17 –19

December, 2025

3rd DTP-SOEs Report

Directors' Training Program (DTP)

for State-Owned Enterprises

Conducted by the:

Executive Development Institute

of the

NATIONAL SCHOOL OF PUBLIC POLICY

Government of Pakistan-Lahore

TEAM EDI

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FINANCIAL STEWARDSHIP

Rector's Message

The National School of Public Policy (NSPP) is Pakistan's premier national institution for the delivery of long and short term training programs for civil servants, as well as for executives, academics and professionals from the social sector. The training methodology adopted by the School, implemented through both the Executive Development Institute (EDI) and the Pakistan Administrative Staff College (PASC), is designed to foster an environment of intellectual inquiry, critical analysis and continuous skills enhancement among participants.

In addition to its training mandate, NSPP, through the EDI, regularly convenes policy dialogues that bring together subject-matter experts to share insights, deliberate on key policy challenges and identify potential pathways forward. The EDI also organizes webinars on issues of contemporary relevance. Collectively, these initiatives contribute to the fulfillment of NSPP's overarching mission: to enhance the quality and effectiveness of public policy formulation and implementation in Pakistan.

The Directors' Training Program (DTP) for State-Owned Enterprises (SOEs) is a significant initiative authorized by the Securities & Exchange Commission of Pakistan (SECP). Reflecting NSPP's commitment to excellence in public service and policy training, the program represents a critical milestone in strengthening corporate governance practices within the country. Through the EDI, NSPP continues to facilitate structured learning and informed policy dialogue for professionals across diverse sectors.

Corporate governance was articulated as the framework through which corporations are directed and controlled, with an emphasis on accountability, fairness and transparency. The enactment of the State-Owned Enterprises (Governance & Operations) Act-2023, along with the SOEs Policy-2023, mandates the completion of a Directors' Training Program by all SOE directors, thereby underscoring the imperative of well-prepared and informed leadership.

The training program has been meticulously designed in alignment with SECP guidelines to impart critical knowledge on stakeholder roles and responsibilities, legal and regulatory frameworks, compliance requirements, financial stewardship and best practices in public sector governance. A combination of interactive lectures and simulation-based exercises is employed to enable participants to translate theoretical concepts into practical application.

I appreciate the SECP for its continued support and conveyed confidence that the program would set a national benchmark for corporate governance training, contributing meaningfully to institutional strengthening. Participants were encouraged to apply the knowledge gained within their respective organizations to promote greater transparency and accountability, thereby supporting sustainable economic development.

Dr. Jamil Afaqi
Rector, NSPP

Overview by Dean EDI

The Executive Development Institute (EDI), an integral constituent of the National School of Public Policy (NSPP), serves as a premier platform for policy dialogue and capacity building across both the public and private sectors. Through a diverse portfolio of training programs, workshops, seminars and policy dialogues, the EDI promotes professional excellence, fosters cross-sectoral collaboration and supports informed governance responses to emerging socio-economic challenges.

The NSPP holds the distinction of being the first public sector institution accredited by the Securities & Exchange Commission of Pakistan (SECP) to conduct the Directors' Training Program (DTP) for both listed companies and State-Owned Enterprises (SOEs). In accordance with Point-21 of the SOE Ownership and Management Policy-2023, promulgated under the SOE (Governance & Operations) Act-2023, all SOE directors are mandated to complete this program.

The DTP for SOEs at NSPP has been designed in strict alignment with SECP guidelines and is firmly grounded in the provisions of the SOE Act and SOEs Policy-2023. The intensive three-day program aims to strengthen participants' competencies in corporate governance, fiduciary responsibilities, regulatory compliance and performance oversight, while aligning with national and international best practices. Delivered at NSPP's state-of-the-art Lahore campus, the program provides an optimal executive learning environment.

The curriculum comprises expert-led sessions on corporate governance principles, SOE reforms and the legal framework, board composition and effectiveness, financial and risk governance, directors' duties, public service obligations, cybersecurity, ethics and disclosure, as well as audit and control mechanisms. The integration of case studies, simulations and interactive discussions enhances practical understanding and strengthens boardroom effectiveness.

