurisdictional boundaries can and does occur more and more frequently in a global market aided by modern telecommunications. “Legislation and the enforcement powers of the regulator should be sufficient to ensure that it can be effective in cases of cross-border misconduct”, he added.

Dr. Hassan also discussed, at length, the methodology to be adopted. The members of the core group have, in principle, agreed to the approach outlined by Chairman SEC which included external as well as desk research, survey questionnaires, leading up to consultation on the draft report so prepared and then presentation of the final report to the EMC Advisory Board. They also discussed the possibility of holding a seminar under the auspices of the SEC to present the report once approved by the EMC Advisory Board.