

Press Release

SECP Constitutes Committee for Debt Capital Market Development

Islamabad– 13 June 2006: The Securities and Exchange Commission of Pakistan (SECP) has constituted a high-powered committee of bankers under the chairmanship of SECP Chairman Mr. Razi ur Rehman Khan for the development and promotion of Debt Capital Market in Pakistan.

At present the debt capital market of the country lacks liquidity and efficiency. Considerable work has been done in the past on Debt Capital Market in Pakistan. SECP after consultation with the stock exchanges and various market participants has suggested a number of measures to promote the debt capital market and to overcome the impediments to its development which include reduction in the initial listing fee of the Karachi Stock Exchange from Rs 500,000 to Rs 100,000 and proposing a reduction in stamp duty rates applicable upon issuance of corporate bonds and commercial papers, to the Ministry of Finance. The appointment of market makers for the first time in a public issue of debt securities was made in the recent issue of TFCs to the general public by Pakistan Mobile Communications Limited which is a step in the right direction for the improvement of liquidity in the debt capital market.

The SECP deems it necessary to form a committee of experts comprising of SECP Chairman, Mr. Shehzad Naqvi (President, Crescent Commercial Bank) Vice Chairman of the Committee, Mr. Saleem Raza (CEO, Pakistan Business Council) Mr. M. Azimuddin (President, My Bank Limited), Mr. Asad Umer (President, Engro Chemicals Pakistan Limited), Mr. Khozem HaiderMota (HaiderMota and Company), Ms. Naz Chohan (CEO, KASB Fund Limited), Mr. Intikhab Ahmed (Vice President Citibank), Miss Jahanara Sajjad Ahmad (Joint Director, SECP) and Mr. Jamal Baqur (SEVP, Crescent Commercial Bank) who would act as Secretary to the Committee. The Committee is entrusted with the task to quickly identify the issues hindering its growth and to make suitable recommendations to kick start the Debt Capital Market.

The SECP envisages that the recommendations of this committee once implemented will lead towards the growth and development of Debt Capital market in the country. This will also strengthen the linkages between the Commission, the State Bank of Pakistan, and other stakeholders within the Government and the corporate sector.

The SECP endeavours to enhance the liquidity and efficiency of the debt capital market and to encourage transparency in trading of debt securities.