Through this program, participants acquire actionable insights into the governance challenges confronting public enterprises, while also building professional networks across sectors. Ultimately, the DTP equips directors with the integrity, strategic vision and leadership capabilities required to ensure transparent, accountable and performance-driven governance across Pakistan's SOE landscape.

Dr. Naveed Elahi
Dean, EDI

Executive Summary

This report documents the proceedings of Pakistan's third Directors' Training Program (DTP) for State-Owned Enterprises (SOEs), conducted by Executive Development Institute (EDI) of the National School of Public Policy (NSPP) from 17 to 19 December 2025. Authorized by the Securities & Exchange Commission of Pakistan (SECP), the mandatory program was designed to equip board members and senior executives with the requisite knowledge and competencies to effectively navigate the reformed governance landscape established under the State-Owned Enterprises (Governance & Operations) Act-2023 and the SOEs Policy-2023.

The training offered a comprehensive examination of the revised legal and governance framework. Subject-matter experts emphasized the importance of the State functioning as an informed and active owner,—distinct from an operational manager—to ensure enhanced accountability and transparency. A central theme of the program was the pivotal role of the board of directors, which is now vested with increased autonomy and responsibility for strategic direction, risk governance and financial stewardship. The sessions underscored board composition requirements, particularly the mandate for a majority of independent directors appointed through a merit-based process by the Board Nomination Committee (BNC), aimed at minimizing political interference. Furthermore, the establishment of the Central Monitoring Unit (CMU) was highlighted as a key reform, providing a centralized mechanism for performance monitoring and oversight to ensure alignment of SOEs with national objectives.

The program further explored the practical application of the governance framework, with focused discussions on directors' fiduciary duties, liabilities and the critical importance of developing robust Business Plans and Statements of Corporate Intent (SCI). Operational and structural challenges were also addressed, including the principle of competitive neutrality to ensure a level playing field between SOEs and private sector entities, as well as the transparent identification and management of Public Service Obligations (PSOs). Contemporary governance risks, such as cybersecurity threats and ethical lapses, were examined in detail, with emphasis on the enforcement of comprehensive Codes of Conduct and conflict-of-interest policies.

The program concluded with an immersive boardroom simulation, wherein participants applied the acquired principles to a case study involving a financially distressed SOE. The exercise highlighted real-world governance challenges, including financial deterioration, reporting irregularities and structural constraints, ultimately guiding participants toward strategic decision-making, including the consideration of privatization for non-viable entities. In conclusion, the DTP effectively demonstrated that while Pakistan has established a robust, internationally aligned policy framework for SOE governance, its success ultimately depends on competent, ethical and empowered boards capable of driving transparency, accountability and sustainable performance, thereby reducing the sector's fiscal burden on the national economy.

Acronyms

BNC	Board Nomination Committee
CA / ACCA	Chartered Accountant / Association of Chartered Certified Accountants
CEO / CFO	Chief Executive Officer / Chief Financial Officer
CIDA	Canadian International Development Agency
CIS Controls	Centre for Internet Security-Critical Security Controls
CMU	Central Monitoring Unit
CoC	Code of Conduct / Corporate Code of Conduct
DFID	Department for International Development
DTP	Directors' Training Program
ESG	Environmental, Social and Governance
FBR	Federal Board of Revenue
HR	Human Resources
ICAP	The Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost & Management Accountants of Pakistan
IFRS	International Financial Reporting Standards
IRR	Internal Rate of Return
ISO-27001	International Organization for Standardization/International Electro-technical Commission 27001
KPI	Key Performance Indicator
NEPRA	National Electric Power Regulatory Authority
NIST	National Institute of Standards & Technology
NPV	Net Present Value
NSPP / EDI	National School of Public Policy / Executive Development Institute
OECD	Organization for Economic Co-operation and Development
OGDCL / OGRA	Oil & Gas Development Company Ltd. / Oil & Gas Regulatory Authority
PASC	Pakistan Administrative Staff College
PFM Act	Public Finance Management Act
PIPFA	Pakistan Institute of Public Finance Accountants
PSO	Public Service Obligation
SCI	Statement of Corporate Intent
SECP	Securities & Exchange Commission of Pakistan
SOE Act	State-Owned Enterprises (Governance & Operations) Act, 2023
SOEs	State-Owned Enterprises
SWOT	Strengths, Weaknesses, Opportunities & Threats
WACC	Weighted Average Cost of Capital

