

Press Release

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For immediate release

Workshop for awareness about Principles of Corporate Governance for Non Listed Companies in Pakistan

ISLAMABAD, May 12: The Securities and Exchange Commission of Pakistan ("SECP") in collaboration with International Finance Corporation ("IFC") and Centre for International Private Enterprise ("CIPE") organized a workshop in Islamabad to create awareness about its recently introduced Principles of Corporate Governance for Non Listed Companies ("Principles"). This workshop was third in the series, after holding two successful sessions in Karachi and Lahore.

Distinguished delegates representing corporate sector, Islamabad Chambers of Commerce and Industry, Women Chambers of Commerce and Industry, professionals dealing in corporate governance and representatives from academia and accounting profession, attended awareness workshop about the Principles.

While chairing the awareness workshop, Ms. Amina Aziz, Director Corporate Supervision Department of SECP highlighted the conceptual background of corporate governance and development of corporate governance regime in Pakistan. She was of the view that SECP introduced Code of Corporate Governance for Listed Companies Pakistan and its enforcement was delegated to Pakistan Stock Exchange. However, for Non Listed Companies, a dire need felt to introduce a framework that could improvise corporate governance practices in such companies which are mainly family owned businesses. She informed that the Principles were in line with frameworks applicable in other international jurisdictions. She informed that Principles introduced by the SECP for non listed companies were not a code, rules, regulations or law, rather these were mere guidelines that companies could apply voluntarily. She also emphasized that those companies in the growth phase of life cycle must think about application of these Principles in order to strengthen corporate governance practices. It was deliberated that the Principles were divided in consideration with business life cycle of companies. Phase 1 Principles are applicable to only those companies that are Medium Sized Companies whereas Phase 2 Principles are applicable on Large Sized Companies. She also quoted that in order to attract better investment opportunities application of a structured form of business is generally encouraged and the Principles devised by SECP provide better guidance for developing a structured form of business. She also encouraged incorporation of family owned businesses in order to reap the benefits of financial safety and for transparency.

Mr. Hammad Siddiqui from CIPE and Mr. Munib Farooq from IFC jointly conducted awareness session. Mr. Hammad Siddiqui through his detailed presentation highlighted the business case for family owned enterprises, research studies about family owned businesses to improvise corporate governance practices, challenges faced by family owned businesses. Mr. Munib Farooq highlighted about the importance of effective boards and as to how independent directors could play role for effective boards. The participants were educated about corporate governance practices through mock exercises and through group discussions.

SECP has introduced a voluntary regime of Principles in Pakistan in order to provide guidelines to improve corporate governance in these companies, which are mainly family owned businesses. The Principles are in line with international best practices and local statutory requirements. These Principles provide guidance in the areas including role of board of directors and independent directors, remuneration, oversight, training of directors, internal control mechanism, and performance evaluation.

Workshop concluded on the following notes:

- (a) Board of directors are responsible for overall stewardship of corporate enterprises and chairman of board has effective role to play;
- (b) Vision and Mission statements narrate business acumen of the companies and directors should encourage each employee of the company to have a fair idea of the same;
- (c) Conflicts can destroy first generation businesses but through effective conflict management and transition, companies can jump into second and third generation business set ups;
- (d) Appraisal of board of directors is one of the mean to evaluate self-performance of the board and chief executive of the company must ensure transparency about performance achievements;
- (e) Shareholders right to information through annual reports be recognized and companies should prepare and transmit annual reports in a timely manner.

SECP being corporate sector regulator strives to improve corporate governance framework and practices in Pakistan.

ایس ای سی پی کا نان لسٹڈ کمپنیوں میں کارپوریٹ گورننس کے اصولوں پر گول میز کانفرنس کا انعقاد

اسلام آباد (۱۲ مئی) سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بین الاقوامی مالیاتی کارپوریشن اور سینٹر آف پرائیویٹ انٹرپرائزز کے اشتراک سے جمعرات کو نان لسٹڈ کمپنیوں میں کارپوریٹ گورننس کے اصولوں پر نفاذ پر گول میز کانفرنس منعقد کی۔ کانفرنس کا مقصد عوام میں کارپوریٹ گورننس کے حوالے سے شعور اجاگر کرنا اور اس سلسلے میں نان لسٹڈ کمپنیوں کے لئے پیش کردہ قواعد پر مارکیٹ کے شرکاء اور اس سے آراء اور تجاویز لینا تھا۔

اسلام آباد چیمبر آف کامرس اینڈ انڈسٹری، وومن چیمبر آف کامرس، پیشہ ور ماہرین، کارپوریٹ وکلاء اور اکاؤنٹنگ ماہرین نے اس سیمینار میں شرکت کی۔

اس موقع پر ایس ای سی پی کے کارپوریٹ سپروایزن ڈیپارٹمنٹ کی ڈائریکٹر آمنہ عزیز نے شرکاء کو تفصیلاً آگاہ کیا کہ کارپوریٹ گورننس کے پیش کردہ اصول نان لسٹڈ کمپنیوں کے نظام کو بہتر بنانے میں کس طرح مفید ثابت ہو سکتے ہیں۔ انہوں نے سیلف ریگولیٹری اداروں کی اہمیت کو اجاگر کرتے ہوئے کہا کہ پیش کردہ اصول مارکیٹ امیدواروں کے لئے بہتر ثابت ہونگے۔ انہوں نے کہا کہ ایس ای سی پی نے کمپنیوں کے کاروباری نظم و نسق کے تیرہ (۱۳) نئے اصول متعارف کرائے ہیں اور ان پر عمل درآمد کو دو مراحل میں تقسیم کیا گیا ہے۔ پہلے مرحلے میں سات قواعد جبکہ دوسرے مرحلے میں چھ قواعد نافذ کئے جانے کی تجویز ہے۔ ورکشاپ میں ای آئی پی ای کے حماد صدیقی اور آئی ایف سی سے منیب فاروق نے بھی کارپوریٹ گورننس کی اہمیت پر روشنی ڈالی۔

کانفرنس کے اختتام میں پیش کی گئی سفارشات میں کہا گیا کہ نان لسٹڈ کمپنیوں میں بورڈ آف ڈائریکٹرز کے نظام کو مزید موثر بنایا جائے، کاروبار میں انتظامی خطرات سے بچنے اور نظام کو موثر بنانے کے لئے بورڈز کے زیر انتظام لائحہ عمل ترتیب دیا جائے، نان لسٹڈ کمپنیوں کے مالیاتی نظام کو بہتر بنایا جائے اور سالانہ رپورٹس کی تیاری میں کمپنیوں کو درپیش مسائل کا موثر حل پیش کیا جائے اور نان لسٹڈ کمپنیوں کے شرکاء اور اس سے آراء اور تجاویز لینا تھا۔ اجلاس میں شرکت کی اجازت دی جائے۔