

Press Release

For immediate Release

July 27, 2015

SECP asks PICG to play its due role

ISLAMAMBAD, July 27: The Securities and Exchange Commission of Pakistan (SECP) has taken a serious note of organizational ineffectiveness of the Pakistan Institute of Corporate Governance (PICG).

The SECP has prepared a way forward for the PICG, asking it to play its due role in promoting governance practices in the corporate sector, development of capital market, and broaden institute's activities to emerge as a national level institute and to take lead in the corporate governance initiatives.

The SECP wants the PICG to focus on developing new skilled talent for insurance and capital markets, educating investors through financial literacy programs aimed at upgrading the public's knowledge of financial investment and shareholders' rights.

It is also being suggested to the PICG to assume an innovative role of minority shareholders' watchdog and maintain a close liaison with regulators and the corporate sector to keep itself abreast of their concerns and interests.

It should perform research-related activities, act as a platform for disseminating international research results and offer value added services and continuing professional development services to boards, directors and companies in the field of corporate governance. The SECP has also observed that the PICG should lead and act as a monitoring entity for the institutions that offer Directors' Training Programs, and become a think tank for the corporate and capital markets.

The PCIG was established in 2004 to promote good governance practices and to inculcate a culture of full compliance with the Code of Corporate Governance.

However, after more than decade since its inception, it has not been able to achieve its objectives, i.e. (i) to promote awareness of corporate governance; (ii) to increase awareness and encourage compliance with good corporate governance and socially responsible corporate practices; (iii) to develop education and training initiatives; (iv) to enhance self-regulating practices; (v) to motivate and strengthen adherence and compliance by bodies corporate; (vi) to enhance accountability of management to stakeholders.

As evident from its objectives, the PICG has to play a bigger role than the current one of conducting director trainings programs. In order to ensure that awareness of corporate governance and capital market is created in the country, it is important that the PICG leads through the suggested way forward.