

VISION

The development of modern and efficient corporate sector and capital market, based on sound regulatory principles, that provide impetus for high economic growth and foster social harmony in the country.

MISSION

To develop a fair, efficient and transparent regulatory framework, based on international legal standards and best practices, for the protection of investors and mitigation of systemic risk aimed at fostering growth of a robust corporate sector and broad based capital market in Pakistan.

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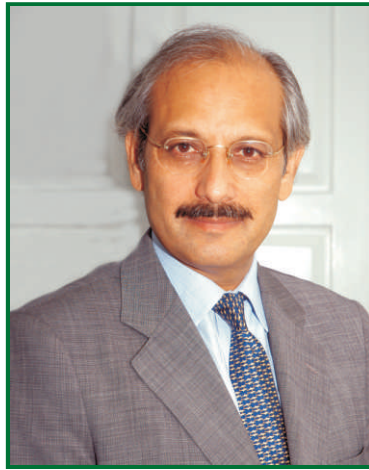
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CHAIRMAN'S MESSAGE



Razi-ur-Rahman Khan

Since this issue of the newsletter coincides with our Independence Day, I would like to congratulate all my colleagues and readers of this newsletter on the 62nd Independence Day of our beloved country. This is an occasion to celebrate as well as to contemplate our individual and collective roles and responsibilities towards the development of our country. Freedom is a blessing and we must thank Allah Almighty for rewarding us with such an amazing homeland with full of opportunities and resources. We must work together with sincerity and dedication to make it one of the most outstanding countries of the world.

We must remember that, at SECP we are striving hard to increase the effectiveness of our operations by updating our systems through the use of advance technologies. A step ahead in this regard is the launch of eServices project this month. With eServices we have entered, a new era of service

provision, wherein we are just a single click away from the corporate sector. eServices strives to create a speedy and transparent paperless environment thus making it easier for companies to interact with and obtain information from SECP electronically in a very short span of time. This project is first of its kind in the corporate history of Pakistan, which gave us an edge into the region and also brought us parallel to the world's advanced countries like USA, UK and Australia.

Moreover, to keep the our employees informed on the media coverage on SECP and developments taking place in other areas of the country's economy, a News Management System has been developed, which is operational on real time basis.

One of SECP's key responsibilities is to develop an effective regulatory framework for the sectors under its purview. This month we have issued drafts of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008; Stock Exchanges (Corporatisation, Demutualisation and Integration) Rules, 2008; Private Equity & Venture Capital Fund Regulations, 2008 and the Non-Banking Finance Companies and Notified Entities, Regulations, 2008. Further, amendments to the (Issue of Capital) Rules, 1996 have been prepared and sent to the Ministry of Finance for approval. Our regulatory philosophy is based on the principle of developmental regulations and we want to strengthen all economic sectors through active legislation and enforcement.

The aim of our efforts is to provide an enabling environment to business community of the country and investors from home and abroad to invest in the markets in Pakistan. We are putting up our best efforts to expand the net of corporate sector, strengthen the non-banking financial and insurance sectors apart from other areas under our purview. The result of our policies is reflected in a healthy growth of corporate and non-banking financial sectors and investments in the capital market. We will stick to our reform agenda and make all efforts to protect investors and support the business community.

Razi-ur-Rahman Khan
August 31, 2008

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EDITORIAL

In August, we celebrated our 62nd "Independence Day", which once again reminded us the struggle of independence and the sacrifices made by our forefathers in the process of getting independent homeland. I always believed in the amazing human capital we have in Pakistan; we are the best and capable of delivering amazing results. Let's join hands together in making our beloved homeland, the strongest brand among the other nations of the world.

Me and my team is putting up its best efforts to update you on various avenues of SECP and this is only due to your motivation, support and feedback.

In this issue, we have quality articles on corporate sector development in Pakistan, anti-money laundering, hostile takeovers and regulatory challenges in Islamic market which will provide you food for thought.

SECP is fully cognizant of its responsibility for developing professionals in the Capital Market and in this regard SECP in collaboration with CFA Institute and CFA Pakistan has recently launched Analyst Certification Program (ACP) and the most talked about event in the corporate history of Pakistan is the launch of eServices project. Special articles on both have been included in the newsletter.

Apart from the above, this issue also highlights the month in the history of business and HR activities.

We look forward for your input, which will enable us to make the newsletter more effective and entertaining.

Happy reading.

CORPORATE SECTOR DEVELOPMENT IN PAKISTAN

OUR VISION

"To excel as a corporate registry by developing a progressive, growing and robust corporate sector to facilitate the healthy growth of companies, protect the rights of investors, creditors and other stakeholders, adequately ensure enhanced compliance by companies, and contribute towards socio-economic development of the economy of the country"

One of SECP's main functions is the registration of companies under the Companies Ordinance, 1984. SECP performs this function through the Registration Department of the Company Law Division (CLD) and eight Company Registration Offices (CROs) located at Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan, Quetta and Sukkur. The department has a diverse role of formation of companies and ensuring that all companies comply with the laws.

Strategy

As an emerging market regulator as well as a facilitator to the corporate sector, SECP has developed a two pronged strategy that not only facilitates an easy entry of the entities into the corporate sector, but also ensures their continuous growth and development, for the benefit of economy and public. Over the recent years, SECP has supported the corporate sector through taking a number of facilitation steps and introducing market development reforms. One of the focus areas has been to encourage corporatization in order to bring transparency and create an enabling environment for the growth and success of corporate entities.

Corporate Sector Growth

Over the past fifty years the corporate sector in Pakistan has been in a constant flux. As of June 30, 2008, the total number of registered companies with SECP has reached 51,080. Accelerated growth trends have been seen in the year-wise total new incorporations; a total of 4,781 companies have been registered during the financial year ending June

2008 compared to 910 companies registered in the financial year 1998-99.

