

Press Release

Feasibility Study of Exchange-traded Derivatives Completed

Islamabad – February 7, 2006: A committee formed by the Securities and Exchange Commission of Pakistan (SECP) to study feasibility of introducing exchange-traded derivatives in Pakistan, presented its report to the Chairman SECP, Mr. Razi-ur-Rahman Khan, at the SECP head office in Islamabad.

The Chairman of the Committee, Mr. Ali Ansari, along with other members, presented the report. The members of the committee including Executive Director (Securities Market), Mr. Arif Mian, Mr. Imran Kamal, Mr. Imran Janjua, Mr. Mian Asif Said and Mr. Nihal Cassim have given their precious input towards the finalization of the report.

The report encompasses various aspects of an exchange-traded derivatives market and highlights the prerequisites and a roadmap for their introduction. It also details the developments of other emerging derivative markets including Korea, Malaysia, Brazil and India besides deliberating on the results of introducing exchange-traded derivatives and their suitability with reference to Pakistani capital markets.

To assess its suitability, the report covers broad areas of the derivatives market and its prerequisites including market and legal infrastructure, exchange and clearinghouse structure, intermediaries, investor protection and education.

The SECP plans to establish an exchange traded derivatives capability within the near future to help promote the Pakistani capital markets and to provide an alternative mechanism for leveraging on the equity markets which is a substitute for the current CFS system.

Public and other stakeholders can give their comments on the report till 10 March 2006. The report is available on the SECP's website, www.secp.gov.pk