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## **SEC Meeting with Issuers of Prospectus, Advisors and Arrangers to the Issue, and Stock Exchanges**

Participants of the meeting convened by the Securities and Exchange Commission of Pakistan (SEC) at Karachi today, were unanimous in their view that the level and quality of disclosure in the prospectus issued by public limited companies needed to be substantially improved.

The meeting, which was attended by more than 30 persons representing a wide array of companies including the issuers, advisors, arrangers and representatives of stock market, was called by SEC as a part of its endeavours to improve the standard of disclosure and quality of information offered to investors by the companies. Mr. Khalid A. Mirza, Chairman, SEC presided over the meeting, where it was agreed that prospectus must carry the disclosure of important information like future prospects of the issuer, risk factors, primary purpose of the proceeds of the issue, and dividend policy.

The participants exchanged their views on the various suggestions made by SEC and others, and held a free and frank discussion on the issues involved. Mr. Mirza explained that the SEC intends to give consideration to elimination of the requirement for submission of a number of documents that have become redundant with time, thus saving the issuers considerable time and effort. The SEC is keen to streamline, tighten, and strengthen the new issue documentation, the object being to facilitate the development of the primary market.

This meeting was the third stage of SEC's initiative to improve the quality of information offered to a common investor and at the same time ease procedures to be followed by issuers. Mr. Mirza said that in the fourth and final stage of this initiative, SEC would implement the conclusions reached by notifying a set of guidelines for preparation of prospectus. He added that this initiative should be seen as a part of SEC's move towards disclosure based regulation. The participants appreciated SEC's initiative, particularly the consultative manner in which it is being carried out and assured SEC of their full cooperation.