



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Press Release

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For immediate release

SECP grants in principle approval to the formation of PSE

Islamabad, November 2: The Securities and Exchange Commission of Pakistan (SECP) has today granted in-principle approval to the schemes of integration between the Karachi Stock Exchange Limited (KSE), Lahore Stock Exchange Limited (LSE) and Islamabad Stock Exchange Limited (ISE) under the name of Pakistan Stock Exchange (PSE).

The Commission, in exercise of the powers conferred to the Commission under section 18 of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 granted the approval in its meeting held at SECP head office on Monday.

The KSE, LSE and ISE had earlier entered into a Memorandum of Understanding (MOU) on August 25, 2015 for their integration into one single trading platform. The stock exchanges last week, formally submitted their schemes of integration under section 17 of the Act after getting consent from their respective boards and general bodies, for approval of the SECP.

Following receipt of in-principle approval of the SECP, in terms of requirements of the Act the stock exchanges shall now be publishing the these schemes of integration in at least two English and two Urdu daily newspapers of national coverage. Stakeholders would have fifteen days from the date of publication of the schemes to submit to the SECP objections, if any, along with reasons as to why the SECP should not approve the schemes of the integration. Upon receipt of such written objections to the schemes of integration, the SECP shall provide a reasonable opportunity of being heard to such objectors.

It is expected that an integrated stock exchange will encourage true competition between the brokers in terms of best price and order execution while improving market outreach and enhancing service delivery to investors across the country. Reduced fragmentation, increased efficiency, improved governance standards and synergies shall attract international strategic partnership and investment by local financial institutions which are an essential requirement as part of the divestment of shares process under the Act.

Integration is therefore expected to play a critical role in attracting strategic investors and international investors for acquiring a stake in PSE and accordingly aiding in development of the domestic capital market.

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