



## Press Release

*February 16, 2015*

*For immediate release*

### **Ishaq Dar asks SECP to take strict action against inside trading to set a Precedent**

ISLAMABAD, February 16: Federal Minister for Finance, Revenue and Statistics Senator Muhammad Ishaq Dar has emphatically asked the Securities and Exchange Commission of Pakistan (SECP) to adopt policy of zero tolerance against insider trading and set example by identifying and penalizing black sheep in stock market so that it serves as deterrence and the menace is curbed.

He said that incidents of insider trading and market manipulation like price manipulation, blank selling, front running etc. severely damage the small investors and must be curbed for the protection of investors' interest.

On his visit to the SECP office here on Monday, detailed presentations were delivered by the SECP chairman and commissioners in relation to the SECP reform agenda and areas requiring the government's support. The Finance Minister while appreciating the SECP's efforts highlighted the immense potential of the NBFIs and Insurance Sector. He desired detailed presentations on these sectors based on the ideas presented so that necessary steps can be agreed and implemented for the development of these crucial segments.

Later, while addressing the SECP employees he said that the role of SECP is not limited to regulate the corporate and capital sector, but also to facilitate and protect small investors.

He complemented the SECP Chairman Mr Zafar Hijazi and his team for their excellent performance and enhancing SECP's regulatory role and hoped that they will continue the current pace of work. In this connection, he especially mentioned the SECP's recent initiatives including development of Sukuk Regulations, Book Building Regulations, Unit Link Rules for Life Insurance, approval of REITs etc. He expressed his concern that the full potential of the Pakistan Mercantile Exchange Limited was not being realized and hoped that the SECP Chairman would take necessary measures for the development of the commodities market in Pakistan. While advising the SECP to submit its tax proposals on priority he cited example of tax avoidance in relation to tax levied on bonus shares. He assured his confidence that this issue will be settled in favour of the government.

While giving future guidelines, the Finance Minister said that Pakistan had to go a long way for the development of financial institutions for long term funding as commercial banks cannot fulfil the financial needs for the development of industrial sector.

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He said that the government had taken measures to make Pakistan economically a sovereign country. He said when the present government took over, all the international financial institutions were fearing that the Pakistan would default by 2014, but now with positive and sincere steps, not only the financial credibility of Pakistan has increased but the foreign reserves which earlier stood at \$7.5 billion are now in the range of \$16 billion.

He referred to the laudable services of SECP's previous chairmen who built the organization. In this connection he said the founding Chairman of the SECP Mr. Shamim Ahmad Khan worked hard to put the SECP on sound footings and making it a credible regulatory authority. Likewise, the services of former SECP Chairman Tariq Hasan and Khalid Mirza are also praiseworthy.

The Finance Minister agreed with the Chairman SECP's request for having its own building and assured his support in this regard. He also assured his full support in expediting enactment of various legislations crucial for the development of sectors under SECP preview. The Chairman SECP Mr. Zafar Hijazi while welcoming the Finance Minister assured him that the SECP employees were totally committed to their jobs and were deploying their best efforts to meet public expectations. He said that the SECP is very firm in its mission of the development of a transparent and vibrant capital market, efficient and compliant insurance, NBFC and corporate sectors.

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