

PRESS RELEASE

Chairman SEC Visits KCA

KARACHI – 16 April 2004: The Chairman Securities and Exchange Commission of Pakistan (SEC) Dr. Tariq Hassan has asserted that organizations wishing to enter into hedge trading must, first and foremost, have adequate financial and professional resources, risk management procedures and state-of-the-art technology.

Dr. Hassan said this during his visit to the Karachi Cotton Association (KCA) today where he met with Mr. Iqbal Umer, Chairman and other members of the KCA. After a brief address by the Chairman KCA welcoming Dr. Hassan, Mr. Zahid Bashir, former Chairman of the KCA, made a detailed presentation highlighting the activities of the Association over the past years.

During the meeting, the KCA represented that they were the oldest and most experienced organization in Pakistan to deal with cotton hedge trading and therefore sought approval to engage in the said activity. The Chairman SEC indicated that KCA would have to make a formal proposal, which would be evaluated and the decision would be made on merit. While evaluating the application the SEC would look at the adequate risk management procedures, the financial and professional resources, and the technological resources at the disposal of the KCA.

The emergence of trading in futures contracts in cotton would provide investors/stakeholders with basic hedging instruments, enable economic players to lock in costs, and would also stimulate the investment climate of the country.