Day-1:

Session Summaries

Principles of Corporate Governance, SOE Act, Policy and Legal Framework

Mr. Abdul Rehman Warraich

Mr. Abdul Rehman Warraich has 28 years of experience in regulatory affairs, consulting, debt management, investment management, risk management and taxation. He is currently serving Securities & Exchange Commission of Pakistan (SECP) as Commissioner, Securities Market Division. He has worked as a consultant for the World Bank and advised on taxation reforms. His previous roles include Director General (Debt) for the Government of Pakistan and various positions in Punjab. His professional qualifications include BA, LLB, CFA Charter, FRM Certificate and various certificates from IMF Institute.

Mr. Abdul Rehman Warraich, in his session, provided an in-depth overview of the governance of State-Owned Enterprises (SOEs), emphasizing the principles, legal frameworks and policy instruments necessary to ensure efficiency, accountability and transparency within the public sector.

Governance Principles and Framework

He underscored that robust governance practices enable boards to define strategic direction, exercise effective oversight of management, and safeguard the State's interests. These practices are guided by internationally recognized, OECD-aligned principles, as well as Pakistan's national SOE legal and policy framework.

SOE Law and Competitive Neutrality

The SOE Law and Policy Framework place strong emphasis on operational efficiency, financial sustainability, and the principle of competitive neutrality. This approach ensures that SOEs operate on a level playing field with private sector enterprises, while continuing to fulfill their mandated public service obligations.

Governance and Management Dynamics

Maintaining a clear distinction and appropriate balance between governance and management functions is essential to mitigating conflicts inherent in the principal–agent relationship. This balance is achieved through empowered and accountable boards, transparent reporting practices, and effective oversight mechanisms.

Oversight Challenges and Reforms

Governance shortcomings often stem from political interference, excessive centralization of authority, and insufficient board independence. Addressing these challenges requires transparent and merit-based appointments, strengthened board committees, and strict adherence to disclosure and accountability standards.

Institutional and Regulatory Roles

Within the institutional architecture, the Cabinet Committee on SOEs provides overarching policy direction, line ministries exercise monitoring and supervisory functions, and the Corporate Monitoring Unit (CMU) is responsible for performance reporting, data consolidation, and oversight.

Financial Reporting and Accountability

Adherence to International Financial Reporting Standards (IFRS), coupled with the timely and regular publication of performance reports, enhances transparency, facilitates comparability, and strengthens public and stakeholder confidence in SOE operations.

Cyber Security Risks, Countermeasures and Digitization in the Public Sector

Dr. Kashif Zafar

Dr. Kashif Zafar is the Head of the School of Computing at FAST University, Lahore, with over 25 years of experience in teaching, research and management. He has been with FAST-National University since 2004 and previously worked at GIK Institute. Zafar holds a PhD in Computational Intelligence from FAST, Islamabad and an MS in Computer Science from The City University of New York. His specialization includes Artificial Intelligence, Data Science, Machine Learning and Deep Learning, with over 70 published papers and a focus on applications across various sectors such as healthcare, agriculture, education and finance.

Dr. Kashif Zafar outlined key cybersecurity threats, including phishing, ransomware, insider breaches and advanced malware that threaten organizational data and public trust. He emphasized strengthening defenses through firewalls, multi-factor authentication, regular audits, employee awareness and alignment with international standards such as ISO 27001.

Strategic Stakes

As custodians of critical infrastructure and sensitive citizen data, SOEs face heightened cyber risks that directly impact national security and economic stability, making them high-value targets for cyberattacks.

Evolving Threats

Cyber threats have become increasingly sophisticated, encompassing AI-driven phishing, ransomware, Zero-Day exploits and insider risks arising from negligence or malicious intent.

