



PRESS RELEASE

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SECP issues survey on adoption of IFRS Sustainability Disclosure Standards

ISLAMABAD, October 3: The Securities and Exchange Commission of Pakistan (SECP) is considering to adopt IFRS Sustainability Disclosure Standards in a phase-wise manner in Pakistan and has initiated public consultation on the criteria and timelines for the adoption of these standards.

The IFRS-S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS-S2, 'Climate-related Disclosures', are issued by the International Sustainability Standards Board (here-in-after referred as "standards") and recommended for adoption in Pakistan by the Institute of Chartered Accountants of Pakistan.

IFRS-S1 requires disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital. IFRS-S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities.

The standards shall be implemented on companies in a phased manner on the basis of criteria comprising of total assets, turnover and number of employees. As per the proposal, first phase shall start from the annual reporting periods beginning on or after January 1, 2025. The second and third phase shall start from January 2026 and 2027 respectively.

Requirement of obtaining assurance on sustainability reporting from the auditor of the company shall start from the second year of the reporting, as applicable.

Adoption of these standards is an important milestone in the ESG regulatory roadmap of SECP and represents SECP's commitment to align capital markets with global best practices, enhance transparency through standardized sustainability reporting, improve risk management and risk mitigation practices, allow more informed decision making by stakeholders and promote a culture of integrating sustainable business practices into business strategies.

The survey can be accessed at the below given link:

<https://ifrs.secp.gov.pk/secpsurveys/index.php/848555?lang=en>