

April 17, 1999 Committee constituted by SECP to examine problems of Issuers on Joining the Central Depository System (CDS) holds meeting at Karachi

The Committee constituted by SECP to look into the problems of listed companies on joining the central depository system held its first meeting on April 17, 1999, at Karachi.

Need to set up the Committee was felt because certain companies had been requesting for grant of extension in the time limit, prescribed for them by the Central Depository Company, to join the system. Some of the companies had also been agitating about the inadequacy of existing legal framework which restricted their access to the information transferred in the central depository system. Non-availability of information was impeding ability of the companies to discharge statutory obligations, smoothly. The SECP, therefore, decided to constitute a Committee on CDC on February 27, 1999, to examine all issues relating to CDC, and recommend measures to overcome difficulties facing the Issuers. The Committee consists of following members:

1. Tariq Iqbal Khan Commissioner
2. Mr. M. Yasin Lakhani Chairman, CDC
3. Mirza Sher Dil Chairman, LSE
4. Mr. Farooq Zafar Chairman, ISE
5. Mr. Najam Ali CEO-CDC
6. Mr. Shahid Ghaffar M.D. KSE
7. Mr. Hamayun Ellahi Sheikh Chairman, APTMA
8. Sheikh Enam Ellahi President-Platinum Bank
9. Mr. Rashid Sadiq Member, Crescent Group
10. Mr. Asadullah Khawaja Member, ICP
11. Mr. Moudood Ahmed Khan Member, Orr, Dignam & CO.
12. Mr. Etrat H. Rizvi Member, Paramount Leasing

The issues referred to it include the following:

1. Examination of existing scale of charges and annual fee prescribed by CDC for the Issuers.
2. Examination of existing criteria prescribed for a security to be declared as 'eligible security'.
3. Examination of agreement between Issuers and the CDC with reference to the legal framework and the difficulties being faced by the Issuers, if any.
4. Examination of difficulties, if any, being faced by the Issuers while interacting with the CDC.

The Committee discussed all of the above issues in its first meeting and is expected to give recommendations by the middle of May, 1999