

SECP holds dialogue for development of financial markets and corporate sector

ISLAMABAD: October 11: The third session of SECP Financial Markets and Corporate Sector Development Forum was held in Karachi, with key market experts, industrialists and policy makers in attendance. It was aimed at exploring ways for the development of fair, transparent and efficient financial markets and a vibrant corporate sector.

The Forum was a gathering of some of the best minds from various sectors and professions that were gathered to seek guidance. Bashir Ali Mohammad, Yusuf Shirazi, Ebrahim Sidat, Waqar Malik, Nadeem Naqvi, Towfiq Chinoy, Asad Umar, Khawaja Iqbal Hassan and Muhammad Ali Tabba were prominent participants.

While opening the session, Mr Muhammad Ali, the SECP Chairman, remarked that “the SECP recognizing the need to develop vibrant markets, sectors and market players as well as to improve its capabilities and processes has engaged the stakeholders in a consultative process at policy level of SECP Forum.”

The SECP has implemented various reforms in the regulatory framework and is in the process to revamp company law and takeover law, said Mr Ali. To foster corporatization, the SECP is in dialogue with the Tax Authorities to reform tax system. Further, strategic plan for capital markets covering consolidation of markets and development of debt and derivative markets as well as for the NBFCs and insurance sector are under preparation. Complementing the market development aspects a comprehensive Investor Education Plan would also be launched soon to expand outreach and create awareness among the investors on the investment opportunities.

The Forum discussed various issues that hampered the growth and development of the markets and corporate sector in the country and have resulted into fragmentation in the markets. The issues identified range from highlighting the need to benchmark, identify gaps and have future roadmaps for development of various segments of capital markets, providing one window facility to the foreign investors, development of insurance and pension sectors to mobilize savings and the desirability to provide comparative performance data, development of second tier of financial institution after the banking sector, and enhancing the investor base in the capital markets and expanding outreach of financial products through investor awareness programs.

The participants also highlighted the immediate need to implement fiscal reforms in stock exchanges in coordination with the FBR, measures to be taken to achieve the critical goal of protecting investors while also helping to build investor confidence in the markets, developing financial instruments for infrastructure financing, development of the debt capital market and encouraging TFCs listing through simplified regulatory procedures, encouraging securitization to mitigate the financing burden on banks and to implement stringent enforcement measures to create deterrence for wrongdoers. Furthermore, the need to work on corporate governance and restructuring of SOEs along with simplifying procedures for companies looking to go public were also highlighted.

The Forum in Karachi was the third event as part of the SECP's monthly program inviting stakeholders from industry, regulators, academia, media, sector associations, multilateral agencies, market participants, and other important players.

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