



*For Immediate Release*  
**PRESS RELEASE**

## **SECP, experts for new strategy to combat fraudulent businesses**

**ISLAMABAD, January 8:** A high level meeting was held at the SECP head office on Tuesday. The representatives of the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, National Accountability Bureau, Federal Investigation Agency, Financial Monitoring Unit and the federal and provincial police agreed to devise a comprehensive strategy to combat illegal business activities, including Ponzi and pyramid schemes, carried out by companies and unregistered entities.

“The effects of fraudulent businesses can be devastating, robbing people of their hard-earned money. Through our collective and sincere efforts, we need to create a society that has zero tolerance for fraudulent businesses. In order to achieve this objective, we urgently need to have a new strategy. While emphasized the need for developing a national anti-fraud strategy, he said that the coordination mechanism should be institutionalized by setting up an all-encompassing anti-fraud body like the National Fraud Authority of the UK. Mr. Tahir Mahmood, the SECP Commissioner, said on the occasion.

The SECP Executive Director, made a comprehensive presentation on ‘Combating Fraudulent Businesses Together’. He elaborated on various frauds encountered in near past such as forex companies, multi-level marketing, illegal deposit taking, prize schemes etc. He emphasized the need for developing a whistle-blowers’ hotline and rapid proactive approach. Spot it—stop it, should be the slogan of this strategy, he said.

The participants of the meeting deliberated on ways of preventing illegal business activities, including Ponzi and pyramid schemes. They unanimously agreed on the need for a new strategy to combat all kinds of business scams. Some participants said that in addition to amending old laws, there was a need for a new law to deal with fraudulent businesses.

The meeting was organized to achieve synergy to prevent fraudulent business activities aimed at cheating the public. It agreed on sharing of information to identify and prevent business scams. It identified various areas of common interest, including intelligence sharing, and training of investigators.

The participants suggested media anchors should also be made part of committee. A participant expressed the view that NADRA should also be involved in this effort. It was

**Imran Ghaznavi | Head, Media and Corporate Communications Department/Spokesperson**

Securities and Exchange Commission of Pakistan

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad – 44000 Pakistan

Direct # +92 51 9206513 Fax # +92 51 9206515 Cell: \_+92 333-5116666

Email: [imran.ghaznavi@secp.gov.pk](mailto:imran.ghaznavi@secp.gov.pk)

[www.secp.gov.pk](http://www.secp.gov.pk)

decided that the SECP would request various law enforcing and investigating agencies to nominate focal persons for coordination.

It may be added here that in 2003, the SECP had received many complaints regarding fraudulent businesses. Consequently, it formed a committee comprising of representatives of the SECP, State Bank and NAB. Now more stakeholders such as the FIA, FMU and police have been made part of this initiative.

**Tickers:**

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- The representatives of the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, National Accountability Bureau, Federal Investigation Agency, Financial Monitoring Unit and the federal and provincial police agreed to devise a comprehensive strategy to combat illegal business activities, including Ponzi and pyramid schemes, carried out by companies and unregistered entities.
- The effects of fraudulent businesses can be devastating, robbing people of their hard-earned money. Through our collective and sincere efforts, we need to create a society that has zero tolerance for fraudulent businesses. SECP commissioner

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[www.secp.gov.pk](http://www.secp.gov.pk)