



Securities and Exchange Commission
of Pakistan

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.

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Regulatory Reforms Role of Law Division

A sound and resolute regulatory framework is indispensable to a resilient and efficient capital and financial markets. Without continuous and effective market reforms carried out keeping in view the local environment as well as the international best practices, markets structures will collapse upon themselves. The recent global financial turmoil has brought this fact into sharp focus.

Unfortunately in Pakistan, the capital and financial markets as well as the corporate sector is currently being regulated through laws most of which are decades old, e.g. the Securities and Exchange Ordinance, 1969 ("Securities Ordinance") the Companies Ordinance, 1984 ("Companies Ordinance"), the Modaraba Ordinance, 1980 etc. Then there are important areas where no separate substantive laws exist at all, for instance the Futures market, the Non-Banking Finance sector, Insolvency and Rehabilitation of companies. This fact has necessitated continuous upgrading and amendments of the existing laws for the last decade or so, which the Commission has been so efficiently following. However, one can upgrade and maintain old vehicles only for so long. Keeping this in view, the Law Division in collaboration with the operational department and international consultants has deliberated upon changing the façade of the corporate and capital market regulatory framework of Pakistan.

In the first instance, as an umbrella law, the draft Financial Services Commission of Pakistan Act is being proposed, which will replace the existing Securities and Exchange Commission of Pakistan Act, 1997. The Commission was meant to be a corporate and capital market regulator, however it has transformed into sort of a unified regulator with non-banking financial sector, the Insurance sector and recently the pension sector being added to its list of responsibilities. Hence the SECP Act, 1997 has had to be amended on numerous occasions. It is therefore imperative to streamline the fundamental structure to cater to this increased responsibility. In addition to increasing the powers of the Commission and removing the weaknesses of the current law, many new concepts are proposed to be introduced through the draft FSC law. These include voluntary return and plea bargaining, the establishment of an independent tribunal exercising original jurisdiction on the civil as well as criminal side and also appellate jurisdiction, provisions related to whistleblowers, liability of shadow directors and alternative dispute resolution mechanisms including the office of an Ombudsman to hear investor complaints.

In order to streamline the existing provisions relating to securities regulation, it is being proposed that the Securities Ordinance, the CDC Act, Takeovers Ordinance 2002, CDC Rules and Clearing House Rules, 2005 will be replaced by a single enactment, the new Securities Act. The draft Act will have detailed provisions dealing with stock

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Infotainment

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- A Month in Business History
- Humor
- Birthdays



The Chairman says...



Mr. Salman Ali Shaikh
Chairman, SECP

I consider vertical communication an important barrier that exists at different levels in SECP thus affecting the overall organizational efficiency. I expect all of you to encourage horizontal communication for better coordination.

The teamwork is a crucial factor that can help boost the performance of an organization to a great extent. To produce the most effective teamwork, all individuals involved need to harmonize their contributions and work towards a common good.

I would like to comment on the existing work environment in SECP. We are a team of excellent professionals and are committed to achieve the institutional objectives. However, we need to coordinate our efforts in a more coherent manner to overcome the prevalent minor barriers in the work flow environment. I consider vertical communication an important barrier that exists at different levels in SECP thus affecting the overall organizational efficiency. I expect all of you to encourage horizontal communication for better coordination.

Moreover, recent recession also had an impact on SECP's revenue generation. I believe that we can easily recover from the recessive effects, if we ponder some budget cuts and reduce administrative costs.

In light of the above stated vision, I hope to have more and more support from all of you, especially the members of the senior management.

Salman Ali Shaikh

As the financial storm passes on, it may be hard to see a sunny future. However history shows that committed nations, have smartly managed to get through such crises. This is the time, we as a nation has to stand up and support our national interests. No crises in the world can defeat a resilient nation like us; we only have to analyze the threats and systematically plan a way out. Let us assess our weaknesses, believe in our strengths, take advantage of opportunities and beware of threats. Let's stand together and commit ourselves to bring sunny days for our generations to come.

Spring edition of the Vision is in your hands carrying couple of good articles and interesting stories, to read. Here I would like to mention that we are celebrating our first anniversary this month and must admit that me and my team has always been encouraged by your constant feedback and support to make Vision better and better.

Let me introduce our News Management System. Internal & External Communications Department with the assistance of IS&T department has also conceived, established and maintaining a news management system for our internal stakeholders. It carries news, views, articles, etc. on business, finance and economy. To date we have posted more than 3600 articles. The News Management System is being updated daily and can be accessed through SECTODAY, (Intranet portal) of the SECP.

Journalist training workshop is another important initiative of SECP which has been very much appreciated by the stakeholders.

Vision in this issue carries a lead article on regulatory reforms, contributed by the Law Division, giving a detailed insight into the various initiatives taken by SECP to reform its legal framework for effective regulations of the capital and financial markets of Pakistan.

An interesting article, Role of Derivatives in Global Financial Meltdown, contributed by Mr. Waseem Ahmad, analysis this important financial product and its role in the economy. This issue also contains the interview of Mr. Arshad Javed Minhas, ED IS&T Division apart from other news and informative pieces.