Total Portfolio (as on 30.06.2008)	
Company Kind	Number of Companies
Public Company	2,785
Private Company	46,132
Single Member Company	771
Companies Limited by Guarantee u/s 43	63
Not for profit Associations u/s 42	398
Trade Organizations	203
Foreign Companies	725
Unlimited Companies	3
Total	51,080

Major Reforms for Corporate Sector Development:

i. Major Legislative Reforms:

- Initial incorporation fees were reduced to encourage corporatization
- Single Member Companies Rules, 2003 were framed to provide a regulatory framework for SMCs.
- Companies (Registration Offices) Regulation, 2003 were formulated to improve document management and internal working of the CROs;
- Several Amendments were introduced in the Companies Ordinance, 1984, through Finance Act, 2007. Significantly, these include enabling online registration and submission of returns, abolition of jurisdiction of registration offices in e-registration regime, reducing the time of holding of AGM by companies, submission of annual accounts by big private companies, etc.

- Companies (General Provisions and Forms) Rules, 1985 were amended to give effect of online submissions by the companies with regard to e-Services project.

ii. Major Market Development Reforms:

Expeditious corporatization process: Expeditious service delivery through provision of one window operation was ensured at CROs; a company can now be incorporated within three days.

Abolition of Stamp Duty: On the recommendations from SECP, the stamp duty on memorandum and articles of association has been abolished by all the provincial governments.

Awareness campaign: Awareness/ advertising campaign was launched to improve statutory compliance, creating awareness on the benefits of corporatization and to curb unauthorized/ illegal business activities.

Publication of guide-line booklets: The SECP's guidance role to the corporate sector has further been strengthened through the publication of our guidance booklet series.

Features on Web-site: Our website also contains company name search facility and standardized memorandum of association for various sectors to facilitate the promoters. Now one can download the desired Memorandum and Articles of Association and Forms from the web-site.

Tax Reforms: The SECP also focused on the pressing issue of excessive tax burden on corporate entities and on the recommendations made by SECP, certain preferential tax treatments have been conferred upon small companies.

Facilitating Schemes: The SECP launched facilitating schemes i.e., Companies Regularization Scheme (CRS) and

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Companies Easy Exit Scheme (CEES). CRS provided an opportunity to the defaulting companies to file overdue returns. The latter scheme, i.e., CEES provided an easy exit to the companies which were either not in operation or failed to commence or continue business due to various reasons.

Way Forward e-Services Project

One of the main focus areas of SECP is to provide online services to the corporate sector. SECP has launched its e-Services project; the project entails provision of online services to facilitate the corporate sector, practitioners, consultants and general public at large. The project facilitates the functions of online availability of name, e-incorporation of companies and e-filing of statutory returns. This is a great achievement not only in provision of services online but also in making easy accessibility to records of companies.

"We, at the SECP, are committed to continue our efforts for the corporate growth, and to facilitate the corporate sector and strive to provide the corporate sector with quality services for the benefit of the corporate sector"

CORPORATE GROWTH

A total of 387 companies have been registered during the month of July, 2008, comprising of 7 public unlisted, 361 private, 13 single member companies, 5 associations not for profit u/s 42 and 1 foreign company.

Company Registration Office (CRO), Lahore registered the highest number of 124 companies, followed by CRO Karachi with 108 new incorporations. The CRO Islamabad contribution towards new registered companies was 87, while the CROs, Peshawar, Multan, Quetta, Faisalabad and Sukkur registered 16, 17, 16, 18 and 1 company, respectively.

Aggregate authorized capital and paid up capital of the companies registered during the month of July, 2008 amounted to Rs. 3,256.51 million and Rs. 820.37 million respectively.

The most flourishing sector in terms of number of new registration was the Hajj and Umrah services sector whereby 76 companies were registered, followed by 63 companies registered in services, 35 in trading, 21 in communications, 19 in construction, 17 in tourism and 14 in textile sector.

ANTI MONEY LAUNDERING

Rizwan Ul Haq, Deputy Director,

Money laundering is a process whereby the origin of funds generated by illegal means is concealed (drug trafficking, gun smuggling, corruption, etc.). The objective of the operation, which usually takes places in several stages, consists in making the capital and assets that are illegally gained seem as though they are derived from a legitimate source, and inserting them into economic circulation. Money laundering is not a new phenomenon: it's as old as crime itself. Criminals have always endeavored to conceal the origin of illegally generated funds in order to erase all trace of their wrongdoings. Nevertheless, the forms and dimensions of this type of crime have evolved in recent years. Since the seventies, the escalation of the drug market and globalization of organized crime have led to a collective raised awareness with regard to the problem of money laundering.

Although AML laws cover only a relatively limited number of transactions and criminal behaviors, their implications are extremely far reaching

Anti-Money Laundering – AML

Anti Money Laundering (AML) is the set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions. Although AML laws cover only a relatively limited number of transactions and criminal behaviors, their implications are extremely far reaching.

Money laundering is estimated to account for between 2 % to 4% of the global GDP. Governments and regulators are adopting and enforcing standards and legislations to meet their requirements leading financial institutions globally to comply with various different sets of rules. Organizations can go a long way towards a robust AML programme by ensuring the placement of following AML components

Risk Based Frame Work: A comprehensive risk based framework is essential to segment customers into different AML risk profiles and ensure adequate focus on those who represent the highest risk. The framework must factor in the dimensions of customers, geography, industry and product risk.

Customer Due Diligence and Ongoing Diligence: Financial institutions must establish global Know Your Customer (KYC) profiles of their customers during their customer take-on process based on AML risk of the

customers and adhering to the strictest regulatory norms. These risk profiles should be periodically re-assessed through clearly defined on-going due diligence procedures.

Repository: Effective management of KYC data and documents through internal data analysis and also reference to external sources on a robust technology platform is crucial in managing regulatory risk.

Standardized processes: Organizations operating in multiple countries or having multiple business units need to standardize their processes and reporting to gain visibility of AML gaps and build effective and sustainable remediation programmes.

Training & Communications: AML awareness within an organization is crucial in ensuring effective compliance with the AML programme. Hence formal training, communication and on-going monitoring must be integral to the overall AML effort.

