

PRESS RELEASE

Conference on Corporate Governance in Pakistan: Regulation, Supervision and Performance

LAHORE – 29 May 2004: Dr. Tariq Hassan, Chairman, Securities and Exchange Commission of Pakistan (SEC) has stressed that modern enterprises cannot succeed unless they adopt and implement good management practices that seek to protect the interests of stakeholders.

Dr. Hassan said this during the inaugural session of the two-day conference on "Corporate Governance in Pakistan: Regulation, Supervision and Performance" organized by the SEC and the Lahore University of Management Sciences (LUMS) in Lahore. This is the first ever conference on corporate governance in Pakistan which aims to bring to the forefront stimulating discussion on and promotion of various aspects related to corporate governance and corporate social responsibility in the country.

Addressing the participants of the conference, Dr. Hassan said: "Over a period of two years since its implementation, a firm impression appears that the Code of Corporate Governance has been accepted in principle by the listed companies – both large and small. However, the degree of implementation varies from business to business. The type of business and ownership pattern plays a vital role in the implementation process and the degree of effectiveness. However, the Code has certainly served as a "wake-up call" for particularly such corporate managements who were, until recently, not quite conscious of their corporate and fiduciary responsibilities to the desired level."

Speaking on the initiatives to further promote corporate governance, the Chairman SEC informed the audience that the SEC was at the concluding stages to establish an Institute of Corporate Governance in Pakistan in consultation with other stakeholders. The Institute will be an independent entity – owned by a balanced representation from public and private sectors – to undertake various activities for education, training, awareness, communication, research and publications on good corporate governance practices and the role of various stakeholders, including management, to implement these practices in letter and spirit. The establishment of the Institute would be catalytic in creating awareness on corporate governance among public and private sector business entities and extending these practices across the entire corporate sector.

He also informed them of the SEC's recent endeavour to create awareness among non-listed companies and state-owned enterprises about the need for good corporate governance.

Dr. Philip N. Pillai, Director, Monetary Authority of Singapore has been invited to deliver a lecture at the conclusion of the conference tomorrow. Other speakers include Mr. Onder Yucer, Resident Representative, United Nations Development

Programme; Ms. Ambreen Waheed, Executive Director, Responsible Business Initiative; Mr. Zaffar A. Khan, Chairman, Board of Directors, PTCL; Ms. Catherine Martens Malik, Former Director, Schroder Investment Management, UK; Mr. Mujahid Eshai, President, Institute of Chartered Accountants of Pakistan; and Mr. Nasim Beg, Chief Executive, Arif Habib Investments. In addition, academic papers would be presented by various business schools including LUMS and Institute of Business Administration, Karachi during the course of the conference.