



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Press Release

Pakistan Elected to the Global Securities Regulatory Board

ISLAMABAD: May 15: The Securities and Exchange Commission of Pakistan (SECP) elected to the International Organization of Securities Commissions (IOSCO) Board established today at the IOSCO Annual Conference in Beijing. The SECP successfully contested the elections against various IOSCO members. This is the first time in the history of Pakistan that a regulatory body has been elected to a decision making board at an international forum.

IOSCO, the international standard setter in the field of securities regulation has a membership base from 115 countries covering more than 95% of the world's capital markets and has the commitment to establish and maintain consistently high regulatory standards for the securities industry. The SECP has been a member of IOSCO since 1998.

In order to effectively implement international securities regulatory principles, IOSCO has implemented the New Strategic Direction to strengthen its role in the international financial community and align its strategic direction with the evolving financial regulatory landscape. Under this Strategic Direction IOSCO has eliminated the distinction between developed and emerging markets jurisdictions in its three key functions; policy & standard setting, market development and coordination & outreach.

The IOSCO Board apart from the SECP comprises of approximately 30 securities regulators from jurisdictions including members of the IOSCO Technical Committee; (United States, United Kingdom, Japan, France, Germany, China, Canada, Italy, Australia, India, Brazil, Hong Kong, Mexico, Netherlands, Spain and Switzerland) the Chairman and Vice Chairman of the Emerging Markets Committee, Chairmen of four IOSCO Regional Committees; and 2 ordinary members elected by each Regional Committee from among the ordinary members of that region.

IOSCO Board has a major representation from developed countries with advanced capital markets, whereas a number of developing and emerging countries are members of IOSCO. The SECP's election to IOSCO Board brings more balance and diversity to the IOSCO Board, enabling it to act as a representative and voice of the developing capital markets. The SECP's endeavor to form part of the IOSCO Board was supported by a host of jurisdictions including Australia, China, India, Japan, Korea and Singapore to name a few.

The SECP, a signatory to IOSCO's Multilateral Memorandum of Understanding, remains committed to advance IOSCO's mandate through its contribution and participation in various committees and task forces constituted by IOSCO. SECP has

also been the Chair of IOSCO EMC Working Group 3 on regulation of Market Intermediaries since 2003, presently holds the designation of Co-Chair of the Working Group and will hold the position of vice chair IOSCO Committee on Market Intermediaries from 2013-14. In addition, the SECP is also project team member of EMC WG5 on Investment Management, member of the taskforce on development of corporate bond markets and member of the taskforce on Capital Financing of SMEs through the Capital Markets.

The SECP will now form an integral part of IOSCO's Board responsible for taking all decisions and undertaking all actions necessary or convenient to achieve the objectives of the organization. The Board will convene for the first time on May 17 2012 before the closing of the IOSCO Annual Conference 2012.

SECP's presence on the IOSCO Board will substantiate the mandate of IOSCO since, as a global representative of capital market regulators around the world, it is important for IOSCO to engender focused and constructive dialogue amongst securities regulators so that the policies and standards for securities regulation reflect broad consensus of member jurisdictions. In this regard, SECP's bilateral links with its counterpart regulators in emerging market jurisdictions would add value to the IOSCO Board in terms of facilitating a consultative dialogue process for the mutual benefit of emerging market regulators.

Being elected to the Board portrays Pakistan's contribution to this vital forum and has been a key factor in improving the country's image globally. The SECP Chairman Mr. Muhammad Ali who will be the SECP's representative to the Board, while delivering his speech on the occasion stated, "IOSCO has a critical role in leading the development of the global framework for securities markets and Pakistan looks forward to supporting this progress as part of the think tank towards improving regulatory standards.

The SECP has the resources to commit towards taking IOSCO's mandate forward, comprehend the issues faced by IOSCO member community and has the passion to bring new ideas to make IOSCO an effective standard setting body. Markets in Pakistan are at a key development stage and thus Pakistan will be in a unique position to bring to the fore the issues faced by the emerging markets".

Being an emerging economy in the Asia Pacific region, Pakistan's experience in implementation of global standards and reforms, put SECP in a good position to add substantial value to the IOSCO Board. The SECP is currently a part of the IOSCO Presidents Committee, Emerging Markets Committee (EMC), Emerging Markets Committee Advisory Board (EMCAB), Asia Pacific Regional Committee and Assessment Committee. Furthermore, the SECP is also a full signatory to IOSCO's Multilateral Memorandum of Understanding (MMoU) for cross border cooperation and information exchange.

Apart from IOSCO, SECP is also a member of the International Association of Insurance Supervisors (IAIS) and International Organization of Pension Supervisors (IOPS). Mr. Muhammad Ali quoted "By virtue of its participation and active contribution at these forums to benchmark Pakistan's financial markets with international standards, SECP has developed expertise and experience in regulatory

issues across these sectors. We understand that our work experience with IAIS and IOPS will add value to the role at IOSCO Board, considering the linkages of all these financial sector standard setting forums”.

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