



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Talent Management, Finance and Communication Division

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP supports SEO Iran in establishing Credit Rating Agencies

ISLAMABAD, November 23, 2012: Pakistan Credit Rating Agency (PACRA) and the Securities and Exchange Organization (SEO) - Iran entered into Memorandum of Understanding (MoU) here in Tehran today wherein PACRA to provide technical assistance in establishing a credit rating regime in Iran.. Under the MoU, PACRA shall prepare regulatory framework for regulating the credit rating business in Iran and in establishing rating agencies in Iran. PACRA is one of the, two Pakistani Credit Rating Agencies (CRA) that provides credit rating services in various countries.

In order to enhance cooperation and assistance to each other in the areas of interest, SECP and SEO Iran had constituted a Liaison Committee that is entrusted with the task of exploring areas of assistance to each other. During a meeting in October 2011, SECP arranged a meeting of both the domestic CRAs with an Iranian delegation visiting Pakistan and the Iranian delegation desired to seek assistance of SECP for the development of regulatory framework for regulating the credit rating business in Iran. To take this process further SEO - Iran then interacted through SECP with CRAs from Pakistan. Subsequently, SEO-Iran solicited technical and financial proposals from interested consultants and then shortlisted PACRA for framing of the said regulatory framework. PACRA visited Iran and held meetings with SEO Iran and other market participants and agreed to undertake assignment.

On invitation of the SEO- Iran, Mr. Imtiaz Haider, Commissioner- SECP participated in the said signing ceremony and also addressed the seminar held in Tehran on the topic of **“Role and Importance of Credit Agencies in economy”**.

While addressing at the occasion Mr. Imtiaz Haider stated that CRAs plays vital role in the development of corporate debt market and so in the overall economy of a country. He further emphasized that CRAs have become an important part of the modern capital markets; globalization of the financial markets has made it necessary to expand role of CRAs; increase in number of issues and the advent of new and complex financial products has enhanced the importance of independent third-party opinions. He stated that the primary role of CRAs is to

enhance transparency and efficiency in the capital markets by reducing the information asymmetry between borrowers and lenders; independent, fair and timely dissemination of rating opinion gives confidence to the investors and so they are encouraged to invest their surplus money in the capital market. Mr. Imtiaz Haider lauded the efforts of SEO Iran and PACRA for this significant achievement and emphasized on further cooperation between the two regulators.

The Seminar was also addressed by Mr. Hoseini Minister for Economics and Finance, Mr. Salehabadi President SEO Iran.

The ceremony attended by more than 300 participants including chief executives mostly from all the capital market top-ranking authorities including SEO Iran, Tehran Stock Exchange, Securities Depository Company of Iran, the Central Bank of Iran, the Commercial Banks and the insurance companies

TV Tickers:

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