



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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SECP Issues a Position Paper to Enable a Startup Friendly Ecosystem

ISLAMABAD, October 31: Recognizing the importance of a strong Startup friendly eco system in Pakistan, the Securities and Exchange Commission of Pakistan (SECP) has published a comprehensive Position Paper aimed at fostering a supportive start-up ecosystem in the country. The paper seeks to gather feedback from stakeholders and highlights the critical role of start-ups in driving economic growth and innovation. The paper provides a glimpse into successful start-ups in Pakistan, outlines the importance of a robust start-up ecosystem, and identifies key factors that hinder its development.

The Position Paper delves into various aspects of the start-up landscape, including a comparison of definitions of start-ups adopted in Pakistan and internationally, an overview of the start-up financing life cycle, and the funding status of start-ups over the past four years. It also reviews the regulatory facilitation provided by the SECP and presents case studies from international jurisdictions where start-ups have significantly contributed to economic growth. By addressing the challenges faced by Pakistan's start-up ecosystem, the paper opens avenues for constructive dialogue aimed at bridging existing gaps.

To streamline the start-up ecosystem, the paper proposes several consultation avenues, including the establishment of a unified definition of start-ups across key institutions, the creation of a government-backed fund to enhance liquidity, and the introduction of tax reforms to attract private equity and venture capital investments. Furthermore, it emphasizes the need for entrepreneurial support organizations, particularly in Tier 2 and Tier 3 cities, to bolster infrastructure and resources for emerging businesses.

SECP encourages all stakeholders, including government bodies, private sector representatives, and academic institutions, to engage in this important conversation. By fostering collaboration and implementing a dynamic policy framework, Pakistan can build a thriving start-up ecosystem that not only promotes innovation but also contributes to sustainable economic development. Stakeholders are invited to provide their comments and insights on the Position Paper, which will be instrumental in shaping the future of start-ups in Pakistan.

The Position Paper is available on SECP's website which can be accessed from the following link: <https://www.secp.gov.pk/document/rsb-position-paper/>

