

Press Release

Committee to Conduct Feasibility of Exchange-Traded Derivatives Market in Pakistan

Islamabad – August 16, 2005: A committee has been formed by the Securities and Exchange Commission of Pakistan (SEC) to conduct the feasibility of the introduction of exchange-traded derivatives market in Pakistan.

The Committee is headed by Mr. Ali Ansari and comprises Mian Asif Said, Mr. Imran Iqbal Janjua, Mr. Imran Kamal, Mr. Nihal Cassim and Mr. Arif Mian as members. Mr. M. Rashid Safdar Piracha will act as secretary to the committee.

The committee has been given the mandate to research the needs that lead to the emergence of the exchange-traded derivatives in the international (developed and emerging) marketplace and what benefits these markets gained as a result. It will study and recommend whether trading of exchange-traded derivatives is suitable for the Pakistani capital markets in its present form and aspects such as market infrastructure, systems, risks, investor interest and education, users of the derivatives products and other key matters will be covered.

The likely benefits to the Pakistani capital markets, including suitability of exchange-traded derivatives as an alternative to badla financing, will also be covered in the study in view of which, the committee would devise and recommend a plan to enable successful introduction of exchange-traded derivatives in Pakistan.

The committee is authorized to add other ancillary items associated with the key objectives mandated by the SEC and may also co-opt such members as it may deem fit. The committee would submit its report within sixty working days from the date of its first meeting.