Impact and Consequences

Cyber incidents can disrupt essential services, incur significant financial losses and cause lasting damage to public trust and investor confidence.

Structured Defense

Participants were encouraged to adopt proactive, risk-based cybersecurity frameworks, including NIST, CIS Controls and ISO 27001, to move beyond reactive security measures.

Core Security Practices

Key safeguards include multi-factor authentication, least-privilege access, data encryption and timely software patching to reduce exposure to cyber risks.

Human-Centric Security

A strong cybersecurity posture requires continuous staff training, simulated phishing exercises, and leadership commitment to embed security across the organization.

Leadership and Preparedness

The session concluded that while cyber incidents are inevitable, robust incident response planning, clear communication, and executive oversight are essential for organizational resilience.

Controls (External Audit, Internal Control & Audit Committee)

Mr. Kashif Ahmed Noor

Mr. Kashif Ahmed Noor is a highly motivated financial management professional with over 28 years of experience in both public and private sectors. Key skills include managing diverse stakeholders, project management, strategic thinking and proposal preparation for over 200 projects. Educated with a Certificate in Organizational Leadership from Harvard, M.Sc. in Accounting & Finance from Manchester and B.Sc. in Electrical Engineering. Recent roles include Military Accountant General, overseeing defense expenditure and Member Finance for the Railways Board, focusing on financial scrutiny and budget management.

Mr. Kahif Noor articulated that the governance framework mandates a multi-layered control system for SOEs, combining strong internal controls, an independent audit committee and rigorous external audits to safeguard financial integrity and operational accountability. Centralized oversight is exercised by the Central Monitoring Unit (CMU), with strict penalties for non-compliance to protect public funds and ensure responsible management.

Governing Legal Framework

The SOE Act-2023, Companies Act-2017, and PFM Act-2019 together establish a comprehensive legal architecture requiring internal controls, independent audit committees and external audits to ensure accountability.

Board Governance & Autonomy

The board bears ultimate responsibility for strategy, internal controls and the audit committee, with its autonomy protected from government interference except with federal approval.

Centralized Government Oversight

The CMU functions as the federal government's central mechanism for monitoring SOE performance, risk, and compliance, while for advising on operational improvements and privatization.

Mandated Policies & Director Conduct

Boards must adopt formally approved policies covering governance, risk, HR and ESG. Directors are bound by fiduciary duties to act in good faith, avoid conflicts of interest and exercise independent judgment.

Rigorous External Audit Process

External auditors are required to comply with international standards and are granted broad access rights, supported by strict eligibility criteria and significant financial penalties to ensure independence and rigor.

Independent Audit Committee Structure

Audit committees must comprise at least three non-executive directors, be chaired by an independent director and exclude the CEO and CFO to preserve independence.

Enforcement & Penalty Regime

The framework is enforced with substantial penalties for violations by companies, directors and auditors, including fines and, in cases of malicious conduct by auditors, potential imprisonment.

Islamic Finance and Financial Risk Governance – Panel Discussion (PD)

Dr. Irum Saba

Dr. Irum Saba is Director of the IBA Centre for Excellence in Islamic Finance (CEIF), Founder of the Women Leadership Forum, and CEO of MRM Consultancy. She serves as Chairperson of the Islamic Capital Market Development Committee at SECP and was the first female member of a Shariah Board in Pakistan. An award-winning global leader in Islamic finance, she has over 21 years of experience across regulation, academia, research, and training worldwide. Dr. Saba is an Associate Professor at IBA Karachi and holds a PhD and CIFP (with distinction) from INCEIF.

Dr. Irum Saba highlighted how Islamic finance's core principles support ethical, stable and inclusive financial systems. Strategic policy can unlock its potential to enhance financial inclusion, fund sustainable infrastructure and diversify the financial ecosystem. As a mature system, it offers tangible tools for development, requiring proactive policy for full global integration and broader economic benefit.

Defining Principles & Core Distinctions

Governed by Shariah law, Islamic finance prohibits interest (riba), excessive uncertainty (gharar) and speculation (maysir). All transactions are asset-backed and require genuine risk-sharing, using contracts like Mudarabah (profit-sharing), Murabaha (cost-plus sale) and Sukuk (asset-backed bonds). This distinguishes it from conventional debt-based finance.