I look forward for your feedback and continued support.
Editor

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SECP, SBP sign MOU, LOU in Islamabad

The State Bank of Pakistan (SBP) and SECP signed a Memorandum of Understanding (MOU) on information sharing and coordination and a Letter of Understanding (LOU) for creation of a joint task force to determine risks posed by conglomeration, during a joint news conference held at SECP in Islamabad on Friday, March 20, 2009. Governor SBP Syed Salim Raza and Chairman SECP Mr. Salman Ali Shaikh signed the documents.

Chairman SECP while speaking on the occasion said that SBP and SECP are committed to minimizing the risks of group contagion and regulatory arbitrage in financial conglomerates while simultaneously fostering diversification of products and activities. In the current vulnerable times it is felt that the objectives of proper supervision of these financial conglomerates can be better served through greater cooperation and transparency between the two regulators than undertaking any drastic changes.

He added that SBP and SECP have decided to coordinate and cooperate in their activities enter and into a Memorandum of Understanding. The two institutions have also agreed to

achieve major objectives of consolidated supervision through creation of a joint task force to determine risks posed by conglomeration like, contagion risk, lack of transparency in intra group transactions and liquidity risks arising from asset liability mismatch.

Governor SBP while speaking on the occasion said that the two regulators will take coordinated steps for the development of framework and capacity in the areas of credit rating, valuers, surveyors, administrator and liquidators. Fiscal measures would be proposed to both federal and provincial governments for the development of debt capital market in Pakistan. "The joint task force, terms of reference of which have also been agreed, will address the concerns through the sharing of information collected from the banks and their organizations, within the framework of the respective laws of the two regulators."



Chairman SECP Salman Ali Shaikh and Governor SBP Syed Salim Raza, speaking to reporters.



Chairman SECP and Governor SBP with officers of SECP.

Regulatory Reforms

Role of Law Division

continued from page 1

exchanges, clearing houses, central depositories, market intermediaries, takeovers, market offences, inspections and investigations. The proposed Act will not only streamline the existing provisions of law but will also provide for a consolidated system governing the securities market and its players. It will remove the weaknesses currently hampering successful investigation and prosecutions of offences like market manipulation and insider trading.

The regulation of the futures market and ancillary matters at present is being undertaken through secondary legislation i.e. Commodity Exchange and Futures Contracts Rules, 2005 as the Securities Ordinance does not address detailed provisions in this regard. In light of the needs and development of futures market in Pakistan, it was imperative to have a primary law to provide for all the substantive and procedural aspects involved therein. Therefore as a part of second generation of capital market reforms, the Futures Trading Act has been drafted in consultation with the international and local market participants to keep pace with the international best practices and to allow fair, transparent and efficient futures markets. The proposed law is comprehensive in nature and all regulatory requirements with regard to the futures market have been addressed. The proposed Act will repeal the relevant provisions of the Securities Ordinance and the Commodity Exchange and Futures Contracts Rules, 2005.

In order to further the resolve of the Commission to make the stock markets more efficient and transparent, the Demutualization Act is proposed to establish a framework for the demutualization process of the stock exchanges. After demutualization, the ownership, the management and the trading rights at the exchange will be segregated from one another. The proposed Act will terminate the nexus between the brokers, and the first line regulators and aims at enhancing the professional quality and image of the brokers in order to attract international investors to domestic markets.

The economy of the country generally and the investors in particular have been suffering due to non-existence of a detailed framework for dealing with insolvency and rehabilitation of companies. A draft Corporate Rehabilitation Act was prepared and presented by the Banking Law Review Commission to the Ministry of Finance in year 2004. On the recommendation of the Commission, the Ministry of Finance has constituted a committee headed by the Chairman of the Commission to review and where required, redraft the relevant provisions of the draft Act. The Law Division, as always, is

actively involved in re-drafting the law and making it adaptable to current market trends.

Since the Commission was given the power to make regulations for the purposes by the Parliament in the year 2007, numerous regulations to supplement the primary laws have been framed. Foremost being the Real Estate Investment Trust (REIT) Regulation, 2008 which provides an enabling framework for the launch of REIT Schemes. Other regulations which have been formulated and issued since 2007 include Private Equity and Venture Capital Fund Regulations, 2008, the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Group Companies Registration Regulations.

Another important task that the Law Division came across in the year 2008

was the concept of consolidated supervision proposed by the State Bank of Pakistan. SBP also proposed that the supervision and regulation of three categories of NBFC i.e. investments finance companies, housing finance companies and leasing companies should be transferred to SBP instead of the Commission. In terms of the SBP proposal on consolidated supervision, all companies in a group which includes a bank or any other company supervised by SBP were proposed to be supervised and regulated by the State Bank of Pakistan as the lead regulator. The powers proposed to be exercised by the SBP included, power to restrict dividend declaration for any company in the group, prohibit the creation of charge on assets

of any company in the group, specify statutory deposits for companies in the group, designate a "banking group" even when there is no banking company in that group, powers to inspect and take enforcement actions against all companies in the group. The proposal was principally approved by the Federal Cabinet. The Law Division recognizing the gravity and the urgency of the matter conducted extensive research and identified serious problems in the implementation of the proposal. Numerous presentations and research materials were presented to the Ministry of Finance and the State Bank of Pakistan for achieving the objectives of consolidated supervision without interfering with the division of work between the two regulators. Fortunately, through the good offices of the current Chairman of the Commission and Governor SBP, the issue was addressed. The Commission and SBP signed a Memorandum of Understanding for Mutual Corporation and information exchange for the said purpose and also set up a task force to supervise conglomerates.



