

Press Release

PMEX fully supports SBP Warehouse Receipt Financing initiative

In light of the recent developments by State Bank of Pakistan (SBP), Pakistan Mercantile Exchange (PMEX) met up with the ACE Control & Expertise Global (Pvt.) Limited to discuss future plans on the much needed initiative of Warehouse Receipt Financing.

Over the years PMEX has been interacting with producers and traders of agri produce and the regulators to develop the futures market of various commodities i.e. wheat, rice, sugar. This initiative will enable the Exchange to play its due role in creating the secondary market of these commodities thereby supporting the broader objective of improving the returns to farmers.

Appreciating the confidence reposed by the Central Bank in PMEX, Ejaz Ali Shah, Managing Director PMEX said, "The Exchange fully endorses the initiative by the State Bank of Pakistan (SBP) and looks forward to working with SBP, International Finance Corporation (IFC), ACE Global, financial institutions and other stakeholders in rolling out the much needed warehousing and collateral management solution. I feel that this is a landmark and visionary step taken by SBP that will have a positive impact on Pakistan which is predominately an agri-based economy. In turn, this will have a trickle-down effect on all stakeholders specially the farmers."

Fahad Ullah Khan, CEO of ACE Control & Expertise Global while meeting with PMEX on the matter said, "This initiative will not only help in promoting financial inclusion plan of the Central Bank but also in enhancing liquidity of the agriculture sector".

Lately, State Bank of Pakistan has formed a working group for the Development of Warehouse Receipt Financing mechanism. The Group which will work closely with PMEX will have representatives from leading financial institutions, International Finance Corporation (IFC) and ACE Control & Expertise Global (Pvt.) Limited.

The Group will provide a platform to all the stakeholders for identifying bottlenecks and devise strategies on establishing a mechanism for Warehouse Receipt Financing in the country by enabling farmers, traders, processors and exporters in getting access to formal financing.

About Pakistan Mercantile Exchange is Pakistan's first demutualized and the only multi-commodity futures exchange, which is licensed and regulated by the Securities and Exchange Commission of Pakistan (SECP). PMEX stakeholders include leading financial institutions and stock exchanges of Pakistan. The Exchange offers a diverse range of domestic & international commodities and financial futures. Its infrastructure is based on sophisticated and state-of-the-art technology comparable to similar exchanges around the world that offer a complete range of services, i.e. trading, clearing & settlement, custodial and back office. For further information: www.pmem.com.pk.

About ACE GLOBAL DEPOSITORY and its associated and affiliated companies comprise a group of companies which are carrying forward the business as first commenced in 1996. The market for ACE Global's products and services has expanded as it continues to provide unique and innovative solutions to an ever increasing number of banks and non-banking financial institutions, traders as well as suppliers worldwide. The company now has an established leadership position in collateral control and credit support services across Africa, Eurasia, Middle East, and Asia and its strategic intent is to expand this leadership position across Eastern Europe, Central and Far East Asia as well as Latin America.