CORPORATE PULSE

DECEMBER 2020

The Year 2020 In Review



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Year 2020 In Review

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Foreword

In the December 2020 edition of our monthly newsletter 'Corporate Pulse', we try and sum up the key initiatives taken and milestones achieved by the apex regulator in the corporate atmosphere of Pakistan.

Apart from presenting the annual round-up of the regulatory activities, communication is aimed at educating our readers on the changing regulatory requirement.

Team 4M

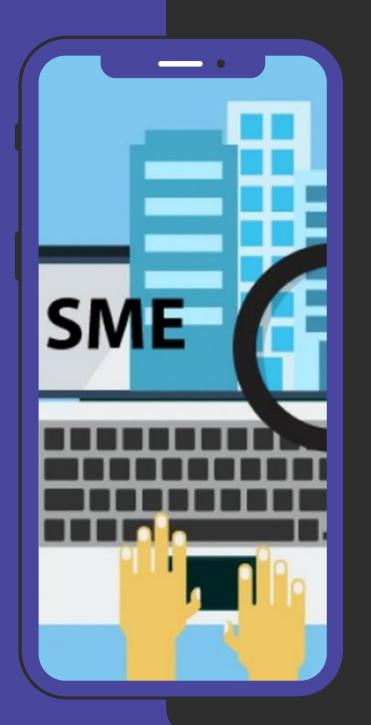


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Focus Area 1 - Access to Finance

With a specific aim to provide access to finance to Small and Medium Enterprises, the ambitious SECP agenda resulted in the following developments:

- 1. First Secured Transaction Registry
 Launched an online platform to register
 & search security interests
- Facilitating unincorporated entities / SMEs
- Fully Automated, 24/7
- 125K+ charges recorded
- 2. IPO Process completely revamped
- Growth Enterprises Market (GEM) Board launched
 https://www.psx.com.pk/psx/resources-and-tools/listings/gem-board
- Electronic investment applications
- 6 IPOs of equity and debt issues



LIST OF IPOs IN 2020

- Agha Steels Limited 2nd
 November 2020
- The Organic Meat Company
 Limited 3rd August 2020
- TPL Trakker Limited 10th
 August 2020
- Power Cement Limited
 (Preference Shares) 21st

 September 2020
- BankIslami Pakistan Limited
 (Ehad Sukuk) 14th May 2020
- K-Electric Limited (Sukuk 5) 24th August 2020

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Focus Area 1 - Access to Finance (Contd...)

1st Collateral Management
Company Registered - Naymat
Collateral Management
Company Limited

- Supporting Agri financing
- Trading of e-warehouse receipts
- Collateralization of agri produce

1st Corporate Restructuring
Company incorporated –
Pakistan Corporate
Restructuring Company Limited

- Arrangement for the rehabilitation of nonperforming entities
- The revival of distressed economic assets
- Institutional arrangement to manage distressed companies



Focus Area 2 - Ease of Doing Business

In line with the public demand and the business growth agenda, the following developments were undertaken to promote Ease of Doing Business:

Corporate Relief during COIVD-19

- Specific exemption for corporates, NBFCs, and Insurance Companies
- Business continuity ensured
- Relief measures to support regulated entities

Regulatory Sandbox launched

- Business innovation
- Promoting startups and FinTechs
- Live testing of new products/models
- Regulatory oversight

Digital Certificates of Incorporation

- Fast track registration
- Digitally signed
- Secure and encrypted
- Verification through QR code

Reduction in Cost of Doing Business

- 50% reduction in insurance brokers license fee
- 80% reduction in Collective Investment Schemes (CIS) fee
- Rationalized fee structures at PSX, CDC and NCCPL

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Focus Area 3 - Transparency

In order to promote transparency in the corporate sector, the following initiatives were taken:



Centralized Adjudication

- Independent and efficient
- Standardized protocols
- Consistent decisions



Mutual Funds / Insured Portals

- Centralized records of life insurance policies.
- Enabling automation of death claims.
- Digital distribution of mutual funds
- Increased access and efficiency



New Brokers Regime

- Categorization of securities brokers
- Third-party assets custodian
- Business growth opportunities

Focus Area 4 - Market Development

To expand the capital market participation volumes and to encourage an influx of local and foreign investments, the SECP took the following landmark initiatives:

Digital Account Opening at PSX & Mutual Funds

- Online account opening
- Easy and simple onboarding
- Efficient and user friendly

Risk Management Reforms

- The surveillance system at PSX
- Market habits and wider circuit-breakers
- Rationalized haircuts / margins

Launch of Exchange Traded Funds

- ETFs launched in 2020
- New products for portfolio investments
- Competitive and attractive for foreign investors

PSX Book building mechanism for public finance

- PKR 200 billion
 Sukuk by PHL
- Competitive pricing
- Broader investor base

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Focus Area 4 - Organizational Development

Aiming to become one of the top regulators in the world, SECP has taken the following initiatives to promote the working environment and efficiency:

- Institution of the performance management system
- ISO/IEC 27001:2013 ISMS certification
- New graduate program "HAWKS"
- Diversity at the workplace
- Social media presence









Thank you for your time

Contact Us

For questions, comments and feedback

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