In addition to the above laws, the Law Division is currently assisting the operational departments in undertaking the

- Amendments in Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002
- Amendments in Capital Issue Rules, 1996
- Amendments in Companies (Registration) Office Regulations, 2003
- Association Not for profit (Licensing and Corporate Governance) Regulations
- Regulatory framework for Occupational Saving Schemes
- Banker to an Issue Regulations
- Companies (Buy-Back of Shares) Regulations
- Debenture Trustee Regulations
- Balloters and Securities Registrar Regulations
- Amendment in the Legal Advisor Act, 1974
- Amendment to section 25 of Securities and Exchange Ordinance, 1969.
- Companies (Investment in Associated Companies and Undertakings) Regulations, 2009
- Amendment in the Federal Government Insurance Rules, 2002
- Regulations for Unit-Linked Funds (Insurance)
- Underwriters (Registration and Regulation) Rules, 2009
- Asset Back Securitization Rules
- Chartered Accountant Ordinance, 1961
- Amendments in the Bye-Laws of ICAP

In order to further the resolve of the Commission to make the stock markets more efficient and transparent, the Demutualization Act is proposed to establish a framework for the demutualization process of the stock exchanges. After demutualization, the ownership, the management and the trading rights at the exchange will be segregated from one another.

This day in the History of Business

February, March & April

February 1, 1898:

History's first automobile insurance policy is issued by the Travelers Insurance Company of Hartford, Connecticut, to Dr. Truman J. Martin of Buffalo, New York.

February 6, 1882:

Western Electric wins the contract to produce telephones for the Bell Company, which later acquires the firm, forming the colossus AT&T.

February 15, 1971:

Britain adopts metric currency, ending the existence of the fabled shilling.

March 1, 1947:

The International Monetary Fund begins operation.

March 13, 1986:

Microsoft goes public; share starts \$21 and reaches \$28 by day's end by 2000, one of those shares was worth \$10,000.0

March 17, 1845:

The rubber band is patented by Stephen Perry of London.

March 30, 1858:

The Pencil with the attached eraser was patented on this day by Hyman L. Limpan of Philadelphia.

April 1, 1778:

The dollar sign (\$) is created by Oliver Pollock, a New Orleans businessman.

APRIL 3, 1986:

IBM unveils the PC Convertible, the first laptop computer.

APRIL 3, 199:

By a vote of 4-0, the Federal Communications Commission (FCC) approves a plan to make digital television the national standard.

April 27, 1981:

Xerox introduces the first computer with a mouse and point-and-click convenience; it costs \$16,500.



Role of Derivatives in global financial meltdown

by Waseem Ahmad Khan

What are derivatives

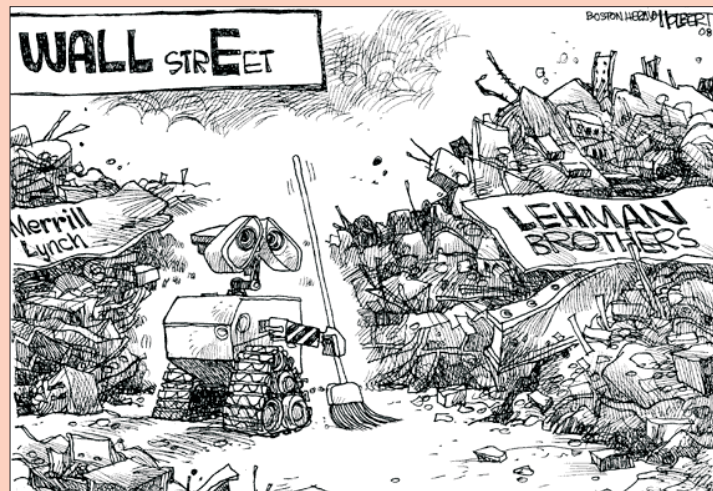
Derivatives are financial instruments that have no direct value in and of themselves but derive their value from other things that do. Derivatives comprise of exotic trading products including forwards, futures, options, and swaps. Until recently, most people had never even heard of derivatives; but in terms of money traded, these investments represent the biggest financial market in the world.

Growth of the derivative bubble

The recent years have witnessed derivative trades growing exponentially, until now they are larger than the entire global economy. The Bank for International Settlements recently reported that total derivatives trades exceeded one quadrillion dollars – that's 1,000 trillion dollars. Realizing the fact that the gross domestic product of all the countries in the world is only about 60 trillion dollars, how is that figure even possible? The answer is that gamblers can bet as much as they want. They can bet money they don't have, and that is where the huge increase in risk comes in.

