

Press Release

SEC holds Conference to Launch Voluntary Pension System

Karachi – August 12, 2005: The Securities and Exchange Commission of Pakistan (SEC) organised a one-day conference to launch Voluntary Pension System (VPS) here.

Chairman SEC, Dr. Tariq Hassan inaugurated the well-attended conference. He highlighted key features of the VPS and likely social and economic impacts it would have. Other speakers were prominent professionals from actuarial, accounting and taxation, asset management, and other related fields.

Speakers touched on various aspects of VPS, like eligibility criteria and tax implications for the participants/employers, other occupational retirement schemes, development of annuity products, and role of trustees and credit rating agencies. Overview of international pension practices and comparison with Pakistan, particularly with regard to VPS, was provided by an international consultant.

During the conference, speakers and participants recommended that the eligibility criteria for participating in VPS should be extended to those who are members of other pension schemes and those who do not have National Tax Numbers (NTNs). It was also proposed that the benefits in shape of an annuity should be exempt from tax so that VPS is compatible with other occupational schemes.

The Commissioner, SEC informed the participants that such interaction with the stakeholders would be made a regular feature in future. A conference on VPS would be held for upcountry stakeholders very shortly. Presentations of the speakers at the conference can be viewed at SEC website: www.secp.gov.pk.