

FPCCI President Visits SECP Head Office

Islamabad – December 1, 2005: President Federation of Pakistan Chambers of Commerce & Industry (FPCCI), Chaudhry Muhammad Saeed visited head office of the Securities and Exchange Commission of Pakistan (SECP) and met its Chairman, Dr. Tariq Hassan and other officials, today.

Mr. Zubair Ahmed Malik, Vice President FPCCI was also present. Various matters relating to licensing, formation and incorporation of trade organizations and renewal of their membership were discussed. Participants of the meeting were briefed on the regulatory framework for Trade Organisations (Tos) enshrined under the Trade Organizations Ordinance, 1961 and Companies Ordinance, 1984. It was observed that 177 TOs including 143 associations and 34 chambers were registered with the SECP.

The meeting endorsed FPCCI's proposal that members of each TO representing a particular trade sector must have at least 75 percent of the registered business in that trade. It was observed that the TOs had weak compliance in filing their statutory returns and the compliance rate was required to be improved. Furthermore, it was noted with concern that promoters of some associations, after obtaining licence from Ministry of Commerce, did not take steps for incorporation of the association under the Companies Ordinance.

The meeting proposed establishment of a trilateral Task Force of the SECP, FPCCI and Ministry of Commerce on "Licensing and Registration of Tos," which would look into institutional and regulatory framework relating to trade organisations and suggest changes therein, prepare guidelines, devise ways and means for encouraging corporatization of members of TOs, suggest methodology for improving compliance with statutory provisions by TOs and make suggestions for applicability of Code of Corporate Governance proposed for TOs.

Dr. Hassan stressed the need for achieving the objectives of corporatisation of business entities, strengthening the representative organizations, enhancing compliance and ensuring good corporate governance in corporate sector. He urged increased coordination between SECP, FPCCI and Director TOs to share information and take steps for awareness raising on corporatisation. The President, FPCCI appreciated the SECP's efforts for corporatisation and hoped assured his full cooperation in this regard. He informed that FPCCI was revamping the Federation, creating research and development wing, investing in human resource development, carrying out sectoral studies and providing on-line connectivity to all its members.

The other participants from SECP were Dr. Sajid Qureshi, Executive Director Company Law, Mr. Nazir Ahmed Shahen, Registrar of Companies and Mr. Muhammad Naveed Chaudhry, Director Company Law.