

Press Release

January 17, 2020

Amendments in Corporate Governance Reporting in Pakistan : Comply or Explain

Hosted by

Pakistan Institute of Corporate Governance

And

Southern Regional Committee (SRC) of the Institute of Chartered Accountants Pakistan (ICAP)

Pakistan Institute of Corporate Governance (PICG) collaborated with the Southern Regional Committee (SRC) of the Institute of Chartered Accountants Pakistan (ICAP) to conduct a seminar titled "Amendments in Corporate Governance Reporting in Pakistan : Comply or Explain " on January 16, 2020 at a local hotel . The event was well attended by around 250 professionals from the corporate world and was highly appreciated by the audience as timely and pertinent.

"Comply or Explain" has created a regulatory change in the corporate governance reporting requirements laid out by the regulator for businesses and is premised on the readiness of the local corporate world to voluntarily apply global best practices.

The seminar was commenced with a recitation from the Holy Quran and a brief welcome address by Mr. Adnan Rizvi, CPD Convener SRC ICAP followed by the opening presentation by Ms. Sadia Khan, CEO of PICG who discussed PICGs' latest survey and its results. The survey highlighted major changes in Pakistan's corporate governance structure over the past three years and current local trends in board practices, composition and remuneration as well as views of the respondents on implementation and effect of corporate governance.

Mr. Asad Ali Shah, member of the Policy Board of SECP then discussed the reasoning of the regulator behind the implementation of the "Comply or Explain" approach and the way forward . He gave a historical perspective leading to the change in approach and cited the findings of a survey conducted by the IFC in 2007.

The presentations laid ground for a panel discussion, moderated by Ms Sadia Khan, on the rationale behind the new regulatory changes as well as the practical implementation issues that may be faced by the corporate sector. Panellists discussing the topic were Mr. Fuad A. Hashimi, Executive Director of CERB, Ms. Naz Khan from the PSX Board, Mr. Samad Dawood representing Engro Corp, Ms. Nausheen Ahmed, General Counsel and Company Secretary of ICI Pakistan Limited and Mr Asad Ali Shah. Panellists debated whether the local corporates were prepared for self-regulation and how not just listed entities, but unlisted entities as well should practice best governance procedures. The discussion was closed with a question and answer session where the audience had the opportunity to gain insight from the panellist of their views. Collaboration between all stakeholders and a review of what is needed to improve capital market functioning and investor interest as well as promote the SME industry were key takeaways from the discussion.

The closing remarks were delivered by Mr. Amir Khan, Chairman, SECP. Mr. Khan discussed the regulators' perspective of the Code of Corporate Governance and its revisions over the years and how the current practices that are being implemented came into existence. He thanked both PICG and ICAP for arranging the seminar and agreed that it was time to take things forward in a collaborative environment.

To conclude the seminar Mr. Arslan Khalid, Chairman SRC ICAP gave a vote of thanks and mementos were given to the speakers and panelists.

This was the first event organized as a collaborative partnership by PICG and ICAP and was the first of many events both institutions plan to collaborate and organize in the future.