

PRESS RELEASE

Chairman SEC Visits Faisalabad Chambers of Commerce and Industry

Faisalabad, the 28th June, 2004: In response to an invitation from Chambers of Commerce and Industry, Faisalabad, the Chairman, Securities and Exchange Commission of Pakistan (SEC) Dr. Tariq Hassan, visited Faisalabad on Monday and exchanged views on the matter of mutual interest. Responding to the demand of the Chambers to setup a Stock Exchange at Faisalabad, the Chairman, SEC informed them that an expert committee on Demutualization of Stock Exchange had already been setup and "all should wait for the report by the expert committee". He also informed the members that the recommendation received from the various Chambers including Faisalabad, demanding reduction in the tax on corporate sector were forwarded to the Central Board of Revenue. Out of which few have already been accepted. About remaining the SEC intends to setup a task force to rationalize the entire tax structure of the corporate sector.

Expressing his thanks for inviting him to Faisalabad and providing an opportunity to meet with the members of business community, the Chairman, said that SEC had initiated a number of reforms to improve the integrity of the capital market and restore the confidence of investors. The reforms have proved very successful as is evident from the boom in the stock market. The KSE 100 index has broken all the previous records by crossing the 5000 points limits and achieving almost 100 percent increase in market capitalization. The overwhelming response received from the small investors for purchase of shares of OGDCL, Sui Southern Gas, Bank Alfala and PIA testified to the fact that the investors confidence has been restored. Besides the SEC introduced the concept of single membership so that a small and medium enterprises could also be enlisted as companies.

To encourage market capitalization, the SEC has undertaken far-reaching reforms. It is trying to prove on line trading facility to the investors. Stockbrokers have also instructed to setup their offices in the district and small towns so that the small investors could safely invest their amount without any risk. Similarly the Insurance Companies have been asked to initiate their business operation at small places.

Mian Aftab Ahmed, President, Chambers of Commerce and Industry, Faisalabad in his welcome address highly appreciated the reforms agenda initiated by the SEC during the last few years. He complimented the SEC for its on going reforms program which has already made a healthy impact in the capital market.