Pakistan promulgated the AML Ordinance in September 2007 in light of international standards and Financial Action Task Force (FATF) recommendations and as a result of Constitutional Amendment in November 2007; the same has become a permanent law. The Ordinance is an outcome of the efforts made by the working group comprising all major stakeholders including SECP. The provisions of AML law are being enforced by an Apex body, National Executive Committee (NEC) which is assisted by a General Committee (GC). SECP is member of both committees. SECP is playing an active role in drafting of rules and regulations under the AML Ordinance as well as in the review of Ordinance for further amendments in line with international AML / CFT standards.

SECP, being the regulator, is responsible for effective enforcement of AML provisions in non-banking financial institutions, insurance companies, corporate world and capital markets. SECP-AML unit is fully aware of its responsibility in focusing the issue and understands that its role is primarily of preventive and not of investigative nature. SECP has taken a number of relevant measures, including:

'Know your Customer' regulations: SECP has applied 'know your customer' (KYC) regulations to stock exchanges, securities brokers and dealers, trusts and other non-bank financial institutions.

The provisions of AML law are being enforced by an Apex body, National Executive Committee (NEC) which is assisted by a General Committee (GC)

Standardized Account Opening Form: SECP had formulated a Standardized Account Opening Form, being followed by the stock exchanges since January 15, 2004, laying down the minimum disclosure requirements, includes standard terms and conditions and strikes a balance between the rights and obligations of both investors as well as brokers. The KYC form aims at discouraging money laundering by focusing on 'know your customer' principle and will foster greater market transparency and investor confidence.

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Introduction of UIN and mandatory use of Client Codes by Brokers: SECP, to counter money laundering through creation of a traceable link between transactions, has made entry of client code mandatory for the brokers and has also introduced Unique Identification Number (UIN) at the three stock exchanges for client's w.e.f. June 05, 2006 and August 01, 2006, respectively.

Prohibition on use of Group Account by Central Depository System Participants: The closure of Group Account Facility at Central Depository Company (CDC) from April 30, 2005, has ensured greater transparency and higher standards of disclosure in securities market transactions. It has greatly assisted in discouraging frauds, money laundering and other unethical practices.

Replacement of Carry-Over Trading financing by Continuous Financing System, Margin Financing / Futures Market: Carry-Over Trading (COT) / Badla was completely eliminated subsequent to the introduction of Continuous Financing System (CFS) in August 2005. CFS Regulations provide several crucial risk mitigation measures, preserves market integrity, investor protection and confidence measures.

Non Banking Finance Companies and Notified Entities Regulations, 2007 / Directions to NBFCs: SECP issued Non Banking Finance Companies (NBFCs) and Notified Entities Regulations, 2007 to enable NBFCs to safeguard themselves against money laundering activities and other unlawful trades. SECP also directed NBFCs to accept deposits from investors only after ensuring that an account has been opened in their names using a standardized account opening form. NBFCs were further directed to use crossed cheques for payments and receipts exceeding Rs. 50,000/- from July 01, 2003. On-site inspection of NBFC's and brokerage houses has also been initiated.

Directions to Modarbas: Upon SECP's directives a

standardized account opening form, in line with the recommendations of 'know your customer' policies & procedures, was introduced by Modarba Association of Pakistan in 2004 for purchase of certificates of musharika.

Pension funds: SECP has mandated the inclusion of following clauses in Trust Deeds of Pension Funds to prevent money laundering through these funds:

- The Pension Fund Manager or the Distribution Company may at any time refuse to accept the contribution in any of the following cases:
 - Contribution is contrary to the KYC Rules or policy of the Pension Fund Manager or any other Money Laundering Rules or rules framed by the Pension Fund Manager for self regulation.
 - Non-availability of a valid CNIC/ NICOP Number of the applicant.
 - Contribution is contrary to the rules of the foreign jurisdiction that the PPF or the Participant may be subject to or if acceptance of contribution may subject the Fund or Fund Manager to additional regulations under a foreign jurisdiction.
 - Contrary to the interests of the Pension Fund Manager or the PPF or the Participants.
- Detailed account opening / registration, withdrawal forms have been introduced for private pension funds.

Fraud Investigation Unit: SECP has set up a Fraud Investigation Unit which mainly targets the prevention and detection of white-collar financial crimes. The unit aims to develop strong fraud detection and investigation structure for creating deterrence against financial frauds and conducts investigations under laws administered by SECP.

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Capacity Building: SECP has developed a series of in-house training courses for capacity building of its employees and conducted trainings on (i) "Anti-Money Laundering and Financial Crime Prevention" by UK based 'Terrapin financial Training' and (ii) "Auditing and Cyber Forensic". SECP also participated in the following programs:

- APG Training Workshop for Jurisdictions undergoing a Mutual Evaluation Assessment' in Singapore from 17th to 20th March 2008.
- 3rd Annual Middle East Anti Money Laundering Forum, Bahrain 25th and 26th May, 2008.

REGULATORY CHALLENGES IN ISLAMIC CAPITAL MARKETS – II

By Faraz Uddin Amjad

There is increasing global demand from the investing community, international institutions and corporations for Islamic capital market products and services. This requirement is motivated by an increasing integer of Muslim investors who are looking for products and modes of investment that are satisfactory and in observance with the *Shariah*. Within this perspective, Islamic capital market products also reveal much in customary with another drift, that is, the inclination for ethical investing. The cohesion exists because Islamic capital market products, being *Shariah*-compliant, may be viewed as having ethical underpinnings by virtue of the embargo of involvement with, among others, alcohol, tobacco and gambling, there is an inadequate supply of Islamic capital market products and services offered to gratify the different needs of issuers, investors and other market participants. The momentous effect of this demand-supply disparity results in a higher price to investors eager to invest in Islamic capital market products and services.

On the contrary, there are recent issues being debated in relation to the pertinent acquaintance and skills of the Islamic fund manager, both in determining the investable products as well as in ensuring that the communal investment scheme is managed and administered according to *Shariah* principles. Malaysia, for instance, has introduced explicit guidelines on *Shariah* funds requiring the *Shariah* advisor as well as the compliance official to be well versed both in the domain of fund management as well as in *Shariah* principles.

