

Press Release

SEC Chairman Addresses American Business Council of Pakistan

Karachi – June 17, 2005: In the realm of a rapidly globalizing world, Pakistan is ripe with lucrative opportunities for foreign investors. This was stated by the Chairman Securities and Exchange Commission of Pakistan (SEC), Dr. Tariq Hassan, in his address to the members of the American Business Council of Pakistan (ABC) in Karachi on Friday.

He said that the Pakistani government's policy of openness to foreign investment was attracting large number of foreign investors and entrepreneurs to the country.

The SEC Chairman said that at the take-off stage of Pakistani economy, the SEC was playing a crucial role of regulating the corporate sector, capital market and non-banking financial sector. "As the regulator of an emerging market the SEC's regulatory philosophy is based on the principle of developmental regulation," he maintained. He gave a brief overview of the government's and SEC's initiatives in improving corporate governance and introducing reforms to make procedures simple and transparent for ensuring a level playing field with all desired controls.

Dr. Hassan said that the SEC follows a non-discriminatory approach towards foreign companies. He said: "There is no restriction on the extent of foreign ownership stake, no limit on holding shares for trading purposes and non-residents are exempted from tax on income from government securities and instruments of redeemable capital. Further, there is no control on the sale of securities purchase in Pakistan by non-residents."

Dr. Hassan informed that the Pakistan Institute of Corporate Governance will become functional by the end of this month and will be involved in conducting various trainings, seminars and workshops to disseminate knowledge and information about the practical aspects of good governance. The SEC's future reforms and initiatives include demutualisation and integration of stock exchanges; combating financial crimes; promoting corporate social responsibility and socially responsible investing; and extended cooperation with regional regulators.

He also lauded the role of ABC member investors in enhancing economic activities in Pakistan and their valuable input on various economic policies, reforms and budgets. He was particularly appreciative of their role in the furtherance of corporate governance and CSR practices in Pakistan. Earlier, ABC President, Mr. Nadeem Karamat gave a welcome speech and lauded the role of the SEC as the apex regulator of the corporate sector and capital market.