What the experts have to say

Billionaire investor Warren Buffett calls derivatives as “financial weapons of mass destruction.” The term fits not only because these speculative bets are very risky for investors but because big institutional investors can use them to manipulate markets, cause massive currency devaluations, and force small vulnerable countries to do their bidding. To many observers, derivative transactions appear to be nothing more than an elaborate game of “hide the ball.” To these observers, it appears that risk is just being shuffled from one investor to another without creating anything of value. They say that derivatives create nothing, but serve to enrich non-producers at the expense of the people who do create real goods and services.



According to yet another analyst, the western financial system is facing the gridlock because its pretended “derivative” assets are fake; and the fake assets have swallowed up the real assets. In the US, it all began with deregulation in the 1980s, when government regulation was considered an irrational scheme from which business had to be freed. Government regulation prevented the creation of “funny money” without real value. When the regulations were eliminated, funny money became the order of the day. It manifested in a variety of very complex vehicles lumped together under the label of derivatives, which were often made intentionally obscure and confusing. Physicists were hired to write equations for derivatives which business administrators could not understand.

As seen above, derivatives' sales had reached astronomical sums that are far beyond anything of real value in existence. Pension funds and trust funds have bought into the Ponzi scheme, only to see their money disappear down the derivatives hole. Nobody dares to sell and nobody can collect. The result is a shortage of available funds in global financial institutions.

Figure: impact of financial crisis felt across the globe



Lessons for the regulators

In majority of the cases, regulators of the developing countries and emerging economies have benchmarked their reform efforts primarily on the financial and capital market developments of the West. Such developmental measures are also being taken to meet the ever-stringent conditionalities which are packaged with the reform programmes funded by international donor agencies. However, before embarking upon such measures, public financial manager and regulators should take lessons from those who have experimented with their financial systems in a manner detrimental to their economies.

References:

The Web of Debt – The Shocking Truth about our Money System and How can we Break Free, Ellen Hodgson Brown, J.D., Third Edition, © 2007, 2008

The New Reality of Wall Street, Donald G. M. Cox, The McGraw-Hill Companies, © 2003

It's the Derivatives, Stupid! Why Fannie, Freddie and AIG Had to Be Bailed Out, By Ellen Brown, September 18, 2008



Vision: Please throw some light on the role of IS&T Division.

AJM: Globally, two things are certain: first, Information Systems and related Technologies are now at the center of most organizations; second, organizational objective is a moving target and the only weapon that can hunt it is IT. The Commission has already embraced the integration of Information Technology and its strategic functions to promote the ability of this combination as its organizational DNA. Information Technology and other strategic functions at the Commission have become a continuum where nothing can be separated from anything else, and all is completely and infinitely intertwined - much like a Möbius strip. Dependence on Information Technology suggests that much of this change will involve technology-enabled and, in many cases, technology-driven plans, processes, and other activities. So IS&T division has to be in the driving seat. Technology and the Information that a modern organization like the Commission uses and generates defy the laws of diminishing returns. The more it is applied the more value it creates. Information has emerged as a key resource; comparable in importance to capital and human resources. The way we manage our information resource will determine our survival and growth in future. Therefore alignment of IT and information resources is mandatory; it is not optional.

Information Technology is inherently dynamic. In light of this, it is not surprising that the role of the IS&T Division of the Commission like all other progressive organizations has grown significantly in importance and has assumed new responsibilities that go far beyond the technical service role that once defined the position. It illuminates a complex figure in flux, a division trying not only to keep up with the rapid changes in hardware and software, but also to adjust to a world in which Information and Knowledge Management has become, in many ways, the main business of business at the Commission. These changes in the scale and scope of the IT division's role are now beginning to be felt as a rapidly changing scenario where it has become increasingly involved in strategic business planning at the highest levels. IS&T division is no longer be only reactive, matching technology to an identified business need, but also proactive, looking to how new and emerging technologies may be applied in support of the Commission's mission and vision.

Vision: We frequently hear about "paperless environment". How do you explain it and is it a feasible option for organizations?

AJM: In my view, "paperless environment" for an organization is a philosophy to work with minimal paper or "less paper" and convert most if not all forms of documentation to a digital form. The ideal is driven by a number of motivators including productivity gains, costs savings, space saving, the need to share information and reduced environmental impact.

While a complete paperless environment is an organization is a vision that has yet to be achieved, integrating paper into electronic business processes is an attainable accomplishment that can greatly improve operating efficiency

of almost all type of business processes. Since business processes almost always involve paper, the challenge is to merge parallel work flows—an electronic process and a manual paper-based process—into a single, efficient work stream. The solution is to develop information management strategies that manage and control for both electronic and paper-based processes and that's where IT should take a leadership role in organization striving

for such goal. We have already taken a number of initiatives in this direction by introducing a mega project on eServices and Scanning and Archiving of all historic paper based record of the Commission.

An Interview with

Mr. Arshad J. Minhas
ED ISTD

Vision: If we speak of making advancements in the use of information technology, where does SECP stand compared to other institutions?

