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(Karachi, June 27, 2015): The Chairman SECP, Mr. Zafar Hijazi visited Karachi on June 25-26, 2015 where he held meetings with the board of directors and management of Karachi Stock Exchange (KSE). He was accompanied by Mr. Akif Saeed, Commissioner and Ms. Musarat Jabeen Executive Director.

The Chairman SECP had detailed discussions during the meetings regarding key issues related to capital market integrity, need for stronger and well capitalized market participants, critical role of KSE as the frontline regulator and most importantly, investor protection and confidence building.

Mr. Hijazi reiterated that the SECP was fully committed to protecting investors against all elements in the capital market who cheated investors and would leave no stone unturned to bring them to justice. Referring to the recent case of ACE Securities (Pvt.) Limited, the Chairman urged KSE to settle verified claims of small investors on urgent basis.

Mr. Muneer Kamal, Chairman Board of Directors and the KSE management briefed SECP on the process of claims settlement with regards to ACE Securities and informed that external auditors had almost completed the claim verification process. Once the process is complete initial payments from KSE's own Investor Protection Fund would be made with any further amounts disbursed after disposal of broker's assets.

The Chairman SECP advised KSE to take all possible measures to ensure full settlement of small investors' authentic claims. In this regard if current regulations or Trust Deed of Investor Protection Fund (IPF) required revisiting that should be done without delay and SECP will support any positive changes that are in public interest. Mr. Hijazi also advised the Board of KSE to expedite submitting its proposal for strengthening the IPF further with increased contribution so that it becomes sustainable over time.



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The SECP Chairman issued stern warning that while he was pushing for investors claim settlement, SECP would not allow absconded brokers to get away. He stated that SECP was already coordinating with law enforcement agencies to bring wrong doers to task. Commenting on issues of governance in listed companies, he said that SECP would not allow sponsors to simply delist their companies after having investment from public and is planning a major exercise whereby the sponsors of such defaulting companies will be made answerable. He stated that SECP was also working towards proposal which would require that companies keep a minimum float of their shares at all times as is the case in many jurisdictions across the world.

Concluding the deliberations, the SECP Chairman urged KSE to strictly enforce compliance of regulations on all capital market participants, strengthen the monitoring and reporting regime to preempt wrong doings from becoming crisis and, at all times, work for investor protection and facilitation of companies complying with the Code of Corporate Governance.

The Chairman SECP reassured the exchange of its full support and cooperation in bringing in market reforms in line provisions of the Securities Act, 2015. He reiterated upon the SECP's role as market facilitator and developer besides the watchdog.

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