

Press Release

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For immediate release

SECP's compliance with IOSCO standards rises to 83%

ISLAMABAD, April 6: The International Organization of Securities Commissions (IOSCO) has enhanced Pakistan's compliance level with the IOSCO principles to 83%, which represents a 21% improvement since 2015.

The Assessment Committee's report on follow-up review of the Pakistan's implementation of IOSCO objectives and principles suggests that the Securities and Exchange Commission of Pakistan (SECP) is now fully implementing 14 principles and 16 principles are implemented broadly, out of total 37 principles.

The IOSCO recognizes and recorded that the SECP's response to the review's findings was largely positive, and it was encouraged by comments in the follow-up report on their measures taken in response to the 2015 recommendations. IOSCO recognized Pakistan's significant efforts to adopt legislative and regulatory reforms aimed at aligning its regulatory framework with international standards.

The IOSCO principles are the key global regulatory standards that benchmark the regulatory framework, practices and procedures implemented by the regulators, self-regulatory organizations and market intermediaries in a jurisdiction. Earlier in 2015, IOSCO's assessment committee completed a detailed assessment of the depth and breadth of Pakistan's implementation of the IOSCO principles. The 2015 country review report identified the country's progress in meeting international regulatory standards and assessed Pakistan to be compliant to 62% of IOSCO 37 principles, 13 fully implemented and 10 broadly implemented, and for fourteen principles identified areas in which improvements were needed.

The latest review focused on the SECP's progress in the implementation of 14 IOSCO principles that the 2015 report noted as deficient, gauged effectiveness of the measures taken and concluded that SECP's efforts justify upgrading 10 of these re-assessed principles. The legislative and regulatory reforms cover a wide range of issues in the regulation of capital markets, including enhancing the statutory powers of the SECP, changing the Pakistani Companies Act, overhauling Securities Broker Regulations, and introducing changes designed to ensure independent oversight of the audit profession.

The IOSCO has specifically appreciated the SECP's significant achievement in the areas of international cooperation and designation of specialized courts to take cognizance of any offence under the laws administered by SECP, commenting this to be "a considerable achievement and should be hailed as a model for other jurisdictions that suffer delays in their courts".

Mr. Zafar Abdullah, the SECP chairman, has said: "The international recognition of Pakistan's compliance with global standards underpins our resolve to establish good governance standards and bring transparency in the capital markets. Compliance with the IOSCO principles is important to safeguard the integrity and credibility of financial system, strengthen legal and

regulatory framework, and develop capital markets as a preferred investment choice for both local and foreign investors. The SECP remains committed to developing and implementing reform initiatives consistent with IOSCO principles and agrees to give due consideration to the follow-up report's findings regarding effective implementation.”

The follow-up country review was carried out by a review team of five experts from Dubai FSA, Luxembourg CSSF, Saudi Arabia CMA, Turkey CMB and the IOSCO General Secretariat. The review team leader was Laurent van Burik of the Luxembourg CSSF.