

After successful completion of the first phase of capital market reforms, the Asian Development Bank (ADB) is working on the second phase of financial market governance programme. This three-year programme is likely to begin by the end of this year.

A two member delegation of Asian Development Bank (ADB) visited the Securities and Exchange Commission of Pakistan (SEC) head office and held discussions with senior officials of the Commission on matters of mutual interest relating to the financial market reform proposed to be carried out with a soft loan from ADB. The capital market reform programme was also financed by the ADB through a soft loan of US\$ 250 million.

The ADB delegation comprised Mr. Klaus Gerhaeusser, Director, Governance, Finance and Trade Division, South Asia Department of Asian Development Bank and Mr. Werner Liepach, Principal Financial Sector Specialist for South Asia of Asian Development Bank.

This new three-year programme, for which ADB is likely to advance US\$250-300 million, will focus on financial market (non-bank) reforms both macro and micro levels. In addition to reviewing the fiscal incentive, the programme is likely to focus on improving the governance structure of financial market participants that include stock exchanges, Non-bank Financial Companies (NBFIs), accounting firms and investors. At the micro level, the programme will look at expanding the depth of financial market in Pakistan by introducing more products. SEC is the implementing agency for the upcoming financial market governance programme of the Asian Development Bank.