AJM: SECP has become a modern organization, with efficiency and timeliness as a vision and clearly stands out in the country owing to its innovative and productive use of IT. SECP is certainly considered as one of the most if not the most successful organizations in the country that have Information Technology at its best in terms of latest technology as well as efficient use. IS&T Division of the Commission has also been very successful in making use of most creative and innovative approaches for diffusion of Information Technology making use of a mix of awareness tools among the user community which is usually considered as the biggest challenge in the way of adoption of IT based action plans.

The eServices project for example is the biggest automation initiative in the history of SECP and the first project in the country based on SOA which is an emerging business-centric IT architectural approach forecasted to be the most profound transformation in the history of business and IT in the world. Similarly, another project for establishment of a high



Similarly, another project for establishment of a high availability solution using Database Clustering which is again the first such deployment in the country in the public sector. Success story has been published on these projects by IBM and Oracle Corporation. I have had opportunities to talk about our projects at some international CIO forums at Dubai, Malaysia, and France attended by CIOs of large multinationals across the world and they were pleasantly surprised to know that such innovative and quality work is being done at an organization in Pakistan.

Vision: SECP has been awarded the ISO 9001:2008 certification for consecutive four years. We would like you to comment on this.

AJM: It certainly gives us a sense of pride as well as satisfaction that we were not only among a very few public sector organizations to obtained this certification in the first place but also have been sustaining it without any non-conformability over the years now. Recently the certification has even been upgraded to the latest standard that is ISO 9001:2008.

IS&T Division is playing a very vital and dynamic role in all the developmental and innovative activities for the Commission that have profound impact on not only internal users but outside stakeholders too in terms of provision of various Online Services. We are conscious that the outcome of these activities would be fruitful and concrete only if our services are held creatively yet in par with the international standards. Obtaining certification before the start of major projects is a confirmation that the Division will be able to provide quality service to its stakeholders.

Vision: What are the future plans of your Division?

AJM: The Information Technology revolution within the Commission owing many key strategic systems like eServices, Market Monitoring and Surveillance, Electronic Access to historic records, Knowledge management through SecToday portal and Video conferencing etc have opened up entirely new vistas for future plans; it will bring about a dramatic shift not only in the way we will operate in the future and deliver services but also collaborate and interact with each other both within the Commission and with other organizations. We have reached a threshold where our future orientations, strategies and activities have to be revisited and adjusted to the new circumstances and opportunities.

In view of this a number of new initiative including establishment of a comprehensive and organization wide data warehouse with a number of applications like OLAPS, BI and Data Mining for empowering the users in carrying out extensive yet flexible analysis have been envisaged to be deployed. The scope of eServices will be enhanced by enabling online provision of services related to all business functions of the Commission through a single system. A comprehensive ERP solution is also planned to be deployed involving automation of every single process related to Finance, Admin, and HR. A fully automated hot site for BCP will also be established in the near future. IS&T Division is also planning to take up virtualization path for its server as well as storage infrastructure for ensuring better management, efficiency and cost effective use of its existing and future infrastructure needs.

It is now well recognized that IT has emerged as an exceptionally imperative enabling technology and exposure to state of the art technology at SECP has paved the way for general acceptance of IT, which is essential for effectively implementing IT-related action plans. IS&T Division will continue to play a dynamic role to provide information technology leadership, to build the organizational information infrastructure, and to expand technology support to create the information technology environment that the Commission needs in order to reach its goals in the coming decades. We have come a long way from a humble beginning; more and more emphasis is being placed on in-house development of software packages tailor-made according to the requirements of various departments and divisions within Commission.

Vision: Please tell our readers about your education and career.

AJM: I hold a Masters degree in Computer Sciences. I started my career 18 years ago in highly technical system roles on giant mainframe computers like NEC 610, IBM 4381, and IBM 4361 etc followed by smart mini computers like VAX 11730, AS400, and IBM RISC/6000 etc.

Apart from my formal education in information technology, I have had extensive opportunities in obtaining numerous technical qualifications both nationally and internationally in the area of Systems, Networks and Database Management, IT Governance, Information Security, eGovernance, Business Process Analysis and Management, BPR and Data Warehousing etc. I have worked in various technical and technology management roles in various national and international organizations, and last three of these were in leadership roles. I have also had opportunity of working on international projects under World Bank, United Nations, Asian Development Bank, CIDA, USAID, Packard Foundation USA, and Rocker Feller Foundation USA etc.

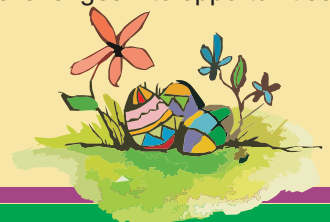
Apart from my commitment to the IT industry, I have remained Visiting Professor at reputed universities where I have taught courses and supervised projects in Database Management, Artificial Intelligence, Data Communication and Networks, Information System Management, Operating Systems and Software Engineering etc.

Vision: What are your hobbies?

AJM: Although I am finding less and less time to attend to my hobbies for quite some time now but they include sightseeing, planning and going on excursion trips, tracking and listening to good music etc.

Vision: What are the pre-requisites of a successful professional life?

