

A team of US officials including representatives of the Treasury and State Department of the United States government called on Mr. Khalid A. Mirza, Chairman, Securities and Exchange Commission of Pakistan (SEC), for an exchange of views. The meeting aimed at exploring and identifying areas of cooperation where technical assistance can be provided to the Commission to enhance its regulatory capacity in order to bring more transparency in the corporate sector.

Officials of the US Treasury and State Department are currently on a visit to Pakistan in pursuance of the policy agreed by the coalition partners in the aftermath of September 11, 2001 events for sharing information about working of the corporate sector, especially relating to methods of transfer of money and channels available to finance possible illegal activities. These officials, assisted by local US Embassy staff, are meeting with trade bodies and regulators in connection with investment in capital market, money exchange and money transfer business. Money laundering, hundi and hawala, which are considered to be among the sources of financing illegal activities, including terrorism, are subjects of particular interest.

The delegation which met the Chairman SEC comprised the following:

1. George Edwin Smith, III, Director, Department of the Treasury
2. Mike Gayle, US Department of State
3. Carol A. Mesheske, Chief, Special Activities Division of Supervision, Federal Deposit Insurance Corporation
4. Andrew B. Haviland, First Secretary, US Embassy in Pakistan
5. Naheed Aslam, US Embassy in Pakistan

Mr. Khalid Mirza briefly explained the working of SEC and what it has done so far to regulate the capital markets and what endeavours it has been making to improve the structure of corporate governance in Pakistan. He said that as far as capital market is concerned, SEC has already achieved the 30 international standards prescribed by the International Organization of Securities Commissions (IOSCO). Now, it was focusing its attention on bringing Pakistan's corporate sector in conformity with the International Standards of Corporate Governance practices. The Government of Pakistan is fully conscious of the fact that improvement in corporate governance is of vital importance for the promotion of a healthy and competitive corporate sector, and to attract foreign investment.

Welcoming the offer of technical assistance, Mr. Mirza assured the delegation of full cooperation from the Commission and sharing of public information. As a matter of fact, as a member of IOSCO, SEC shares all such information with international regulators whenever required, he added.

The meeting with the Chairman was followed by an in-depth discussion with senior officials of the SEC. Following officials of the SEC participated in the discussion:

1. Mr. Shahid Ghaffar, Commissioner, Securities Market
2. Mr. Haroon Sharif, Principal Staff Officer to the Chairman
3. Mr. M. Hayat Jasra, Executive Director, Company Law

4.Ms. Sadia Khan, Executive Director, Specialized Companies