

## **Press Release**

### **PICG and Corporate Governance Practices in Pakistan**

International Finance Corporation (IFC), Securities and Exchange Commission of Pakistan (SECP), and Pakistan Institute of Corporate Governance (PICG) have commissioned and edited a “Survey of Corporate Governance Practices in Pakistan 2007.” It has been compiled and drafted by ACCA Pakistan. The survey targeted the local listed and large local non-listed companies and financial sector institutions.

The primary objective of the survey was to assist both the private and public sector companies to close any gaps between their current practices and the requirements of Pakistan’s Code of Corporate Governance 2002, as well as the guidelines given by internationally recognized best practice, such as the OECD Principles of Corporate Governance. The survey provides a baseline of current corporate governance practices in Pakistan and offers a select number of recommendations for reforms.

Among the key findings in the survey, a major one was the need for creating awareness amongst the directors of companies about the benefits of the Code, so that they could go further than the tick-box approach to implementing the Code, and understand and implement the Code in its true spirit. To address this need, PICG together with CIPE (Center for International Private Enterprise) and ICAP (Institute of Chartered Accountants of Pakistan) has started work on the development of the Corporate Governance Guide for Family Owned Companies to help these companies understand the business case for good governance practices.

A barrier to improving corporate governance practices in Pakistan, as highlighted by the survey, was the unavailability of qualified professionals to help with the implementation of the corporate governance practices. In this context, since last year, PICG has been conducting training programs under the Board Development Series- an internationally accredited training program for board directors.

Many lessons have been learnt in the last five years regarding the implementation of the Code in Pakistan’s environment that necessitate a review of the Code. PICG has constituted a Task Force for conducting a review of the Code in the conceptual context and its implementation in practice in the light of various feedback and surveys as may be available. It is intended that the revised Code will address the ground realities of the corporate environment in Pakistan and, in addition to that, facilitate the alignment of corporate governance practices in Pakistan with the global best practices as far as possible.