Islamic capital market stock broking activities have been developed in jurisdictions such as Malaysia, Kuwait and the United Kingdom. While the activities are synchronized within the same institutional and regulatory outline as that of usual stock broking, the added requirement is in relation to the *Shariah*-compliant nature of their activities.

Intermediaries can also supply *Shariah*-compliant margin-financing services to the clients. In many cases, this would be structured as a *murabahah* channel. Another key concern is the need to enhance knowledge, skills and professionalism of front-line individuals such as brokers and advisors in providing investment advice to investors. This raises an added question for Islamic intermediaries, which is whether requirements for *Shariah* proficiency should be considered in tandem with other factors such as educational qualification and industry awareness by investors when choosing their Islamic investment consultant.

Also there is lack of convergence of *Shariah* interpretations. Distinctive jurisdictions have adopted different practices in relation to assorted Islamic capital market products and services. This is a consequence of the varying explanation on various *Shariah* issues in transversely jurisdictions, which is rooted in the different schools of thought among *Shariah* scholars. The synchronization of *Shariah* interpretations could escort to the formation of more standardized Islamic capital market products enhancing the overall growth of the Islamic capital market. For instance, the Malaysian and Qatar Global Islamic Bonds (*Sukuk*) are two examples of Islamic products that are internationally accepted, having satisfied all varying *Shariah* compliance requirements, and are listed on several global exchanges.

The variety of *Shariah*-compliant fixed income and risk management products including derivative products should be expanded for capital raising requirements as well as for hush-hush asset allocation, hedging and diversification needs. The pioneering efforts by Saudi Economic and Development Company (SEDCO) to commence Islamic hedge funds can be seen as steps towards filling the space in product availability. In addition, the endeavor to introduce Islamic capital market products which present floating rates is another potential development path that can be

explored. At present, almost all Islamic capital market products offer fixed rate returns based on the deferred-payment sale (*bai` bithaman ajil*) and cost-plus sale (*murabahah*) concepts. As such, the leasing (*ijarah*) concept that has been applied in structuring Islamic global bonds can be utilized in structuring new Islamic products that offer floating rate returns. In addition, the existence of a reliable market-based standard yield curve for Islamic bonds is fundamental, as this would assist the price discovery process of Islamic bonds and augment the efficient pricing of Islamic bonds issues. One of the greatest challenges for Islamic capital market intermediaries remains is to ensure that the associated costs of issuing and trading Islamic capital market products and services are analogous to traditional products.

Several of the Islamic international organizations have begun to look into and deliberate upon regulatory and accounting issues pertinent to Islamic Capital Markets. IOSCO may have a role in contributing to these international deliberations, predominantly in providing its views and supervision on matters such as investor protection and international enforcement co-operation, as well as its know-how in market regulation. The need is of the interaction which is imperative to guarantee that any pronouncements affecting the Islamic capital market are developed effectively and efficiently.

As such, the leasing (ijarah) concept that has been applied in structuring Islamic global bonds can be utilized in structuring new Islamic products that offer floating rate returns

Hostile Takeover

Imran Hussain Minhas, Joint Director

The term "hostile takeover" sounds nasty, it seems like an alien invasion on the Company. To easily understand the term it is an attempt (by the Acquirer) to obtain the control of the target Company against the wishes of controlling management. It is natural that every management and sponsors resists to an unwanted attempt to hijack the management of their company as they want to save their interests in the Company. Hostile takeover efforts pose a number of regulatory problems for listed companies and for the capital market as well. Therefore a number of well managed and profit earning companies hesitate to enlist themselves due to potential threat of hostile takeover. The hostile takeover involves a direct and attractive offer to Target company's shareholders to buy their shares to which the shareholders respond happily due to handsome premium involved in the offer.

Hostile takeover efforts pose a number of regulatory problems for listed companies and for the capital market as well. Therefore a number of well managed and profit earning companies hesitate to enlist themselves due to potential threat of hostile takeover

There are some pluses in the takeovers that can lead to more efficient management and more productive companies, it might be very productive for developed and rich nations but developing nations like Pakistan should address the following basic questions:

- 1) Should hostile takeovers be permitted in the country?
- 2) Should it be allowed to foreign investors without the approval of local sponsors of the Company as well?
- 3) If yes, to what extent?

If answer to hostile take is no, then it is fair to ask whether protective measures, against foreign and hostile takeovers are appropriate in developing economies, even if not appropriate in developed markets. The regulatory authorities can provide a shield to local companies from hostile takeover in the form of appropriate and timely disclosure requirements, restriction on accumulation of

shares of any one company, in one person or group without consent of the existing management beyond a certain limit, sufficient time should be given by the acquirer to the shareholders to consider his tender offer and the tender offer should be given to all the shareholders at the same time and rate.

We leave the answers of above questions for the policy makers, but one should be well aware of the possible consequences, of foreign investors' takeovers/hostile takeovers of locally well managed and blue chip companies, which are as under:

- Takeovers can be destructive to a local economy where the foreign acquirer moves the principal offices of the Company to their parent country.
- The acquirer remits major portion of profits to their home country and it increases the ratio of capital flight from the country.
- The local investors remain with the low capital and wealthy foreign investors get the control of all major businesses of the target country.
- The local management is replaced by the outsiders and investment opportunities for the local management squeeze down.
- The acquirer may close part of the business located in the under developed or less productive areas of the country thus resulting increase in un-employment in the country. This has actually happened in Poland, where nearly every major national bank has now been taken over by a foreign bank, and some major businesses that were listed on the Warsaw Stock Exchange are now owned entirely by foreigners and local investors are left with lower capital to compete the foreign invaders.
- The foreign investments in the blue chip enterprises give temporary relief to the Governments and later on people face the trickle down effects in shape of inflation, high interest rates, deterioration in balance of trade and greater budget deficits etc.

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eServices Project Formally Launched

S ECP achieved an important milestone this month by launching eService project, a package of highly advanced online facilities for the benefit of corporate sector, companies and individuals.

