

PRESS RELEASE

10th Meeting of the SEC-SBP Coordination Committee

ISLAMABAD – 15 June 2004: The Securities and Exchange Commission of Pakistan (SEC) and the State Bank of Pakistan (SBP) are considering the possibility of developing secondary market in debt instruments, including corporate debt as well as government debt (PIBs). The heads of the two regulatory bodies agreed that this would promote greater transparency, accessibility and uniformity in dealing of debt instruments.

The issue was discussed during the 10th meeting of the SEC-SBP Coordination Committee which was held at the SEC head office in Islamabad today. The main areas of discussion at the meeting included: margin financing, development of secondary market in Term Finance Certificates and government securities, review of the status and future course of action with regard to multi-level marketing activities and non-regulated brokerage business, and regulation of real-estate developers and brokers.

The two regulators also discussed in detail the introduction of margin financing. It was agreed that joint efforts would be undertaken in this regard. SEC and SBP have previously been coordinating on a number of matters. In particular, concerted efforts have been made to take action against illegal brokerage houses, as a result of which prompt and timely measures were instituted by both the regulatory authorities.