Alignment with Policy Goals: Stability & Ethics

Its risk-sharing model and prohibition of leveraged speculation align lender and borrower incentives, promoting financial stability. The requirement for tangible asset-backing and ethical screening (Shariah-compliance) inherently supports ESG and sustainable finance goals.

Key Instrument: Sukuk for Infrastructure Funding

Sukuk (Islamic investment certificates) are a vital policy instrument. Functioning as asset-backed project bonds, they are ideal for funding long-term public infrastructure, such as renewable energy and transport, while attracting institutional and ethical capital.

Enhancing Financial Inclusion

Islamic microfinance and SME banking utilize profit-loss sharing models to offer financial services to communities averse to conventional interest-based products. This serves as a strategic tool for fostering inclusive growth and entrepreneurship.

Regulatory & Standardization Challenges

Sector growth faces obstacles from the absence of universal regulatory frameworks and standardized Shariah interpretations. Divergent legal treatments and uneven tax policies, often double-taxing asset transfers, cause market fragmentation and raise compliance costs.

Policy Framework for Islamic Finance Implementation

Implementation requires three key actions: harmonizing regulation via principles-based frameworks, reforming tax codes for equitable treatment and promoting sovereign Sukuk issuance to fund sustainable projects and deepen capital markets.

Islamic Finance and Financial Risk Governance – Panel Discussion (PD)

Mr. Abdul Rehman Warraich

Mr. Abdul Rehman Warraich has 28 years of experience in regulatory affairs, consulting, debt management, investment management, risk management and taxation. He is currently serving Securities & Exchange Commission of Pakistan (SECP) as Commissioner, Securities Market Division. He has worked as a consultant for the World Bank and advised on taxation reforms. His previous roles include Director General (Debt) for the Government of Pakistan and various positions in Punjab. His professional qualifications include BA, LLB, CFA Charter, FRM Certificate and various certificates from IMF Institute.

In the second part of the Panel Discussion, Mr. Abdul Rehman Warraich, focused on *financial and risk governance*, emphasizing the critical role of corporate finance decisions in maximizing shareholder value while maintaining a balance between risk, return and cost of capital.

Key Financial Decisions

He outlined three core financial decisions: *Investment Decisions* that select value-creating projects exceeding the cost of capital; *Financing Decisions* that optimize debt–equity balance; and *Dividend Decisions* that return surplus profits through dividends or share buybacks.

Risk, Return and Cost of Capital

The discussion covered the *Risk-Free Rate* as a benchmark, *Risk Premium* for uncertainty and the *Required Rate of Return* combining both. The *Weighted Average Cost of Capital (WACC)* was highlighted as the benchmark for evaluating financing efficiency.

Determinants and Implications of Risk

Risk premiums arise from business, financial, liquidity and country risks. Factors such as tax rates, interest rates, capital structure and dividend policy influence the overall cost of capital and firm valuation.

Capital Budgeting Framework

Capital budgeting was defined as the strategic allocation of funds to long-term investments involving idea generation, analysis and post-project evaluation—guided by principles such as time value of money and incremental cash flows.

Project Evaluation and Capital Structure

Project appraisal tools like *Net Present Value (NPV)*, *Internal Rate of Return (IRR)* and *Scenario Analysis* were emphasized, with NPV preferred in case of conflict. The *Optimal Capital Structure* minimizes WACC and maximizes firm value.

Day-2:

Session Summaries

Directors' Selection and Performance Review: Understanding Duties, Roles and Liabilities

Dr. Arshad Hasan

Dr. Arshad Hasan is an Associate Professor and CFO at the Lahore School of Economics, Pakistan. He holds an MSc and PhD in Accounting & Finance from the University of Gloucestershire, UK. With over 20 years of experience, his research focuses on topics like Corporate Governance and Sustainability Reporting and he is also an Editor for the Lahore Journal of Business. He has served and continues to serve as a Reviewer for several internationally leading academic journals.