AJM: I think some of the important pre-requisites of a success professional life are setting oneself apart from the ordinary, dreaming and envisioning big, thinking out of the box and staying focused consistently, developing a personality of caring about people recognizing their contribution and helping them become successful too, becoming a lifelong learner, developing an ability to convert challenges into opportunities, and above all believing.





To promote quality Economic Journalism in Pakistan, the Internal & External Communications Department of SECP conceived a series of training programs for journalists in the major cities of the country. The purpose was to sensitize journalists on

various important areas such as Real Estate Investment Trusts, Venture Capital and Private Equity, Voluntary Pension System, Commodity Exchange and Indexes, Futures and Derivate Markets, Company Laws, eServices etc.

The first training workshop was organized with the coordination of Centre for International Private Enterprise (CIPE) in Crown Plaza hotel in Islamabad on February 28, 2009. In this workshop journalists from all the major daily English and Urdu newspapers, TV channels and news agencies participated. The Head of I&EC Department Mr.

Imran Ghaznavi gave opening remarks and highlighted the importance of the workshop. Senior officials of SECP including Mr. Nazir Ahmad Shaheen, Mr. Imran Inayat Butt, Mr. Muhammad Afzal and Ms. Sarwat Aftab gave detailed presentations which were followed by questions and answers session. Certificates among the participants were distributed at the end of the workshop.

The second workshop was held in the Avari Towers, Karachi on March 7, 2009. In this workshop, besides reporters and sub-editors, prominent TV anchors of business programs also participated.

“Media has a very important role to play in awareness-raising in society.”
Salman Ali Shaikh

The Chairman SECP, Mr. Salman Ali Shaikh, also graced the occasion and distributed certificates among the participants. He gave brief comments on this occasion and highlighted the importance of the role of media in awareness-raising. Taking advantage of the Chairman's presence, several newsmen interviewed him.



SECP NewsFlash

Registered companies with SECP reach figure of 53,364

SECP registered 653 companies during the first quarter of the calendar year 2009 that ended on March 31. While, in April 2009, a total of 270 companies have been registered thus taking the total corporate portfolio as on April 30, 2009 to 53,364 registered companies.

During the quarter, the numbers of companies registered during the months of January, February and March, 2009 were 237, 187 and 229, respectively. Out of the total 653 companies registered during the quarter, 647 companies were limited by shares, comprising of seven public unlisted companies, 610 private companies and 30 single member companies. In addition, four associations not-for-profit under section 42 of the Companies Ordinance, 1984 (the Ordinance), one company limited by guarantee under section 43 of the Ordinance and one trade organization were also registered.

During the quarter, the number of new incorporation was the highest in Lahore whereby 210 companies have been registered with the Companies Registration Office (CRO) of SECP, followed by 156 companies in CRO Karachi and 182 in CRO Islamabad. CROs of Peshawar and Quetta registered 28 companies each while CROs at Multan, Faisalabad, and Sukkur registered 27, 20 and two companies, respectively.

The highest number of company incorporation was witnessed in the services sector comprising of 118 companies, followed by 112 in trading, 62 in tourism, 45 in construction, 40 in information technology, 28 in communications, 22 in power generation and 21 in textile sector.

The newly registered 653 companies also include those 53 companies having foreign investment. Foreign investors are mainly from U.S.A. having participation in nine companies followed by U.K. and China with investment in eight companies each, and Germany in four companies. Other foreign investors belong to Canada, Italy, Korea, Malaysia, Turkey having participation in two companies each and Austria, Australia, Bulgaria, Belgium, France, Hong Kong, Oman, Iran, Lebanon, Netherlands, Nigeria, South Africa, U.A.E.,

Camaneiland have investment in one company each.

Regulations promulgated to enable formation of group companies

SECP has promulgated the Group Companies Registration Regulations, 2008 to provide a regulatory framework for the formation of group companies, comprising a holding company and its subsidiaries. The Regulations will also empower the Commission to designate the group companies contemplating to avail group relief and group taxation benefits from the Federal Board of Revenue (FBR).

The Regulations will enable a holding company desirous of forming a group with its subsidiary companies to apply to the Commission along with specified documents for registration as a Group for the purpose of designation to claim underlying tax benefits from FBR, as envisaged under the relevant provisions of the Income Tax Ordinance, 2001.

The Regulations would also facilitate streamlining of the group ownership structures and consolidation of the present complicated cross-company ownership to make the corporate sector internationally competitive.

Valuation Methodology Prescribed for Debt Securities Held By CIS

SECP has prescribed valuation methodology and provisioning criteria for debt securities held by Collective Investment Schemes (CIS). With effect from January 10, 2009, the value of debt securities held by Collective Investment Schemes (CIS) shall be determined in accordance with the methodology prescribed by SECP. MUFAP, based on the prescribed methodology, shall determine and disseminate the values of different debt securities on a daily basis and announce on its website.

Adoption of the valuation methodology is aimed at bringing consistency across the mutual fund industry and is expected to lead to fair price discovery of debt securities.



Understanding a Taurus

Taurus is the most earthy of all the Earth Signs. If you understand that Earth is more than just a physical element that it is a psychological attitude as well, you will get a better understanding of the Taurus personality.

