

SECURITIES & EXCHANGE POLICY BOARD
(POLICY BOARD'S SECRETARIAT)

PRESS RELEASE

For immediate release

September 28, 2019

Securities and Exchange Policy Board approves creation of Adjudication Division in SECP

ISLAMABAD, September 28: The Securities and Exchange Policy Board met in Islamabad at the SECP Headquarters under the Chairmanship of Professor Khalid Mirza.

The Policy Board approved the setting up of a centralized adjudication division in the Commission. This division will be the quasi judicial arm of the Commission and be entrusted the responsibility for its entire adjudication work pertaining all regulated entities and persons instead of the existing practice of adjudication being carried out separately by various departments/divisions within the Commission. The centralization of adjudication would likely enhance the effectiveness of the Commission, ensure fair and consistent decisions, and minimize any creeping risk of arbitrariness in the discharge of its judicial function.

The Policy Board also took up the matter of S.R.O. 1048 (I)/2019 dated September 11, 2019 requiring companies to file a tax compliance certificate. The Policy Board considered this order to be *ultra vires* and beyond the jurisdiction of the SECP and has directed the Commission to take steps for its withdrawal after taking legal advice.

Amongst other decisions, SECP's Financial Statements, for the year ended June, 30, 2019 were presented to the Policy Board and approved. The Commission's Annual Report will be finalized after the Members of the Policy Board have had a chance to review it and provide their observations.

The Policy Board took note of the following and gave appropriate directions to the Commission seeking to rectify the situation:

- (i) unwarranted, and possibly illegal, intervention by outside forces and harassment as well intimidation by staff which had debilitated the Commission,
- (ii) withdrawal of cases wrongfully referred to law enforcement agencies and repatriation of staff seconded to these agencies as directed by the Policy Board earlier had not been done,
- (iii) there were several stock market related governance issues that needed to be redressed, and
- (iv) the need for the Commission to objectively determine - through a departmental enquiry in each case – the factual position regarding the charges being faced by certain staff members that had been implicated, or were likely to be implicated, in legal cases; and if so deemed appropriate/necessary for the Commission to stand up and defend these staff members in all forums.

The Securities and Exchange Policy Board, in pursuance of Section 12 of the Act 1997, comprises ex-officio members of the Ministries of Finance, Commerce, and Law, SBP, SECP and persons of eminence from the private sector.