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(Karachi, November 18, 2015): Finance Minister Mohammad Ishaq Dar visited the Karachi Stock Exchange on 18th November, 2015, where he presided over the opening Bell ceremony to celebrate launching of All Shares Islamic Index. The Index was developed by a panel of experts representing State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Mutual Funds Association of Pakistan, Meezan Bank Limited and Karachi Stock Exchange.

The Finance Minister was received by the Chairman KSE, Mr. Muneer Kamal, Mr. Ashraf Mehmood Wathra, Governor, State Bank of Pakistan, Mr. Zafar-ul-Haq Hijazi, Chairman, SECP, Mr. Saeed Ahmed, Deputy Governor State Bank of Pakistan, Mr. Nisar Mohammad Khan, Chairman FBR, Senior Members and Management of Karachi Stock Exchange were also present on the occasion.

While speaking on the occasion, the honourable Finance Minister appreciated on launching of Islamic Index and said that the launch of Pakistan's first All Share Islamic Index of Pakistan is a first step towards long and sustained development of Islamic capital markets. He further said the size of Islamic financial market had crossed threshold of 1.6 trillion dollars, he assured his fullest support in the development and introduction of Islamic Financial System and he stressed upon the listing of SUKUKs at Stock Exchange.

Mr. Zafar-ul-Haq Hijazi, Chairman SECP in his speech, highlighted the importance of good governance and called it one of the key areas the SECP is focusing on. He explained that for strengthening governance, the SECP is reforming the Pakistan Institute of Corporate Governance to enable it to play a national level role in promoting ethical and governance practices for the corporate sector. PICG has not been able to achieve its objectives that it had been set up for. He further highlighted that the SECP is in the process of introducing new regulatory framework for credit rating companies to ensure quality credit rating, independent management and transparency in the credit rating process. This is one area that requires massive revamping since credit rating companies have failed in their current set up to emerge as credible institutions. He also announced the SECP's resolve to establish a financially and operationally independent audit oversight board for oversight of auditors of public interest companies, in line with international best practices, for greater transparency in the key function of audit.



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The Minister for Finance fully endorsed the Chairman SECP's views and efforts regarding initiatives for the further development credit rating companies and the audit oversight board. SECP Chairman also said that Pakistan is a big market for SHARIA based products where the demand of interest-free products was growing by leaps and bounds. He also stated that from January 1, 2016, the PAKISTAN STOCK EXCHANGE shall start operations. He appreciated the role of Brokers in the development of market by the way of integration of the three stock exchanges.

He said, the Government is now fully focused on implementing reforms which will lead to the actualization of key economic targets identified publicly in PML(N)'s election manifesto. These include, reducing budget deficit to 4.8% of GDP within three years, with a 2013-14 target of reducing it to 6.4% of GDP. At the same time, the Government is actively working to raise revenue collection to PkR2.47trillion in 2013-14 versus PkR1.94trillion in 2012-13 and devising a comprehensive strategy to increase the tax-to-GDP ratio to 15% by 2018 versus 9% at present, raise Investment-to-GDP ratio to 20% and achieve real GDP growth rate of 6% p.a. While this is a tall order, the Finance Minister felt it was achievable if the whole nation worked together with unity, positive intent and diligence. Given the strong domestic resource base and the nation's proven resilience in the face of multiple challenges over the years he believed that working together, the public and private sectors would overcome the current predicament and put Pakistan on sustainable growth path.

The Chairman, Karachi Stock Exchange while speaking on the occasion said that All Share Islamic Index comprising of 225 companies which tracks almost 50% of the total listed capitalization. He said that there was growing demand for SHARIA compliant product and services and appreciated efforts of Committee Members, who developed and designed the Index.

The Deputy Governor, SBP while speaking on the occasion said that a technical committee was working on the SHARIA compliant trading and SHARIA compliant share financing product, the report of the same shall be released soon for the earliest implementation which shall be a historic step in the development of ISLAMIC CAPITAL MARKETS.

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