



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP briefs Senate Finance Committee on amendments to Code of Corporate Governance

ISLAMABAD, January 5: The Securities and Exchange Commission of Pakistan briefed the Senate Standing Committee on Finance, Revenue and Planning and Development and Economic Affairs and Statistics, chaired by Senator Ahmed Ali, on the proposed amendments to the 2002 Code of Corporate Governance.

Mr Muhammad Ali, the SECP Chairman, gave a detailed presentation to the committee. The Corporate Governance is imperative to ensure transparency and accountability in the corporate sector and safeguarding the interest of all stakeholders, said Mr. Ali. “Good corporate governance practices serve as incentive for attracting foreign investment and enhance companies’ access to capital.”

The 2002 Code of Corporate Governance was the first ever institutional effort to prescribe enhanced disclosure and corporate governance standards. The Code, applicable to all listed companies, is a compilation of best international practices, tailored to local conditions and provides a framework for efficient control and management of listed companies. The SECP, being the apex regulator of the capital markets, oversees the enforcement and implementation of the Code while the stock exchanges are primarily responsible for its enforcement. The SECP is empowered to approve any amendments to the Code and to allow any relaxation from the provisions of the code subject to fulfillment of necessary conditions.

The SECP initiated review of the Code taking into account the lessons learned from practical issues and considerations relevant to listed companies. The SECP released the revised draft of the Code for public consultation in October 2010, proposing amendments to evolve the governance requirements according to the changing business concerns and practices and to adopt international corporate governance standards. Some of the important amendments include representation of independent and executive directors, roles of chairman and CEO, number of total directorships in listed companies held by an individual, self-evaluation of the boards; directors’ education, training and remuneration, additional committees of the board.

The SECP has launched a consultation process among stakeholders to reform the Code and received substantive feedback. The SECP will undertake another round of consultations with major stakeholders on the final revised Code. The Senate committee will again be briefed on final revised Code before its implementation.

Shakil Ahmad Chaudhary
Head, Internal and External Communication
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Islamabad
Tel: 921-4005 or 921-4009 ext. 378
Fax: 920-6459
Cell: 0302-855-2254
email: shakil.chaudhary@secp.gov.pk