



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

IOSCO publishes SECP's Report on Regulation of Market Intermediaries' Conflicts of Interest

ISLAMABAD: October 25: The Securities and Exchange Commission of Pakistan (SECP), being co-chairs of the International Organization of Securities Commission's (IOSCO) Emerging Markets Committee (EMC) Working Group (WG) 3 for the regulation of Market Intermediaries', prepared an exhaustive set of guidelines through its report *Efficient Regulation of Conflicts of Interest Facing Market Intermediaries*, which had been approved by the EMC on October 15 at the EMC Annual Conference in Istanbul and thereafter published as an IOSCO report.

A survey of the 23 EMC member jurisdictions was undertaken to obtain feedback and analyze their practices on "addressing the Market Intermediaries Conflicts of Interest". The report developed in terms of the mandate and results of the survey, broadly examines the current regulatory infrastructure for market intermediaries and approaches adopted by the regulators to address conflicts of interest in different jurisdictions. The report attempted to draw out some guidelines to effectively address the conflicts of interest faced by the market.

The SECP has been a member of IOSCO since 1993 and has been chairing the IOSCO EMC's WG3, since October 2003 when Pakistan got elected to chair this important international forum for the "Regulation of Market Intermediaries". The SECP has earlier worked on the following mandates since becoming the chair of IOSCO's EMC WG3.

- Cross-border Activities of Market Intermediaries in Emerging Markets –in March 2005
- Guidance to Emerging Markets Regulators Regarding Capital Adequacy Requirements for Financial Intermediaries- in January 2007.
- Guidelines for Minimum Entry Requirements and Continuous Risk Based Supervision for Market Intermediaries - in November 2009

"Entrusted with the responsibility to chair this important international committee, the SECP took the lead in the emerging markets region on regulation of financial intermediaries, particularly emphasizing vital areas like capital flows, corporate governance and combating money laundering activities," observed Mr Salman Shaikh, the SECP Chairman.

He also notes that Pakistan's contribution to this vital forum has been a factor to improve country's image at this international forum dovetailed with the SECP's successful implementation of capital market reforms.

All reports developed by SECP under the auspices of IOSCO have been placed on the SECP website on the following link http://www.secp.gov.pk/IACCD/iaccd_reports.asp