The project was formally launched by the Federal Minister for Finance and Revenue, Privatisation and Investment, Syed Naveed Qamar on Friday, August 29, 2008 in the NIC Auditorium. The ceremony was also attended by the Chairman SECP Razi-ur-Rahman Khan, senior government officials, senior management and officials of SECP.

Important features of the ceremony include an articulate presentation on eServices by the Executive Director, Information Services & Technology Department, Mr. Arshad Javed Minhas, project inauguration by the chief guest, speeches by Mr. Naveed Qamar and Mr. Razi-ur-Rahman Khan and vote of thanks by Commissioner SECP Mr. Tariq Asaf Hussain.

The chief guest in his speech appreciated SECP for taking such an important initiative saying that it would encourage the corporate sector and domestic and foreign investors. He



Federal Minister for Finance and Revenue Syed Naveed Qamar addressing the launching ceremony of eServices project

said transparency is a major area which needs to be focused upon by all government departments. "eServices project is the right step taken, keeping in consideration our future requirements, economic development, and technological advancement."

Earlier, the launch of the project was announced by the Chairman SECP, Razi-ur-Rahman Khan, at

a marathon press conference held in Islamabad on Monday, August 25, 2008. The Chairman was accompanied by Executive Director Registration Department Mr. Nazir Ahmed Shaheen, Executive Director Information Services and Technology Department Mr. Arshad Javed Minhas, Head of the Internal & External Communications Mr. Imran Ghaznavi and a representative from the National Institute of Facilitation Technologies (NIFT).

The Chairman briefed the national media on the facilities that eServices offered to the business community and investors. He said the project aimed to improve efficiency and effectiveness of the business processes of SECP, created a speedy and transparent paperless environment which would make it easier for the business community to interact with SECP to obtain information.



Participants of eServices project launch ceremony at the NIC Auditorium Islamabad



Chairman SECP Razi-ur-Rahman Khan announcing launch of eServices project in press conference

Roll-out of Analyst Certification Program



Chairman SECP Mr. Razi-ur-Rahman Khan and Deputy Head of Asia Pacific Operations for CFA Institute Dr. Ashvin Vibhakar addressing the Roll-out of Analyst Certification Program

SECP announced the launch of Analyst Certification Program in collaboration with the CFA Institute and CFA Pakistan. The announcement was made at a joint press conference by SECP, CFA Institute and CFA Pakistan in Karachi.

Addressing the press conference, Chairman SECP Mr. Razi-ur-Rahman Khan said that SECP has taken a major step to move towards a regime where financial market participants have the necessary and relevant knowledge and technical expertise supported by certification program.

"The present environment in Pakistan's capital markets does not mandate minimum levels of required knowledge for capital market participants or intermediaries," Mr. Khan added that the various types of financial intermediaries operating in capital and money market in Pakistan need to be adequately trained and certified in order to improve the overall profile and functioning of the capital markets in the country.

The Chairman SECP thanked Dr. Ashvin P. Vibhakar, CFA, Deputy Head of Asia Pacific Operations for CFA Institute, Mr. Khalid Ghayur, CFA and Mr. Mohammad Shoaib, CFA for their support in promoting best practices and professional excellence for investment advisors and research analysts in Pakistan.

Speaking on the occasion, Dr. Vibhakar mentioned that CFA Institute and CFA Pakistan are pleased to collaborate with SECP and help improve the professional excellence of investment professionals in Pakistan.

Chairman SECP also announced that SECP will provide a total of 150 scholarships for the two components of the ACP. SECP will offer 50 scholarships for CFA Level 1 examination and another 100 scholarships for the local module of the certification program

While speaking at the occasion, Dr. Vibhakar said that as a gesture of support for this important cause being undertaken by SECP, CFA Institute is announcing 100 scholarships for CFA candidates in Pakistan. Dr. Ashvin said,

"CFA Institute has allocated 100 need-based scholarships for CFA candidates in Pakistan for calendar year 2009, thanks largely to the continuous efforts of our former Board of Governor Member Mr. Khalid Ghayur, CFA. These scholarships will be awarded through CFA Pakistan. Traditionally we have only been giving 10 scholarships to each of our societies around the world." He thanked SECP Chairman and his entire team for the support that has been provided to CFA Pakistan.

Chairman SECP also announced that SECP will provide a total of 150 scholarships for the two components of the ACP. SECP will offer 50 scholarships for CFA Level 1 examination and another 100 scholarships for the local module of the certification program. The scholarships will be awarded on need-cum-merit through a transparent mechanism which will be determined by the Board of the Institute of Capital Markets.



Mr. Razi-ur-Rahman Khan replying to questions of journalists

While speaking on the occasion Mr. Mohammad Shoaib, CFA, stated that CFA Pakistan is committed to work closely with the regulators and all stakeholders in financial markets to improve the level of professional and ethical standards in the country. He also thanked Chairman SECP for providing CFA Pakistan an opportunity to work closely with SECP team towards achievement of this objective.

BIRTHDAYS AUGUST 08

S.No	Names	Designation	Date of Birth
1	Ayaz Ahmad	Sr. Support Executive	August 2
2	Mian Nazim Shah	Sr. Executive Secretary	August 3
3	Nazir Ahmed Shaheen	Executive Director	August 3
4	Abid Ali Abid	Assistant Registrar	August 6
5	Muhammad Imran	Assistant Director	August 6
6	Syed Sakawat Ali	Office Attendant	August 6
7	Abdul Rehman Laghari	Joint Director	August 7
8	Muhammad Farooq Qureshi	Deputy Director	August 7
9	Jawid Hussain	Office Attendant	August 7
10	Tasneem Hajira	Executive Secretary	August 8
11	Waseem Irshad	Director	August 9
12	Syed Nazeer Ahmed	Office Attendant	August 10
13	Muhammad Ashraf	Assistant Support Executive	August 11
14	Dr. Rubina Tahir	Medical Officer	August 11
15	Muhammad Waris	Junior Executive	August 12
16	Muhammad Ashraf Tiwana	Director	August 12
17	Muhammad Saghir	Executive Secretary	August 13
18	Muhammad Suhail	Deputy Director	August 14
19	Hina Gul	Assistant Director	August 14
20	Izhar ul Haq	Assistant Support Executive	August 15
21	Muhammad Abdul Quddus	Executive Officer	August 16
22	Shaukat Ali	Executive Officer	August 16
23	Syed Murtaza Abbas Naqvi	Deputy Director	August 18
24	Muhammad Barkat Ullah	Deputy Registrar	August 19
25	Adeel Raza	Support Executive	August 20
26	Tahir Hussain	Office Attendant	August 20
27	Aliya Fatima	Support Executive	August 24
28	M Nasir Khan Yousuf Zai	Assistant Registrar	August 25
29	Amir Azeez	Joint Director	August 26
30	Ajmal Bin Hameed	Executive Officer	August 29
31	Ahmed Arsalan	Joint Director	August 29
32	Mubeen Ashraf	Assistant Director	August 29
33	Khalida Habib	Joint Director	August 30
34	Imran Khan Baloch	Junior Executive	August 30
35	Syed Ali Adnan	Deputy Director	August 31

