

Jan 10, 2002

SEC approves names of seven outside Directors on the Board of Lahore Stock Exchange.

The Securities and Exchange Commission of Pakistan (SEC) has approved the names of seven (7) outside directors on the Board of the Lahore Stock Exchange (LSE). This is pursuance of the Commission's earlier directive under section (4) of Section 34 of the Securities and Exchange Ordinance 1969, regarding inclusion of non-member outside directors on the Board of the stock exchanges with the approval of SEC, so as to ensure good governance, efficiency and transparency in the stock exchanges.

LSE had proposed the names of 14 individuals on January 10, 2002. Of this list the SEC has approved the following names:

1. Mr. Rashid Ahmed
2. Mr. Justice (R) Aamer Raza A. Khan
3. Ms. Roohi Rais Khan
4. Mr. Sikander Khan
5. Mr. Khalid Niaz Khawaja
6. Mr. Javed Masud
7. Mr. Amir H. Shirazi

As part of regulatory measure and to ensure protection of interests of policy holders, the Insurance Division of the SEC had notified all the 48 companies operating in the country, in October last, of these legal requirements. A circular issued on 18th October 2001 in this regard said:

"In exercise of the powers conferred under Section 41 of the Insurance Ordinance, 2000, you are advised to furnish evidence pertaining to your reinsurance arrangements for the year 2002. For this purpose you shall furnish certified copies of all correspondence pertaining to treaties or the documentary evidence, **on or before 15th January 2002**, which establishes that your company has made adequate reinsurance arrangements in respect of the risks to be accepted by the company whether in or outside Pakistan.

It is further advised that only those reinsurance arrangements would be acceptable to the Commission which have been made with reinsurers of sound financial standing having good track record, duly rated "A" Class by reputable international rating agencies such as "Standard & Poor's", "A.M Best." etc."

No such evidence has, so far, been provided by the 25 companies who have been issued notices on January 16, 2002. The rest of the companies have submitted the required information, which is being scrutinized and evaluated.