



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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### **Zafar Hijazi highlights SECP's achievements and future priorities**

ISLAMABAD, January 1: At the start of the New Year, the SECP chairman, Mr. Zafar-ul-Haq Hijazi, has outlined the SECP's achievements of the outgoing year, saying that 2016 was an year of great achievements for the organization because of the advancement of capital market and development of the corporate sector. The year 2017 shall see the SECP build upon these achievements to further enhance investor confidence for the progress of Pakistan's economy.

He expressed these views while addressing to the SECP officers. Enumerating the outstanding achievements of the outgoing year, he said that Pakistan's three stock exchanges were successfully demutualized and integrated into the Pakistan Stock Exchange (PSX) to the benefit of investors, listed companies, and market intermediaries. The PSX has been making progress by leaps and bounds. Today it is considered Asia's best performing stock exchange. Pakistan has re-entered the MSCI Emerging Market Index, a sign of international recognition of the developments in the capital market and wider economy. In an unprecedented development for the entire region, a consortium of Chinese exchanges and local financial institutions have acquired 40% of shares and management control of the PSX, laying the foundation of sustainable modernization of Pakistan's capital market.

He said that the second achievement was that steps were taken to strengthen protection of investors through various laws that were put into effect, which are being rigorously enforced. The SECP Act, 1997, that established the organization, has been amended, enhancing the role and powers of the organization. In addition, new legislation, including the Futures Market Act, 2016, Corporate Restructuring Companies Act, 2016, and many different rules and regulations covering various sectors, from insurance to modaraba, has been introduced. In order to protect investors' interests and augment their confidence, a record number of show-cause notices were concluded through regulatory orders and an unprecedented number of investor complaints were redressed. The SECP's efforts for investor education and awareness reached new heights under its Jamapunji campaign. Now it has become the largest national campaign for the awareness of all investors to inform them as to how they can benefit from investing in the corporate sector.

Regarding the third big achievement, the chairman said that the SECP established itself as a high performance and knowledge-based organization. The SECP's staff consists of highly qualified professionals, including accountants, lawyers, and MBAs, with advanced internationally recognized qualifications such as the CFA Charter. The organization has been able to offer quite attractive remunerations and career progression that is competitive with the private sector.

Graduates from the best universities across the country were hired. A vibrant learning and development program is in place, offering the staff opportunities to develop themselves with both domestic and international trainings. While the human capital of the organization is expanding, it remains in a healthy financial condition with growing revenues but tightly controlled expenses, resulting in increasing surplus.

Speaking of the priorities for the year 2017, Mr. Hijazi said that the main priorities will be more rigorous enforcement, building upon the legal accomplishments and working on ease of doing business. Keeping these priorities in view, the organization will make even greater effort to increase the number of cases taken up, speed up the processing, and strengthen the mechanisms used against non-compliance. There will be a record number of inspections of regulated entities across all sectors and entities, from insurance companies to stock brokers. The entities receiving disproportionately high number of investors complaints compared to their peer groups will be held accountable and will have to demonstrate improvement in their track record.

Elaborating on the priorities, the chairman said the organization will continue to build upon the legal accomplishments of 2016. He said that the legal framework for the development of corporate sector and protection of investors will be strengthened. The Companies Bill is in the process of replacing the Companies Ordinance, 1984, and it will be a game changer for the advancement of the corporate sector. The Draft Insurance Bill, 2016, is undergoing public consultations, which has incorporated many improvements to better protect the policyholders and to meet the needs of insurance companies. A Sharia governance framework is being developed to meet the regulatory needs of Islamic finance across all sectors regulated by the SECP.

He said the SECP would continue to work on ease of doing business and capital formation through the capital market. He emphasized the need for increasing quality listings on both equity and debt and expanding the investor base. At the same time, the country is presented with exciting new opportunities such as publicly offered sukuk, financing the projects under the CPEC, enabling Pakistanis to directly participate in the development of the country. In 2017, the SECP will be putting even greater emphasis on reaching out to the corporate sector to better understand and address the challenges facing capital formation.

The chairman hoped that, God willing, 2017 would see the SECP achieve even more than it achieved in 2016. However, such achievements inevitably depend on support of the government, the SECP's Policy Board, stakeholders, and other government departments. The year 2017 shall witness the SECP doing its utmost to contribute in the growth of national economy.