

Recovery of gold, valuable properties: SECP refutes reports about crackdown against companies

Being the apex regulator of the corporate sector, the SECP is taking all necessary steps to ensure beneficial regulation and growth of capital market and corporate sector in Pakistan. SECP strongly refutes news items appearing in a section of the press attributing any purported action against companies "to recover gold and other valuable properties". No crackdown of any sort is being planned or under consideration of the Commission.

It is also clarified that SECP does not regulate or enforce Income Tax Ordinance, 2001 or Benami Transactions (Prohibition) Act, 2017. SECP powers are restricted to offences provided in the SECP Act, 1997, and other administered legislation as provided in its Schedule.

The recently notified Rules, i.e. the "SECP (Search and Seizure) Rules, 2019" are a requirement of law under section 31 of the SECP Act, 1997, which merely lays down strict procedures for use of powers by the SECP's investigation officers. It is reiterated that these powers are restricted to investigations ordered by the Commission under the SECP-administered legislation. As wrongly reported in a section of the media no new powers have been bequeathed to the SECP. It is clarified that the powers of search and seizure and forced entry have been part and parcel of the SECP Act, 1997, since the establishment of the Commission.

It is stressed here that recently notified Rules are aimed at helping the Commission to curb any potential misuse of authority by the investigation officers. The Rules, inter alia, require investigation officers to first seek authorization, in writing, from the Commission, comprising of five Commissioners for the purpose of search and seizure. Further, in certain circumstances, the order from the relevant magistrate is also required.-PR

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