

# PRESS RELEASE

## **SEC Chairman proposes three-pronged approach to achieve regional capital market integration in SAARC**

**ISLAMABAD – 30 August 2004:** The Chairman, Securities and Exchange Commission of Pakistan (SEC), Dr. Tariq Hassan, has proposed a three-pronged approach to achieve regional capital market integration in South Asian Association for Regional Cooperation (SAARC) region.

A speech was delivered on his behalf at a conference organized by the South Asian Federation of Accountants (SAFA) and the Institute of Chartered Accountants of India on "Integrated Financial Sector in the SAARC Region", in New Delhi, India.

The three-pronged approach, Dr. Hassan said should include: enhanced collaboration amongst SAARC capital market regulators through MoUs and other such bilateral accords/agreements; harmonization of laws regulations, accounting and governance standards and development of a regulatory framework with regard to enforcement, compliance, investor protection and information sharing co-operation etc.; and facilitation of cross border transactions within the region.

The SEC Chairman observed that regional economic associations were fast emerging out of the threats of globalisation. He said domestic securities markets were being increasingly integrated into a global market thus the increasing importance of cross-border operations in today's capital markets could not be overlooked.

In order to save the securities markets of the emerging countries from the negative effects of cross border activities, Dr. Hassan said that the International Organization of Securities Commissions (IOSCO) has emphasized the need for global and integrated regulators who are in a position to assess the nature of cross border conduct in order to ensure the existence of fair, efficient and transparent markets.

Dr. Hassan urged the SAARC to play its role in the integration of capital markets of the South Asian countries. "The SAARC countries should move beyond political aspiration to economic action," he said adding that greater coordination and effort was required to ensure that capital market integration becomes a reality in South Asia.

The SEC Chairman hoped that the increased dialogue and cooperation between member states as provided by such fora would lead to improved securities regulation and the promotion of vibrant capital markets in the region.