



Securities and Exchange Commission of Pakistan

Press Release

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For immediate release

SECP launches awareness drive about modaraba

Islamabad, December 5: The SECP has launched an awareness campaign about the business model of modaraba and modaraba management companies, regulated by it, its salient features, recent initiatives and the performance of the modaraba sector to attract prospective investors to float new modarabas to take advantage of the diversity of Shariah-compliant framework.

In order to achieve the above-mentioned objectives, the SECP, in collaboration with Islamabad Chamber of Commerce and Industry (ICCI), held a comprehensive session. In addition to the SECP officials, chairman and representatives of the NBFIs and Modaraba Association of Pakistan and members of the ICCI attended the session.

The speakers gave a detailed presentation on the SECP's functions and responsibilities and modaraba institutions regulated by it. They discussed the diversity and potential of modaraba concept in exploring the current and forthcoming business opportunities in the context of overall economic development of the country and the role this sector can play with particular reference to the China Pakistan economic corridor. The potential of modarabas for providing financing facilities to small and medium enterprises and dividend distributions to the certificate holders was also discussed.

The chairman of modaraba association also gave a presentation on the financial performance of modarabas, covering the areas of growth of the sector, market capitalization and sector dynamics and highlighted their role in the promotion of Islamic financial system.

The ICCI secretary general appreciated the SECP's endeavors to promote the image of modaraba institutions. He highlighted the keenness and interest of the ICCI members in understanding business model of modaraba regulated by the SECP and encouraged ICCI's members to further discuss and deliberate the modaraba model with the SECP not only from investment point of view but to establish their businesses through the modaraba model.

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