

PRESS RELEASE

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SECP reduces regulatory tariffs to make capital market more competitive investment avenue

ISLAMABAD, September 23: The Securities and Exchange Commission of Pakistan (SECP), in view to foster capital market development and broadening investor base, has approved revision in tariff structures of National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC).

The reduction in regulatory charges will further minimize the investor related costs in different segments of equity and debt market and make it a more competitive investment avenue. The SECP is continuously striving to introduce measures for simplifying and reducing the cost of doing business to facilitate investors and bring confidence in capital market in Pakistan.

The SECP had advised the CDC and NCCPL to rationalize their respective tariff structures in line with international best practices. Subsequently, to pass on maximum benefit to the shareholders and encourage investments, the board of directors of both companies issued SROs, announcing significant reduction in their tariff structures.

As per revised tariff structures, the sub-account maintenance fee of sub-account holders maintaining Investor Accounts with CDC has been waived off. This will encourage investors to open sub accounts with CDC to have prudent and safe custody of their investments. Tariff for annual fee of redeemable securities have also been substantially reduced by almost 70% to support corporate debt market. Further, the SECP has also approved reduction in custody fee for next two years by 14% and 16% for 2020 and 2021. In addition, the SECP has advised CDC to reduce ceiling on fresh issuance fee for issuers to Rs35 million from Rs50 million.

Moreover, the NCCPL has reduced the fee and charges for Collective Investment Schemes (CIS). The reduction will directly benefit mutual funds unit holders, as it will reduce expense ratio of a fund significantly. Moreover, CCPL has reduced its UIN maintenance fee by 50%. Besides, 20% reduction has announced in the monthly Institutional Delivery System (IDS) fixed fee and IDS transaction fee for CISs. Furthermore, annual capital gain tax fee has also been reduced for small local investors. In order to improve volumes in leveraged market; Margin Financing transaction fee applicable on Finances has been completely abolished.