DEATHS AUGUST 08

- **Mr. Abdul Qayyum,**
Support Executive of the Securities Market Division(SMD) died on August 19, 2008.

This Month in History of Business

The United States first credit rating agency, Mercantile Service, is founded in New York City by Lewis Tappan, who reasoned in the aftermath of the Panic of 1837 that wholesalers would pay good money for reliable credit information on the country storekeepers who wanted to buy their goods. By the autumn he had 133 subscribers. A branch opened in Boston in 1843. By 1848 the firm had hundreds of correspondents and had spawned a number of imitators and competitors; Tappan was earning enough (\$15,000 per year) so that he could retire and devote himself to the antislavery and reform issues that were uppermost in his heart. In 1859 the firm was purchased by one of its executives, Graham Dun, who went on to establish the present day credited assessment firm of Dun & Bradstreet in 1933. (01,08,1841)

It is a rare occurrence when the New York Stock Exchanges closes on a day that trading is scheduled. In its 200-year history it has closed just three times for other reasons, but it has been closed twice on August 4 for financial reasons. Today it closed due to the summer heat, and on the same day in 1933 it closed again-this time at 12:30 in the afternoon for safety reasons after gas bomb exploded nearby. (04,08,1790)

EVENTS AUGUST 2008

Staff Development Training Program

Staff Development Training Program was held in late August for the first time in the history of SECP. A comprehensive two day program on soft skills for support staff and one day program for office attendants on soft and technical skills has been designed. All support staff and office attendants would be trained by in-house trainers in batches all SECP offices across Pakistan. The program would be held in Lahore, Karachi and Islamabad. This is yet another initiative of HR & Training Division for the development of Human Resource at SECP.

Climate Survey

Climate Survey was completed and the results were shared with all officers of SECP.

Management Development Program (MDP)

The last MDP concluded in August, 2008. MDP was specifically designed & approved by of the Commission to improve the professional capabilities of employees in areas such as leadership, conflict management, decision making, negotiating skills etc. In all the 14 programs held at Islamabad and Karachi all officers of SECP have been trained.

Acceptance of news Terms and Conditions of Employment

This year 16 officers, who had initially not opted for the new terms and conditions of employment because of their own will or due to the performance rating, were offered new terms and conditions by HR & Training Division after the approval of the Commission. Out of 16, 13 have accepted the news terms and conditions thereby increasing the acceptability of the same to 94 percent.

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان

August / September 2008

آفیشل نیوز لیٹر

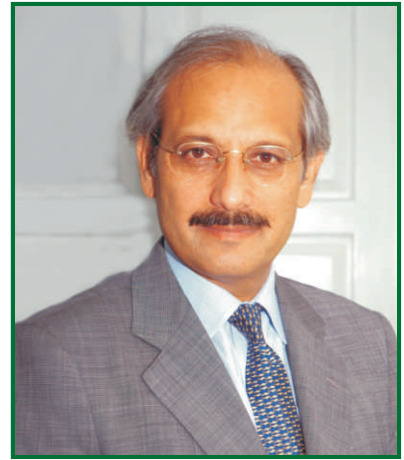
مشن

وژن

پاکستان میں مضبوط کارپوریٹ سیکٹر اور وسیع البیٹا کیپٹل مارکیٹ میں سسٹمک رسک میں تخفیف لانا اور سرمایہ کاروں کے تحفظ کیلئے بین الاقوامی قانونی معیار اور بہترین طریقہ کار پر مبنی صاف شفاف اور موثر ضابطہ کا ڈھانچہ تیار کرنا ہے۔

محفوظ ریگولیٹری اصولوں پر مبنی جدید و موثر کارپوریٹ سیکٹر اور کیپٹل مارکیٹ کا فروغ جو کہ ملکی معاشی ترقی اور سماجی ہم آہنگی پیدا کرنے کیلئے قوت متحرک مہیا کرے۔

چیئرمین کا پیغام



جناب رضی الرحمن خان

نیوز لیٹر کا یہ شمارہ یوم آزادی پر شائع ہو رہا ہے اس لیے میں اپنے ساتھیوں اور نیوز لیٹر کے قارئین کو ہمارے پیارے وطن کی یوم آزادی پر مبارکباد دینا چاہتا ہوں۔ یہ موقع جشن منانے کے ساتھ ساتھ ہمیں ملکی ترقی میں انفرادی و اجتماعی ذمہ داری اور کردار کی ادائیگی کے بارے میں سوچ بچار کا بھی ہے۔ آزادی ایک نعمت ہے اور ہمیں اللہ تعالیٰ کا شکر ادا کرنا چاہیے کہ اس نے ہمیں بہتر مواقع اور وسائل سے مالا مال ایک وطن نصیب فرمایا ہے۔

