



Pakistan Institute of Corporate Governance

CORPORATE GOVERNANCE HIGHLIGHTS

Quarterly Update

January – March 2026



PROMOTING
EXCELLENCE



ADVANCING
GOVERNANCE



DRIVING
SUSTAINABILITY



CREATING
IMPACT

Regulatory Updates (1)

01

SECP has amended the Companies (Further Issue of Shares) Regulations, 2020 to simplify capital raising through rights issues, allowing financially stressed yet viable listed companies to seek shareholder support without a clean CIB report if NOCs are obtained.

(S.R.O.64(I)/2026 dated January 13, 2026)

[Source link](#)

02

SECP has approved the full digitization of share ownership for unlisted companies, replacing physical certificates with electronic book-entry shares to enable safer, faster transfers and greater ownership transparency

[Source link](#)

03

SECP has approved revised Shariah screening criteria for the PSX-KMI All Share Index, aligning it with global standards.

The revised framework is expected to enhance transparency, strengthen Shariah compliance, boost investor confidence, and support the growth of the Islamic capital market.

[Source link](#)

Regulatory Updates (2)

04

SECP has proposed ESG Mutual Funds to promote sustainable investing, enabling returns while supporting environmentally and socially responsible businesses. The initiative aims to channel savings into responsible investments and align Pakistan's capital markets with global ESG standards

[Source link](#)

05

SECP has mandated membership of the Mutual Funds Association of Pakistan for all investment advisors and mutual and pension fund distributors to enforce a unified Code of Conduct, curb mis-selling, and strengthen transparency, oversight, and investor protection across the sector.

[Source link](#)

06

Findings from ACCA's Global Talent Trends 2026 shows rising entrepreneurial ambition among women in finance, especially younger professionals, with nearly half aspiring to business ownership. The trend reflects growing confidence in accountancy as a pathway to independence and economic empowerment.

[Source link](#)

Regulatory Updates (3)

07

As part of its three-phase roadmap, SECP Phase II will take effect from July 1, 2026, expanding mandatory ESG reporting to listed companies with turnover above Rs. 12.5 billion, assets above Rs. 6.25 billion, or more than 500 employees. SECP also continues to leverage its ESG Sustain platform to streamline sustainability disclosures and provide a centralized dashboard for stakeholders.

[Source link](#)

08

SECP has proposed a regulated referral incentive framework allowing existing investors to introduce new clients to brokers, with investor protection safeguards, through amendments to the Securities Brokers (Licensing and Operations) Regulations, 2016.

[Source link](#)

09

SECP has approved Al-Hilal Shariah Advisors as the first independent entity for Shariah screening of capital market securities, introducing competition, enhancing transparency, and strengthening Pakistan's Islamic capital market ecosystem.

[Source link](#)

PICG Stakeholder Awareness Sessions

Webinar on SECP's Proposed Amendments to the Companies Act, 2017

A Concept Paper proposing major amendments to the Companies Act, 2017, was issued in January 2026 for public comments.

PICG hosted a virtual webinar on February 17, 2026, to provide stakeholders with a clear understanding of the proposed changes, underlying rationale, encourage constructive dialogue and align perspectives to strengthen collective governance practices. Attended by over 100 senior professionals the webinar provided a valuable platform for informed discussion on the evolving corporate governance and regulatory landscape.

Keynote Speakers:

Mr. Shahzad Afzal Khan, Registrar of Companies, SECP
Mr. Muzzafar Ahmed Mirza, Commissioner, SECP

Webinar recording is available at: [Webinar on SECP's Proposed Amendments to the CA, 2017](#)

Presentation is available at the link: [Presentation on SECP's Proposed Amendments to the CA, 2017](#)

Comments on the Concept Paper

Comments received from participants during the webinar were submitted to SECP for their consideration, along with PICG's own comments.

Webinar on Key Reporting & Disclosure Requirements PSX Listing Regulations

PICG organized a virtual awareness webinar on March 05, 2026 on the reporting and disclosure requirements under the PSX Listing Regulations.

The session aimed to enhance stakeholders' understanding of regulatory reporting requirements to PSX for listed companies. The webinar covered discussion on the following matters:

- Key reporting & disclosure requirements including shariah reporting, and mandatory holding of corporate briefing session; and
- Major regulatory reforms and dissemination of disciplinary actions for listed companies.

Keynote Speaker:

Mr. Ajeet Kumar, Chief Regulatory Officer, PSX

Webinar recording is available at: [Webinar on Key Reporting & Disclosure Requirements PSX Regulations](#)

Presentation is available at the link: [Presentation on Key Reporting & Disclosure Requirements PSX Regulations](#)

The webinar was well-received and engaging. The speaker provided clear responses that helped address participants' queries.

Corporate Governance – International Trends



A growing call for accountability in the boardroom - PWC

PWC's 2025 survey finds that 55% of directors think a peer should be replaced, but collegial board cultures often block action. The report urges stronger evaluations, clearer expectations, and ongoing skills development to improve board effectiveness. [Source link](#)

Report on UK Board Diversity Synopsis

The Parker Review and EY (March 2026) report highlight strong progress in board diversity, with 98% of FTSE 1000 companies now having at least one ethnic minority director. Inclusive leadership is increasingly a core expectation for all leaders, not a specialist skill. [Source link](#)



Corporate governance in 2026: Brace for another big year

Corporate governance in 2026 demands agile, proactive boards to manage AI oversight, geopolitical risks, regulatory pressures, and widening skills gaps amid ongoing disruption, fragmentation, and stricter enforcement. [Source link](#)

Improving the quality of 'comply or explain' reporting: Financial Reporting Council (FRC)

The FRC's guidance emphasizes clear reporting on how the board discharges its responsibilities, outcomes are achieved, and how governance supports success with transparent, company-specific disclosure that avoids boilerplate language. [Source link](#)



IoD Business Paper: NEDs reimagined - A post-Higgs review of role and contribution of non-executive directors

The 2025 IoD Commission found the Higgs Review still relevant but said boards must move from passive oversight to active stewardship, recommending reforms to board composition, skills, culture, and incentives to make NEDs more engaged and strategic. [Source link](#)

AI governance: what boards need to consider – ICAEW

ICAEW states that boards must move from awareness to active AI oversight by building AI literacy, managing ethical and operational risks, and aligning governance with standards like ISO 42001 and the EU AI Act. [Source link](#)



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ESG E Tracks:

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Shareholder Agahi Portal:

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PICG E- Platforms & Knowledge Hub



E Platform:

Independent Directors Data Bank

<https://databank.picg.org.pk/>



Awareness Platform

Shareholder Agahi Portal:

<https://www.shareholderagahi.com/>



Conferences:

ESG Conference

<https://1stesg.picgconferences.com/>



The Directors Summit

<https://picg.org.pk/tds/>



Certification Program:

ESG Executive Tracks

<https://esgtracks.picg.org.pk/>



Social Media:

<https://www.linkedin.com/company/pakistan-institute-of-corporate-governance/>



<https://chat.whatsapp.com/G3AhcVFA3svH3Q1k0qAMmZ>



<https://m.facebook.com/PICG.org.pk/>



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