



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Talent Management, Finance and Communication Division

PRESS RELEASE

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SECP's ranking improved by 5 points in World Financial Development Index 2012

ISLAMABAD, November 1: The World Economic Forum has improved the Securities and Exchange Commission of Pakistan's ranking by five points in the Financial Development Index of 2012, launched on October 31st.

The SECP secured 37th position out of 62 securities regulators globally, whereas China ranked at 38 in the category of regulation of securities and exchanges.

The improvement in the Index is achieved in the background of various structural and organizational reforms introduced in the SECP by current management.

The SECP's recent initiatives include demutualization of stock exchanges, the capital market investor education and awareness programme, implementation of the concept of e-IPO, launch of new Takaful rules and introduction of standard operating procedures in the form of five manuals. These manuals are covering all aspects of enforcement functions of the SECP. The SECP has also introduced new future contracts at the Pakistan Mercantile Exchange Limited in sugar, wheat, crude oil, silver and gold that aimed to fulfill the hedging requirements of various groups of investors in the newly developed commodities market. The Corporate Law Review Commission was also revived and a reform committee was constituted to furnish recommendations for the promotion and growth of a sustainable non-banking financial sector. In addition, the Code of Corporate Governance 2012 has also been introduced revising the existing requirements and making it more in line with international best practices.

Moreover, the capital market investor education and awareness programme was launched in July 2012. It is aimed at making people aware of various financial products and understanding their rights and responsibilities to enable them to make informed investment decision. The revised Code of Corporate Governance was launched in April 2012. And a similar code for the state-owned enterprises is being finalised.

In May 2012, the Chairman SECP Muhammad Ali was elected to the executive board of the International Organisation of Securities Commission (IOSCO). Set up in 1983, the IOSCO is a Madrid-headquartered organisation with 182 members.

The World Economic Forum Report finds, as economies develop, they increase their demand for the services provided by financial markets relative to those provided by banks, so that financial markets become comparatively more important as economies grow.

The WEF Report suggests that stock markets encourage long-term growth by promoting specialization, acquiring and disseminating information, and mobilizing savings efficiently to promote investment

Recently, the Global Competitiveness Report (2012-13) issued by the World Economic Forum has also appreciated the performance of the Securities and Exchange Commission of Pakistan (SECP) as the SECP has been ranked 55th in 2012-13, as compared to 70th in 2011-12.

Imran Ghaznavi | Head, Media and Corporate Communications Department/Spokesperson

Securities and Exchange Commission of Pakistan

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

Cell: 0333-5116666 www.secp.gov.pk