A Taurus has all the power of action that an Aries has. But Taurus is not satisfied with action for its own sake. Their actions must be productive, practical and wealth-producing. If Taurus cannot see a practical value in an action they will not bother taking it.

Taurus' forte lies in their power to make real their own or other people's ideas. They are generally not very inventive but they can take another's invention and perfect it, making it more practical and useful. The same is true for all projects. Taurus is not especially keen on starting new projects, but once they get involved they bring things to completion. Taurus carries everything through. They're finishers and will go the distance so long as no unavoidable calamity intervenes.

Many people find Taurus too stubborn, conservative, fixed and immovable. This is understandable, because Taurus dislikes change – in the environment or in the routine. They even dislike changing their minds! On the other hand, this is their virtue. It is not good for a wheel's axle to waver. The axle must be fixed, stable and unmoving. Taurus is the axle of society and the heavens. Without their stability and so-called stubbornness, the wheels of the world (and especially the wheels of commerce) would not turn.

Taurus loves routine. A routine, if it is good, has many virtues. It is a fixed – and, ideally, perfect – way of taking care of things. Mistakes can happen when spontaneity comes into the equation, and mistakes cause discomfort and uneasiness – something almost unacceptable to a Taurus. Meddling with Taurus' comfort and security is a sure way to irritate and anger them.

While Aries loves speed, a Taurus likes things slow. They are slow thinkers – but do not make the mistake of assuming they lack intelligence. On the contrary, Taurus people are very intelligent. It is just that they like to chew on ideas, to deliberate and weigh them up. Only after due deliberation is and idea accepted or a decision taken. Taurus is slow to anger – but once aroused, take care!

Career and Public Image

Being essentially down-to-earth people, simple and uncomplicated, Taurus tends to look up to those who are original, unconventional and inventive. Taurus likes their bosses to be creative and original – since they themselves are content to perfect their superiors' brain-waves. They admire people who have a wider social or political consciousness and they feel that someday (when they have all the comfort and security they need) they too would like to be involved in these big issues.

In business affairs Taurus can be very shrewd – and that makes them valuable to their employers. They are never lazy; they enjoy working and getting good results. Taurus does not like taking unnecessary risks and they do well in positions of authority, which makes them good managers and supervisors. Their managerial skills are reinforced by their natural talents for organization and handling details, their patience and thoroughness. As mentioned, through their connection with the earth, Taurus people also do well in farming and agriculture.

In general a Taurus will choose money and earning power over public esteem and prestige. A position that pays more though it has less prestige – is preferred to a position with a lot of prestige but lower earnings. Many other Signs do not feel this way, but a Taurus does, especially if there is nothing in his or her personal birth chart that modifies this.

Taurus will pursue glory and prestige only if it can be shown that these things have a direct and immediate impact on their wallet.

Horoscope for 2009 Major Trends

Last year was a party year – a year for exploring the joys of life, for leisure activities and sports. This trend continues for a little while but is basically weakening.

Instead, 2009 is a career year; a lifetime (for many of you) career peak; a year for promotions, raises, honours and public recognition. Career success rarely comes without taking on more responsibility, so you will be working more and playing less. Until October 29 you are trying to do both but from then on it will be work, work, work – work and success.

As with Aries we see (but in a different language) a detox and transformation happening in the career (and also with parents and parent figures). More on this later.

Health was good last year and the trend continues in the year ahead. The main headline in 2009 is Saturn's move into your 6th House of Health. This shows a greater focus on health and a need for steady, disciplined, health regimens.

The love attitudes underwent dramatic change last year as your love planet, Pluto, moved in and out of Capricorn. This year, these changes will be more established. Love will become more practical and down to earth. You will be more conservative in love matters. You will be more cautious and do more homework.

Finances were status quo last year (which I read as a good thing) and the trend continues in 2009.

Your path of greatest fulfilment this year is the career. Keep your focus here and push for the heights.

Your most important areas of interest this year are children, creativity and exploring the joy of life (until October 29); health and work (after October 29); religion, philosophy, metaphysics, higher education and foreign travel (for many years to come); career and the parents; friendships and group activities.



فراقِ ذات

جی چاہتا ہے اداس ہو جائے
یونہی بے سبب، بلا وجہ
کہ بہت روز ہوئے
میں خود سے بھی نہیں ملا ہوں
شاید کسی سوگوار لمحے میں
میری خود سے ملاقات ہو جائے۔

وحید اقبال

دکھاوا

اُترے جب چہروں سے نقاب سارے
تو ٹوٹ کے بکھر گئے خواب سارے
جنہیں میں سمجھا تھا وفاؤں کے موتی
سمیٹے جو دامن میں تو نکلے انگارے
کس قدر میل تھی اُن کے دلوں کے اندر
چہرے سے تو بالکل لگتے تھے بیچارے
رستے سے کبھی بھی بہکتا نہ شاید!
گر سمجھ لیتا تیری آنکھوں کے اشارے
وقت اگر بھر بھی دے یہ زخم محبت
پر روح سے تو نہیں اتریں گے وہ داغ سارے

