

PRESS RELEASE

Coordination Meeting Between SEC and Management of NCCPL and CDC

ISLAMABAD – 14 April 2004: The Securities and Exchange Commission of Pakistan (SEC) and the Central Depository Company (CDC) have resolved to work in close coordination in respect of insider trading and cases involving tenderable gain.

This was decided during a coordination meeting between the SEC and the managements of the National Clearing Company of Pakistan Limited (NCC) and the Central Depository Company (CDC), which was held at the SEC head office in Islamabad on Wednesday. The meeting discussed the progress of the NCC and CDC and the issues they were faced with and the areas where further coordination was required.

While discussing the improved financials of the NCC, it was agreed that the company was swiftly moving towards a self-sustaining position. In this regard, Dr. Tariq Hassan, Chairman, SEC stressed that the National Clearing Company should strive to install independent management and chief executive officer at the earliest.

It was discussed that the composition of the Board of Directors of NCC needs to be broad based and reputable financial institutions should be screened for allocation of the 15% remaining equity stake of NCC. The management apprised Chairman SEC of the development of new functionalities such as Broker to Broker transactions and Institutional Delivery System. The Chairman, while encouraging the initiative of the management stressed on a focused and more urgent approach towards establishment of comprehensive risk management systems at NCC. The management also apprised the Chairman SEC that clearing and settlement of Futures Contracts and OTC Trades are to be initiated from June this year.

While briefing the Chairman SEC about the progress of CDC, the management stated that the company is in process of reengineering Central Depository System from Progress to Oracle based database system. It was also stated that future agenda of CDC includes access of Investor Account Service (IAS) and Sub-Account facility through the Internet. Moreover, dematerialization of Mutual Funds Units as well initial deposit of securities directly through CDC to IAS will be achieved by June this year.

The Chairman SEC emphasized on the need of inducting all the remaining securities in the CDS and said that management of CDC should seek to improve its marketing strategy in order to achieve this objective.

The meeting was attended, among others, by Mr. Shahid Ghaffar, Commissioner, SEC; Mr. Hanif Jhakura, CEO, NCC & CDC; and Mr. Aftab Dewan, Head of Operations, NCC & CDC.