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### Chairman SECP vision is to make Pakistan's capital market more vibrant, transparent

#### **Wants the base of the market expanded**

(Karachi, March 13, 2015): The Chairman Securities and Exchange Commission of Pakistan (SECP) Mr. Muhammad Zafar Ul Haq Hijazi has emphasized the need to make Pakistan's capital market more vibrant, transparent and effective to cater to the long term funding needs of the industry.

However, the priority should be to safeguard the investors' interest. He said this during a visit of the Karachi Stock Exchange's here on Friday.

Chairman KSE, Mr. Muneer Kamal and MD Mr. Nadeem Naqvi welcomed the Chairman SECP and his team to the Karachi Stock Exchange.

Mr. Tahir Mahmood, Commissioner (CLD & LL&GCD) SECP, Mr. Akif Saeed, Commissioner (SCD & IS&TD) SECP, Mr. Imran Iqbal Panjwani, Executive Director (SMD-PRDD) SECP and Ms. Musarat Jabeen, Director / Head of Chairman Secretariat, SECP also accompanied the Chairman.

Mr. Hijazi said that it was important for the frontline regulators to carry out their responsibility with diligence and ensure that prescribed regulations were being followed by market participants.

He said both the Apex Regulator (SECP) and the frontline Regulators (exchanges) have common objective objectives and emphasized for close interaction between them. It was imperative to build the confidence of investors in the Capital Market so that the size and vibrancy of the market can be expanded many folds from its narrow base at present, he added.

He asked the Board and management of KSE to move forward with positivity and confidence to take the Capital Market to the next level. He said that transparency and systemization of decision making process at SECP and the exchanges was his first priority along with strengthening the capacity of frontline regulators.



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While expressing his desire for building a consensus based decision making process, he assured KSE Directors that the SECP's approach will be to consult with all stake-holders in policy and regulatory matters.

The Chairman SECP applauded the role of senior market participants in bringing KSE to the prominence and advised that the valuable experience should now be focused on the future. "They should look beyond the past and think of what KSE and Pakistan Capital Market should look like ten years from now. Mr Hijazi suggested to form a Chairmen's Committee, consists of Chairmen's of all the three stock exchanges to deliberate upon and drive the implementation of a broader vision for Pakistan's Capital Market going forward.

The SECP Chairman said that his vision is to make Pakistan a regional capital market while ensuring the highest international standards and best practices in terms of regulatory framework. He said that the SECP was closely engaged with the International Organization of Securities Commissions (IOSCO) and Pakistan has moved significantly closer in implementing IOSCO principles.

Mr. Muneer Kamal, Chairman KSE, welcomed the SECP Chairman's remarks, stating that it was quite encouraging to hear Mr. Hijazi's positive comments and his broader vision for the Capital Market.

Mr. Muneer Kamal highlighted the Karachi Stock Exchange's dialogue with MSCI with a view to moving Pakistan from MSCI's Frontier Market Index to the Emerging Market Index and stated that SECP's focus on elevating the regulatory side will be of great help in this regard. The Chairman KSE also highlighted the importance of post-demutualization era and current efforts by the exchanges to seek strategic investors of good standing, as major opportunities that exist for Capital Market growth in Pakistan need to be actualized.

Mr. Shabbar Zaidi, Chairman of the Regulatory Affairs Committee (RAC), speaking on the occasion highlighted the work of RAC and suggested that a formal monthly meeting between the SECP and RAC should be instituted so that both the Apex and frontline regulators are on the same page and there is a systematic process of dialogue and communication between the two. Chairman SECP agreed to the suggestion and asked his team members to initiate this process. Mr. Hijazi stated that several legacy issues would be resolved soon.

Mr. Nadeem Naqvi, MD KSE and Mr. Shafqat Ali presented the workings of the commercial and regulatory functions of KSE, respectively, to the Chairman SECP and his team.

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Group photograph – Chairman Securities & Exchange Commission of Pakistan visit to Karachi Stock Exchange on March 13, 2015