



SECP submits its self-assessment to IOSCO Assessment Committee

ISLAMABAD: December 3: The Securities and Exchange Commission of Pakistan (SECP) is striving to build Pakistan's capital markets regulatory framework in line with best international standards and practices. In this regard, it has successfully completed its self-assessment of 37 principles on securities' regulation of the International Organization of Securities Commissions (IOSCO).

Based in Madrid, the IOSCO is the global forum for cooperation among securities regulators and the global standard setter for regulators on securities market structure and operations. The IOSCO Principles provide an international benchmark for securities regulation practices against which progress of member jurisdictions towards effective regulation can be measured.

While the IOSCO provided a detailed assessment methodology and criteria in this respect, the SECP had formed an internal committee to assess the 37 principles. The main sources of information used in undertaking the assessment are relevant legislation and existing practices regarding the regulation of securities markets. The processes used during this work consist of desk research, questionnaires to various stakeholders, Pakistan 2004 FSAP assessments, the regulatory and surveillance arrangements adopted by the SECP, and systems and procedures adopted by intermediaries and SROs in complying with the law and other public or non-public documents.

The SECP was last assessed against 30 IOSCO principles in 2004 by the World Bank, under the World Bank Financial Sector Assessment Program (FSAP) when most of the international standards were partly implemented in Pakistan.

Since 2004, significant changes have taken place in Pakistan's capital markets in terms of market development and upgrading of the regulatory framework. On the basis of the review by the internal committee, the compliance status of the SECP to the IOSCO principles has been adjudged to be as follows:

- Fully implemented: 17 principles
- Broadly implemented: 14 principles
- Partly implemented: 4 principles
- Not implemented: 2 principles

The assessment report which sets out the detailed assessment of principles as well as a provides a recommended roadmap for full implementation of all principles has now been submitted to the IOSCO Assessment Committee for a third party review of the self-assessment. The committee will now conduct a desk-based research of the SECP's report as well as an onsite visit to Pakistan to evaluate the implementation of international standards within the regulatory framework for securities markets within the country. A final report is expected to be drafted by the assessment committee in July 2014 for approval of the IOSCO Board and onward publication of the report.

Corporate Communications Department

Securities and Exchange Commission of Pakistan

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

Direct # +92 51 9214005 Fax # +92 51 9206515 Cell: _+92 3028552254

Email: shakil.chaudhry@secp.gov.pk

www.secp.gov.pk

An independent review of SECP's compliance with the 38 IOSCO Principles for securities regulation will lend credibility to Pakistan's regulatory framework for capital market and will help attract much needed local and foreign investment in our stock markets.

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1. SECP completes its self-assessment of IOSCO Principles
2. SECP's Self-assessment will be peer reviewed by the international standard setting body for securities regulations

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