



PRESS RELEASE

FOR IMMEDIATE RELEASE

No. PR/MCCD/2014-38

SECP initiates 86 show-cause proceedings

ISLAMABAD, April 22: The SECP's Enforcement Department— while enforcing compliance of corporate and allied laws— initiated 86 show-cause proceedings and concluded 54 proceedings against chief executives, directors and auditors of companies in February and March.

While facilitating companies to strengthen their capital base, the department allowed three listed companies to issue shares by way of otherwise than right at a discount and at par.

In order to strengthen the existing regime of Corporate Social Responsibility (CSR) reporting, the SECP has joined hands with the ICAP for the external assurances of the CSR reports. CSR reports assist organizations in understanding and communicating their vision of combining a company's profitability with social responsibility and environmental care. Both the SECP and the ICAP have reaffirmed their commitment to developing a framework for external assurance in accordance with prominent international assurance standards, and within a mutually agreed time frame.

In March 2014, the department organized a joint SECP-ICAP meeting. The issues regarding adoption of the IFRS for SMEs, conversion of ICAP's Financial Reporting Guidelines into standards for NGOs, accounting issues relating to mutual funds, reforms in practice management regime, and revision of the format of the auditor's report were discussed in detail. Joint SECP-ICAP committees were formed for further action. Furthermore, a strategy was developed to harmonize the corporate governance regime in Pakistan.

The department accorded approvals and relaxation from certain provisions of laws and rules. The approvals pertained to appointment of cost auditors under the 1998 Companies (Audit of Cost Accounts) Rules, filing of consolidated financial statements, changing the venue of annual general meeting (AGM), printing of computerized national identity card (CNIC) number on dividend warrants, and registering as a group.

In addition, 72 investor complaints pertaining to non-issuance of shares, non-verification of transfer deeds and non-payment of dividends were resolved.