

# Proposal to Host First meeting of the CAREC Capital Market Regulators Forum in Pakistan



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# Your Host- the SECP

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- ▶ The SECP is an integrated regulator of non-bank financial sector and corporate sector, and the apex regulator of capital markets in Pakistan
- ▶ We are an autonomous body established under an Act of Parliament and responsible for regulation, administration and enforcement of laws pertaining to:
  - Capital markets
  - Non-bank financial sector
  - Insurance sector; and
  - Corporate sector



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# Capital market institutions in Pakistan

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Pakistani capital market infrastructure institutions include the following:

- Pakistan Stock Exchange (PSX) - National securities and futures exchange
  - National Clearing Company (NCCPL) – Operator of securities settlement system and central counter-part
  - Central Depository Company (CDC) – Custodian of book-entry (electronic) securities
  - Pakistan Mercantile Exchange (PMEX) – Futures exchange for commodity based futures contracts
- ▶ Capital market intermediaries include brokerage companies, mutual fund industry, pension funds, insurance companies and NBFCs



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A forum for regional cooperation for inclusive growth and development with objectives to,-

- Build and enhance multilateral relations within CAREC region- Initiate work for development of a MMoU, if agreed by all CAREC countries, to formally establish CAREC Capital Market Regulators Forum
- Seek and extend support for development of regional capital markets through exchange of expertise
- Harmonize legal and regulatory framework for cross-broader listing of securities
- Explore opportunities for linking of securities and futures markets through a shared platform
- Initiate work for creating business-to-business relations within capital markets of the CAREC region



# Discussion areas for the 1<sup>st</sup> CAREC Forum Meeting

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- ▶ Introducing capital market landscape in the region
- ▶ Opportunities & challenges of regional capital markets
- ▶ A vision for capital market integration in CAREC countries
- ▶ Developing capital markets by extending portfolios to include more debt and derivative instruments
- ▶ Creating opportunities to utilize financial technologies to expand outreach and reduce compliance challenges
- ▶ Exploring options to establish industry linkages
- ▶ Deciding on way forward



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# Way Forward

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- ▶ Nomination of focal persons from each capital market regulatory authority
- ▶ Formulation of Forum through Multilateral MoU (MMoU)
  - Discussion on broader areas covered in the draft MMoU
  - Mechanism for finalization of the text on MMoU
  - Signing of MMoU
- ▶ Establishing and activating CAREC Capital Markets Regulators Forum considering
  - Scope of Work and organizational set-up
  - Setting objectives with timelines
  - Frequency of meetings and formation of task forces



THANK YOU



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