

Press Release

SECP Circulates Revised Paper on CFS Mk II

Islamabad – June 29, 2006: The Securities and Exchange Commission of Pakistan (SECP) on June 28, 2006 has circulated a revised paper on CFS Mk II incorporating all the accepted amendments proposed by various stakeholders.

It is pertinent to mention that a high-powered committee under the Chairmanship of Shaukat Tareen and comprising representatives of the three stock exchanges, the SECP, Mutual Funds Association of Pakistan, stock brokers and bankers had been established to iron out details and finalise documentational issues. The first meeting of the Committee will be held on 30 June 2006.

CFS Mk II will address the biases inherent in the existing finance models, namely CFS and the un-official Badla Finance System which promotes undue systemic risks and precludes the formation of a level playing field for all market participants. CFS Mk II is expected to eliminate these risks and inequalities and facilitate a transparent and efficient financing product for the market.