ہمیں یہ بات یاد رکھنی چاہیے کہ ہم ایس ای سی پی میں جدید ٹیکنالوجی کے استعمال کے ذریعے اپنے نظام میں بہتری پیدا کر کے اپنے آپریشنز کو تیز اور موثر بنانے کیلئے سخت محنت کر رہے ہیں۔ اس سلسلے میں آگے کی طرف بڑھنے والا حالیہ قدم پچھلے مہینے ای۔سروسز (eServices) کا اجراء ہے۔ ای۔سروسز (eServices) کی مدد سے خدمات کی فراہمی کے ایک نئے دور میں داخل ہوئے ہیں اور اب ہم کارپوریٹ سیکٹر سے صرف ایک کلک (Click) کے فاصلے پر ہیں۔ ای۔سروسز (eServices) بغیر کاغذوں کے شفاف اور برق رفتار ماحول پیدا کرنے کیلئے کوشاں ہے جو کمپنیوں کو رجوع کرنے اور نہایت مختصر وقت میں ایسی ای سی پی سے الیکٹرانک طریقے سے معلومات کے حصول میں آسانی پیدا کرتا ہے۔ یہ پاکستان کی کارپوریٹ تاریخ میں اپنی نوعیت کا پہلا منصوبہ ہے جس سے خطے میں ہمیں سبقت حاصل ہے اور اس سے ہم امریکہ، برطانیہ، آسٹریلیا جیسے دنیا کے ترقی یافتہ ممالک کی صف میں کھڑے ہو گئے ہیں۔

مزید برآں ایس ای سی پی پر میڈیا کوریج اور ملکی معیشت کے دیگر شعبوں میں ہونیوالی پیش رفت کے بارے میں ایس ای سی پی کے ملازمین کو آگاہ رکھنے کیلئے ایک نیوز مینجمنٹ سسٹم تشکیل دیا گیا ہے۔

ایس ای سی پی کی اہم ترین ذمہ داریوں میں سے ایک اس کی زیر نگرانی چلنے والے شعبوں کیلئے ایک موثر ریگولیٹری فریم ورک کی تیاری ہے۔ اس مہینے ہم نے لسٹڈ کمپنیز سبسٹینشیل ایکویزیشن آف ووٹنگ شیئرز اینڈ ٹیک اوورز (ریگولیشنز، 2008، سٹاک ایکسچینجز) (کارپوریٹائزیشن، ڈی میوچرلائزیشن اینڈ انگریجیشن) (رولز، 2008، پرائیویٹ ایکویٹی اینڈ ونچر کیپیٹل فنڈ ریگولیشنز، 2008 اور نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹی ٹیز، ریگولیشنز، 2008، کے ڈرافٹس جاری کیے ہیں۔

علاوہ ازیں، (ایٹو آف کیپیٹل) (رولز 1996 میں ترامیم تیار کی گئی ہیں اور انہیں منظوری کیلئے وزارت خزانہ بھجوا دیا گیا ہے۔ ہمارے ریگولیٹری تصور کی بنیاد ڈوہلمپٹل ریگولیشنز کے اصول پر ہے اور ہم فوری قانون سازی اور اس کے نفاذ کے ذریعے اقتصادی شعبے کو مستحکم کرنا چاہتے ہیں۔

ہماری کوششوں کا مقصد ملک کے کاروباری طبقے اور ملکی و غیر ملکی سرمایہ کاروں کو پاکستان کی مارکیٹوں میں سرمایہ کاری کیلئے بہتر اور موافق ماحول فراہم کرنا ہے۔ زیر نگرانی دیگر شعبوں کے علاوہ ہم کارپوریٹ سیکٹر نظام کی وسعت، نان بینکنگ فنانشل اور انشورنس شعبوں کے استحکام کیلئے اپنی تمام کاوشوں اور صلاحیتوں کو بروئے کار لارہے ہیں۔ ہماری پالیسیوں کا نتیجہ کارپوریٹ اور نان بینکنگ فنانشل سیکٹرز کے بہتر فروغ اور کیپٹل مارکیٹ میں سرمایہ کاری سے ظاہر ہوتا ہے۔ ہم اپنے اصلاحات کے ایجنڈے پر سختی سے کاربند رہیں گے اور سرمایہ کاروں کے تحفظ و کاروباری طبقے کیساتھ تعاون کے سلسلے میں اپنی تمام کوششیں جاری رکھیں گے۔

رضی الرحمان خان

31 اگست 2008

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان

August / September 2008

ای سروسز پراجیکٹ کا باقاعدہ آغاز ہو گیا

بلیٹن بورڈ

2 اگست	ایاز احمد (سینئر سپورٹ ایگزیکٹو)
3 اگست	میاں نائم شاہ (سینئر ایگزیکٹو سیکرٹری)
3 اگست	نذیر احمد شاہین (ایگزیکٹو ڈائریکٹر)
6 اگست	عابد علی عابد (اسسٹنٹ رجسٹرار)
6 اگست	محمد عمران (اسسٹنٹ ڈائریکٹر)
6 اگست	سید طاہر علی (آفس انچارج)
7 اگست	میدار حسن لغاری (جوائنٹ ڈائریکٹر)
7 اگست	محمد فاروق قریشی (ڈپٹی ڈائریکٹر)
7 اگست	جاوید حسین (آفس انچارج)
8 اگست	نصیر ہاجرو (ایگزیکٹو سیکرٹری)
9 اگست	دہرا رضا (ڈائریکٹر)
10 اگست	سید نذیر احمد (آفس انچارج)
11 اگست	محمد اشرف (اسسٹنٹ سپورٹ ایگزیکٹو)
11 اگست	ڈاکٹر درہم طاہر (مینیجنگ ایگزیکٹو)
12 اگست	محمد وارث (جونیئر ایگزیکٹو)
12 اگست	محمد اشرف نوان (ڈائریکٹر)
13 اگست	محمد صغیر (ایگزیکٹو سیکرٹری)
14 اگست	محمد کبیر (ڈپٹی ڈائریکٹر)
14 اگست	حنا گل (اسسٹنٹ ڈائریکٹر)
15 اگست	اکتار الحق (اسسٹنٹ سپورٹ ایگزیکٹو)
16 اگست	محمد عبدالقدوس (ایگزیکٹو ایگزیکٹو)
16 اگست	شوکت علی (ایگزیکٹو ایگزیکٹو)
18 اگست	سید مرتضیٰ عباس نقوی (ڈپٹی ڈائریکٹر)
19 اگست	محمد کریم اللہ (ڈپٹی رجسٹرار)
20 اگست	عبدل رضا (سپورٹ ایگزیکٹو)
20 اگست	طاہر حسین (آفس انچارج)
24 اگست	عابد فاطمہ (سپورٹ ایگزیکٹو)
25 اگست	محمد ناصر خان ایوسف زئی (اسسٹنٹ رجسٹرار)
26 اگست	عاصم عزیز (جوائنٹ ڈائریکٹر)
29 اگست	اجمل بن حمید (ایگزیکٹو ایگزیکٹو)
29 اگست	احمد ارسلان (جوائنٹ ڈائریکٹر)
29 اگست	تمیم اشرف (اسسٹنٹ ڈائریکٹر)
30 اگست	خاں (جوائنٹ ڈائریکٹر)
30 اگست	عمران خان بلوچ (جونیئر ایگزیکٹو)
31 اگست	سید علی عدنان (ڈپٹی ڈائریکٹر)

