

Press Release

SEC Chairman Addresses Sahiwal, Multan Chambers

Islamabad – September 23, 2005: The Chairman, Securities and Exchange Commission of Pakistan (SEC), Dr. Tariq Hassan has called upon businessmen to benefit from the facilities offered by the SEC for corporatization. He met with the members of Sahiwal and Multan Chambers of Commerce and Industry today in Sahiwal and Multan, respectively.

“The SEC has adopted a holistic approach in removing impediments to corporatization. In this regard, it has been in dialogue with concerned agencies to provide a facilitative environment to promoters and companies,” Dr. Hassan said while speaking at a meeting with the Sahiwal Chamber of Commerce and Industry.

On the SEC’s request, the provincial government of Punjab has abolished stamp duty applicable on registration of memorandum and articles of association, the SEC Chairman informed the members of the Chamber. In a similar spirit, the SEC formed a joint task force with the Central Board of Revenue to address the pressing issue of excessive tax burden on corporate entities and develop a corporate tax policy. “The recommendations made by the task force were largely accepted by the government through the Finance Act, 2005,” he maintained. It is envisioned that the tax benefits offered to a small company are significant to encourage corporatization of SMEs and enable them to survive in a competitive business environment.

Dr. Hassan appreciated the Sahiwal Chamber’s initiatives and efforts to establish a help desk of SMEDA and hold seminars in collaboration with them. “This would further facilitate corporatization of SMEs in the area,” he said and added that the SEC plans to conduct awareness creating seminars on corporate legal status and corporate compliance in various cities of the country.

Enumerating the steps that the SEC has taken to facilitate development of the corporate sector and to encourage corporatization, at the reception arranged by the Multan Chamber of Commerce and Industry, the Chairman said: “Legal framework has been reformed to bring it in conformity with the changing trends in corporate regulations and to address practical difficulties of corporates. The introduction of the Single Member Company (SMC) – to allow sole proprietors to embrace the corporate status – is particularly noteworthy here. The SEC has also evolved an expeditious incorporation process at our front end Company Registration Offices (CROs). A company can now be incorporated within three days, far less time compared to any other contemporary jurisdiction.”

Dr. Hassan said that he considered Multan to be among the most industrially developed areas in southern Punjab. Presently, more than 3,400 industrial units are operating in the region. However, the vast majority of these business concerns are operating as non-corporate entities as the total registered companies in Multan are 1601, only 4 % of the overall corporate sector in Pakistan.

The Chairman SEC pledged more steps to facilitate corporatisation and urged businessmen to give a helping hand to the SEC in this regard.