

## **PRESS RELEASE**

A delegation of the Karachi Stock Exchange met with the Minister of Finance and a few members of the EAC to discuss capital market policy. All stock-holders recognize the key role capital markets can play in attracting investment, boosting confidence, accelerating economic growth rate and increasing employment opportunities. In this context it was decided:

1. Exemption on Capital Gains on Listed Shares to be extended for 2 years (Till June 30<sup>th</sup> 2010).
2. Current Tax Regime for Capital Markets to remain un-changed for the upcoming Budget (For Fiscal Year 2008-2009).
3. Demutualization of the Stock Exchanges to be implemented this year through Finance Bill 2008.
4. Incentives for new Listings to be included in Finance Bill 2008.
5. A committee of capital markets and government representatives to develop a 3 year Capital Markets Policy over the next three months. The Capital Market Policy to focus on reforms related to taxation, promotion of new listings, integration of capital markets with the national economy and other measures to ensure a sustainable and healthy capital market for the long term.
6. Government controlled corporations, companies and entities such as EOBI, State Life Insurance Corporation, Port Authorities, OGDCL, PIA, Pakistan Steel Mills Corporation, etc will invest up to 25 % of their retirement and long term funds in the equity markets in a phased manner.