خاموش چاندنی

خاموشی سے اور آہستہ
اب چاند نمودار ہوا
روشنی کے بالے میں چمکتا
بدلیوں سے نکلتا چھپتا
خاموش سفر طے کرتا ہوا
چار سو کھری چاندنی میں
بانی کے چھرنے۔۔۔۔۔
پھلکی ہوئی چاندنی یوں جیسے
چمک رہے ہیں پھول و شجر ایسے
زرد جواہر بھرنے ہوئے یوں جیسے
درتچے نیم وا ہوئے ہیں
پھولوں میں گھرے آشیانے کے
وہ بغور دیکھا کیے دور کہیں
جیسے تک رہی ہے راہ آنیوالے کی
بدلیوں میں چاند چاکل کھو گیا
چار سو پھر چاند بھر ہوا
پھولوں میں گھرے آشیانے کے
درتچے بند ہو گئے آہستہ سے

عابد آغا

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اس ماہ ای سروسز کا آغاز کر کے اہم پیش رفت حاصل کی ہے۔ یہ اعلیٰ پایہ کا ایڈوانس آئن لائن سہولیات کا مجموعہ ہے جو کارپوریٹ سیکٹر، کمپنیوں اور افراد کو فائدہ پہنچائے گا۔ پراجیکٹ کا باقاعدہ آغاز وفاقی وزیر خزانہ وریونیو، نجکاری اور سرمایہ کاری، سید نوید قمر نے جمعہ 29 اگست 2008 کو این آئی سی آڈیٹوریم میں کیا۔ چیئرمین ایس ای سی پی جناب رضی الرحمن خان، اعلیٰ سرکاری افسران اور ایس ای سی پی کی انتظامیہ و افسران بھی تقریب میں موجود تھے۔

تقریب میں ایگزیکٹو ڈائریکٹر انفارمیشن سروسز اینڈ ٹیکنالوجی ڈیپارٹمنٹ جناب ارشد جاوید منہاس نے ای سروسز کی نمائش کا اہتمام کیا۔ پراجیکٹ کا افتتاح مہمان خصوصی نے کیا جبکہ جناب نوید قمر اور جناب رضی الرحمن خان نے خطاب کیا اور ایس ای سی پی مکش جناب طارق آصف حسین نے تمام شرکاء کا شکریہ ادا کیا۔

مہمان خصوصی نے اپنی تقریر میں ای سروسز منصوبے، جس سے کارپوریٹ سیکٹر اور ملکی و غیر ملکی سرمایہ کاروں کی حوصلہ افزائی ہوگی، شروع کرنے پر ایس ای سی پی کی کارکردگی کو بہت سراہا۔

جناب نوید قمر صاحب نے تمام سرکاری شعبہ جات میں شفافیت کی ضرورت پر زور دیتے ہوئے کہا کہ ای سروسز پراجیکٹ اس سلسلے میں اٹھایا گیا صحیح اقدام ہے جو ہماری مستقبل کی ضروریات، معاشی ترقی اور ٹیکنالوجی میں ترقی کو مد نظر رکھ کر بنایا گیا ہے۔

اس سے قبل ایس ای سی پی کے چیئرمین جناب رضی الرحمن خان نے پیر، 25 اگست 2008 کو اسلام آباد میں ایک پریس کانفرنس میں ای



وفاقی وزیر خزانہ جناب نوید قمر صاحب، چیئرمین ایس ای سی پی جناب رضی الرحمن خان اور سیکرٹری خزانہ جناب فرخ قیوم ای سروسز کی افتتاحی تقریب میں سٹیج پر تشریف فرما ہیں

سروسز پراجیکٹ کے آغاز کا اعلان کیا، چیئرمین کیساتھ ایگزیکٹو ڈائریکٹر، رجسٹریشن ڈیپارٹمنٹ جناب نذیر احمد شاہین، ایگزیکٹو ڈائریکٹر انفارمیشن سروسز اینڈ ٹیکنالوجی ڈیپارٹمنٹ جناب ارشد جاوید منہاس، ہیڈ آف انٹرنل اینڈ ایکسٹرنل کمیونیکیشنز جناب عمران غزنوی اور نیشنل انسٹی ٹیوٹ آف فیسلیٹیشن ٹیکنالوجیز کے نمائندے (این آئی ایف ٹی) بھی موجود تھے۔

چیئرمین نے ملکی ذرائع ابلاغ کے نمائندوں کو کاروباری طبقہ اور سرمایہ کاروں کو ای سروسز سے ملنے والی سہولیات سے آگاہ کیا۔ انہوں نے کہا کہ اس سے ایس ای سی پی کا بزنس پراسیس بہتر ہوگا اور کارکردگی بڑھے گی اور تیز و شفاف بغیر کاغذ کا ماحول پیدا ہوگا جو کاروباری طبقہ کو ایس ای سی پی سے معلومات کا حصول آسان تر بنائے گا۔