PRESS RELEASE

PAKISTAN STOCK EXCHANGE LIMITED

Prime Minister Strikes Gong on Launch of the First GoP Ijarah Sukuk Auction at Pakistan Stock Exchange

Karachi, December 8, 2023 – In a landmark development for the financial markets of Pakistan, the Primary Market Auction of Government Debt Securities (GDS) will now also be held at PSX. This follows the change in rules by the Cabinet to enable government debt to be raised from the capital markets, in addition to the State Bank of Pakistan. For the first time, one year GoP Ijarah Sukuk, will be launched from the Stock Exchange platform in the first phase. In this context, PSX has notified, in coordination with Debt Management Office of the Ministry of Finance, a quarterly auction calendar whereby the first primary market auction will be held via the Capital Market Infrastructure Institutions (CMIIs) on December 8, 2023.

A gong ceremony was held at the Exchange to mark this event where the (Caretaker) Prime Minister of Pakistan, H.E. Mr. Anwaar ul Haq Kakar, was the Chief Guest. The distinguished guests at the ceremony included Dr. Shamshad Akhtar, (Caretaker) Federal Minister for Finance, Revenue, and Economic Affairs; Mr. Akif Saeed, Chairman Securities & Exchange Commission of Pakistan, and other capital market ecosystem and business leaders.

The (Caretaker) Prime Minister, Mr. Anwaar ul Haq Kakar, addressing the ceremony marking the first auction of the Government Ijarah Sukuks issued on the Pakistan Stock Exchange said it was the collective responsibility of the stock brokers, SECP, and other participants to promote upcoming primary market auctions to a diverse group of investors, as it is a remarkable achievement for the entire market ecosystem. The Prime Minister congratulated all the stakeholders on the auction of the Government Ijarah Sukuk through PSX, which was aimed at simplifying the participation in government securities auction, diversifying the investors' base, and enhancing transparency.

The (Caretaker) Federal Minister for Finance, Revenue and Economic Affairs, Dr Shamshad Akhtar, welcomed the Prime Minister and added, “It is a momentous occasion for the financial markets and the economy of Pakistan where the government machinery, particularly the Debt Management Office at the Ministry of Finance, has taken the necessary steps enabling primary market auction of Government Debt Securities at PSX.

This step is expected to enhance and augment efficiency, flexibility, registering, trading and transferring of the GDS. We are proud of this achievement as this will revolutionise the way primary market auctions will henceforth be held through the capital market ecosystem. The Ijarah Sukuk is a monumental and innovative product. It is the first time that beyond SBP, which had total control over the Government Securities dissemination, a breakthrough has been achieved whereby the Ijarah Sukuk auction will be held through the capital market ecosystem from today onwards. My compliments to the SECP Chairman and the CEO PSX as well as my colleagues in Islamabad, particularly the Debt Management Office, who worked tirelessly for this remarkable achievement”.

Chairman SECP, Mr. Akif Saeed stated that government securities are an important tool for the development of the capital market and that the launch of GDS at PSX is just the beginning. He urged PSX, brokers, insurance companies, and asset managers to concentrate their efforts on marketing in order to attract new investors to the capital market.

Welcoming the guests at the gong ceremony, the MD & CEO PSX, Mr. Farrukh H. Khan stated, “It is a very exciting moment for the Exchange whereby the primary market auction of GDS will now take place through the Exchange platform as well. The amendment in existing Government of Pakistan Market Treasury Bills 1998 and Government of Pakistan Ijarah Sukuk Rules 2008 made this possible which means PSX, in addition

to the State Bank, will also be responsible for the primary market auction of GDS. We welcome the fact that Pakistan Stock Exchange's platform will be utilised for primary market auction of the first phase of the one year GoP Ijarah Sukuk by leveraging the capital market ecosystem comprising of state of the art auction system of PSX, settlement system of NCCPL and the custodial services of CDC. This will generate interest from a wider investor base, enhance transparency, result in competitive pricing of the GDS and lower cost of debt for the government".

In this context, PSX thanks the Government of Pakistan, under the able leadership of the Prime Minister, His Excellency, Mr. Anwaar ul Haq Kakar, particularly the Federal Finance Minister, Dr. Shamshad Akhtar for being the driving force behind this pathbreaking development. We express our gratitude to the Debt Management Office of the Ministry of Finance for this tremendous achievement. This would not have been possible without the support and guidance of SECP. On behalf of PSX, I also congratulate and thank the key stakeholders including NCCPL, CDC, PSX team and the market participants including our brokerage fraternity on this landmark development."