عتیق الرحمن

ادھوری شخصیت

کیا کوئی اتنا حسین بھی ہے
کہ میں خود کو بھول جاؤں
اک روز سر راہ یونہی
سر منی شام کے دھند لکے میں
شب منی آنکھوں میں کنول سے دیپ لیے
وہ مجھ کو یوں ملی ---
وہ مجھ کو یوں ملی ---
وقت منجمد ہو گیا
میں بھی کچھ کھو گیا
حُسن کی آگ سے
شاید جھلس گیا
جیت کر دکھاؤں گا
تجھ کو تجھی سے ایک دن
میرے بغیر اے ساتھی
تو بھی ادھوری شخصیت

عابد آغا



Lawyers and Lightbulbs

Q: How many lawyers does it take to change a light bulb?
This is a question that's been at the forefront of discussion amongst the most prestigious scholars and lawmakers of the world. Finally, after getting them all together - the question has been answered.

A: Such number as may be deemed necessary to perform the stated task in a timely and efficient manner within the strictures of the following agreement. Whereas the party of the first part, also known as 'the lawyers' and the party of the second part, also known as 'the light bulb' do hereby agree to a transaction wherein the party of the second part shall be removed from the current position as a result of failure to perform previously agreed upon duties, i.e. the lighting, elucidation, and otherwise illumination of the area ranging from the front (North) door, through the entryway, terminating at an area just through the primary living area, demarcated by the beginning of the carpet, any spillover illumination being at the option of the party of the second part and not required by the aforementioned agreement between the parties. The aforementioned removal transaction shall include, but not be limited to, the following steps

1. The party of the first part shall, with or without elevation at his option, by means of a chair, step stool, ladder or any other means of elevation, grasp the party of the second part and rotate the party of the second part in a counter clockwise direction, said direction being non-negotiable. Said grasping and rotation of the party of the second part shall be undertaken

by the party of the first part to maintain the structural integrity of the party of the second part, notwithstanding the aforementioned failure of the party of the second part to perform the customary and agreed upon duties. The foregoing notwithstanding, however, both parties stipulate that structural failure of the party of the second part may be incidental to the aforementioned failure to perform and in such case the party of the first part shall be held blameless for such structural failure insofar as the non-negotiable directional codicil is observed by the party of the first part throughout.

2. Upon reaching a point where the party of the second part becomes separated from the party of the third part, also known as the 'receptacle', the party of the first part shall have the option of disposing of the party of the second part in a manner consistent with all applicable state, local, and federal statutes.

3. Once separation and disposal have been achieved, the party of the first part shall have the option of beginning the installation of the party of the fourth part, also known as 'new light bulb'. This installation shall occur in a manner consistent with the reverse procedures described in step one of this self same document, being careful to note that the rotation should occur in a clockwise direction, said direction also being non-negotiable and only until the party of the fourth part becomes snug in the party of the third part and in fact becomes the party of the second part.

Note: The above described steps may be performed, at the option of the party of the first part, by said party of the first part, or by his or her heirs and assigns, or by any and all persons authorized by him or her to do so the objective being to produce a level of illumination in the immediate vicinity of the aforementioned front (North) door consistent with maximisation of ingress and revenue for the party of the fifth part, also known as 'The Firm'.

وژن



SECP

سیکیورٹیز اینڈ ایکسچینج کمیشن
آف پاکستان

محفوظ ریگولیٹری اصولوں پر مبنی جدید 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

ٹیم ورک کسی بھی ادارے کی کارکردگی کو بڑھانے اور اُس کی ترقی کا سب سے اہم ذریعہ ہے۔ مؤثر ٹیم ورک کے لئے سب کو چاہیئے کہ وہ اپنی کوششوں کو ایک منظم اور مربوط دائرہ میں لے آئیں تاکہ مشترکہ مقاصد کا حصول ممکن ہو سکے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا موجودہ ڈھانچہ پر عزم پر فیشنل کی ایک مضبوط ٹیم پر مشتمل ہے۔ جو پوری لگن کے ساتھ ادارے کے مقاصد کے حصول کے لئے دن رات سرگرم رہا ہے۔ تاہم جس چیز کی ہمیں سب سے زیادہ ضرورت ہے وہ یہ کہ ہم اپنی کوششوں کو مربوط کریں۔ تاکہ روزمرہ کی ذمہ داریوں سے عہدہ براہونے کے دوران پیش آنے والی رکاوٹوں پر قابو پایا جاسکے۔ اس ضمن میں سب سے بڑی رکاوٹ نجی سطح پر رابطوں کا فقدان ہے۔ کام کو احسن انداز میں نمٹانے کے لئے ہمیں ان تمام رکاوٹوں پر قابو پانا ہوگا۔

موجودہ معاشی تنزلی کی کیفیت کا سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان پر بھی گہرا اثر پڑا ہے۔ لیکن مجھے یقین ہے کہ ہم کفایت شعاری کے ساتھ اور غیر ضروری اخراجات میں نمایاں کمی لاکر بہت حد تک اس پر قابو پالیں گے۔

اس سلسلے میں مجھے آپ سب سے بالعموم اور سینئر انتظامیہ سے بالخصوص تعاون کی امید ہے۔

جناب سلمان علی شیخ