



## Press Release

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*For immediate release*

### **SECP reinforces financial reporting system, conducts training sessions**

ISLAMABAD, July 6: In order to safeguard investors' interests and effectively monitor financial health of the trading right entitlement certificate (TREC) holders, the Securities and Exchange Commission of Pakistan (SECP) has reinforced the online Financial Reporting System (FRS) for all TREC holders of stock exchanges.

The FRS requires the TREC holders to submit their quarterly financial returns through the SECP's website within 30 days of the close of each quarter. Majority of the brokerage houses were providing their financial reports on an annual basis. However, the SECP believes that since the TREC holders act as custodians of the clients' assets, therefore their reporting requirements have been enhanced.

This initiative is in line with the commitment of the SECP to strengthen oversight of the TREC holders. It is expected that this reporting requirement will allow the SECP to monitor capital adequacy, segregation of client's assets and other regulatory compliance at higher frequency. In addition, it will enable the SECP to strengthen oversight of brokers and to generate timely signals regarding deteriorating financial health of TREC holders.

The deadline of submitting the financial returns for the quarter ending on June 30, 2015, is July 30, 2015. In order to facilitate the TREC holders in understanding the requirements of FRS, the SECP has conducted interactive training sessions at the stock exchanges in Islamabad, Lahore and Karachi on July 1, 2, and 6 respectively.

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