



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Strategy, Development and External Relations Department

Press Release

SECP, KSE compare notes on new broker registration regime

Karachi, December 7: Senior SECP officials, headed by the SECP Chairman, and Chairman, Karachi Stock Exchange met with the Board of Directors, Management and Members of the Karachi Stock Exchange on Wednesday.

The meeting discussed various important market related matters including the proposed new broker registration regime. The SECP briefed the participants on the various significant steps taken by it to ensure sustainability and providing confidence to the market participants and proposals that were under discussions. It was emphasized that all reform measures that have been introduced in the past and currently being considered were in close coordination and consultation with the relevant stakeholders and are designed to improve trading volumes and enhancing retail participation in the stock market.

The participants were briefed on the SECP's strategic objectives for the coming years. The key objectives highlighted include:

- (i) Structural and regulatory reforms for the market;
- (ii) Measures for investor education/awareness, restoration of investor confidence and expansion of market outreach;
- (iii) Development of equity market in particular the derivative market,
- (iv) Development of debt market,
- (v) Development of commodity and currency markets;
- (vi) Strengthening the capital market intermediaries for efficient operations and improved regulation;
- (vii) Improving governance, risk management, efficiency and transparency in the market operations
- (viii) Development of Islamic Products and Shariah-compliant investment alternatives; and
- (ix) Image-building of the market.

While discussing the concept paper on proposed new "Broker Registration Regime" the SECP reiterated that the proposed regime would help in strengthening the market by allowing only fit and proper brokers to operate in the market. It will provide a framework where only qualified, experienced, sustainable, technically and financially strong market participants would operate as brokers. All these measures will help in better protection of the interests of the investors and would lead our market to another step closer to acceptable best international standards. It was also clarified that the concept paper was sent to the exchanges for soliciting comments and that the regime will be finalized after giving due consideration to the concerns and feedback of the stakeholders.

In addition, other proposals such as, corporatization of exchanges, streamlining the account opening process and corporate governance issues including matters related with the Clearing House protection fund were also discussed. SECP assured that all proposals are under the review process and the future course of action will be taken in the light of legal provisions with the aim to provide appropriate facilitation and support to the market. The regulators

agreed to continue the consultative process and coordinated approach in future also to ensure implementation of various market reform measures.

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](mailto:shakil.chaudhary@secp.gov.pk)