

PRESS RELEASE

For immediate release

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Ease of Doing Business;

Policy Board refers several laws to Finance Ministry for amendments

ISLAMABAD, February 1: The Securities and Exchange Policy Board met in Islamabad at the SECP head office under the chairmanship of Prof. Khalid Mirza. Upon the recommendation of its Regulations Committee, the Board referred several proposed amendments to laws to the Ministry of Finance for necessary amendments.

The Policy Board was appraised on the progress made by the SECP with regard to various decisions taken by it in order to facilitate the market, ease of doing business, and reducing fees across the board. Mr. Farrukh Sabzwari, the SECP chairman, who has just come on board, expressed his resolve to get the work done in an expeditious manner. At the request of the Pakistan Business Council, its CEO, Mr. Ehsan Malik gave a presentation, pointing out various anomalies and difficulties in the Companies Act, 2017, such as section 452, which relates to global register of beneficial ownership of shareholding in foreign companies, section 208, which pertains to party transactions, as well as other provisions. The Policy Board appreciated it, and directed the SECP to look into all these matters and to ensure necessary rectification in the most expeditious manner.

Similarly, the Pakistan Stockbrokers Association made certain proposals regarding problems and issues facing the PSX brokers, e.g., removing small brokers from the category of public-interest companies, which are obligated to high compliance requirements, simplifying account opening forms. While agreeing to most of the proposals the Board emphasized that consolidation is the key to their problems.

The Board was of the firm view that small brokers would find it difficult to perform the role required of them unless there were substantial mergers in their ranks, giving them the capability to face the competition and professionalism of the larger brokerage houses. At the same time, the Association was asked to come up with suggestions to improve investor protection reaching out to a wider investor base through branches, setting up in-house research facilities, and automation of their systems.

The Board stressed the need for improving the capacity of the SECP employees and suggested to conduct workload assessment and training need assessment. It was decided that the Board's HR Committee will provide assistance in this regard.

The SECP Policy Board comprises ex officio members of the Ministries of Finance, Commerce, and Law, SBP, SECP and persons of eminence from the private sector.