Dr. Arshad Hassan, in his session on '*Director's Selection and Performance Review: Understanding Duties, Roles and Liabilities'*, stressed the significant responsibility of directors in ensuring effective governance, strategic direction, and accountability, especially within State-Owned Enterprises (SOEs).

Core Duties of Directors

Directors hold fiduciary obligations to act in good faith, exercise due care and skill, avoid conflicts of interest, and consistently place the organization's interests above personal benefit.

Strategic and Oversight Roles

Their responsibilities include setting strategy, supervising management, ensuring legal and policy compliance, approving budgets, and protecting the enterprise's assets and reputation.

Collective Decision-Making and Governance

Boards operate collectively, requiring directors to apply independent judgment, contribute to informed decisions, and uphold transparency and accountability across all corporate matters.

Legal and Ethical Responsibilities

Directors must comply with statutory requirements under the Companies Act, SOE Act, and governance codes, while maintaining high ethical standards in leadership and stakeholder engagement.

Liabilities and Consequences of Misconduct

Breaches of duty—such as negligence, abuse of authority, insider trading, or conflicts of interest—may attract civil, criminal, or disqualification sanctions under applicable laws.

Responsible and Accountable Leadership

Directors are expected to demonstrate professionalism, integrity, and accountability, ensuring governance decisions support organizational objectives, public confidence, and long-term sustainability.

Public Service Obligation (PSOs) and Competitive Neutrality

Mr. Muhammad Anwer Sheikh

Mr. Anwer Sheikh has had a distinguished 30-year career in Pakistan's civil service, culminating in 2023 as Additional Secretary (Corporate Finance) in the Ministry of Finance. He played a key role in formulating the state-owned enterprises (SOEs) Policy and overseeing major SOEs such as PIA and Pak-Steel. Mr. Sheikh possesses an M.Com and LLB, specializing in project financing and taxation. Additionally, he co-drafted the PIA Restructuring Plan and was involved in international investment disputes and significant projects, including Karkey and Reko-diq, while also coordinated with national regulators like SBP, OGRA, NEPRA and SECP.

The guest speaker, during his foundational presentation in the workshop, defined *Public Service Obligations (PSOs)* as state-mandated services ensuring public access to essential goods and *Competitive Neutrality* as fair competition between SOEs and private firms. The aim is to balance public welfare with market efficiency.

Legal and Policy Framework

Under the *SOE Act 2023* and *SOE Policy*, PSOs must be government-approved and compensated, while SOEs are prohibited from receiving unfair advantages, reinforcing accountability and market neutrality.

Operational Challenges

Despite sound policies, many SOEs face chronic losses due to political interference, inefficiency, and weak governance, creating a gap between policy ambition and actual performance.

Implementation Dilemma

Although competitive neutrality is mandated, government equity injections and guarantees continue to distort markets, revealing a conflict between policy ideals and practice.

Governance and Leadership

The workshop emphasized that SOE performance depends less on political systems and more on leadership vision, operational discipline and clearly defined mandates.

Privatization Challenges

Privatization efforts remain ineffective due to misaligned objectives, political interference and poor investor capacity, often undermining expected efficiency gains.

Implementation Gap

Pakistan’s policy framework is strong, but implementation remains weak. Ensuring transparency, fair competition and leadership accountability is vital for sustainable SOE reform and financial recovery.

Developing a Business Plan

Mr. Mairaj A. Ariff

Mr. Mairaj A. Ariff has a Master's Degree in Transnational Organized Crime Prevention from University of Wollongong, Australia. He has Chevening Scholarship and fellowship at Bramshill Police Training College, UK. As Director General of Civil Defense in Punjab, established first Bomb Disposal and improved Disaster Management Teams. Graduated from FBI National Academy and authored Pakistan's first National Counter Terrorism Strategy. He possesses over 18 years of experience in Pakistan's security sector, 15 years in leadership roles, recently retired after over 33 years of public service and is a Certified Companies' Director.

Mr. Mairaj A. Ariff conducted a three hours workshop on *Developing a Business Plan* and *Statement of Corporate Intent (SCI)* from the cornerstone of corporate and financial governance for State-Owned Enterprises (SOEs) under the SOE Act-2023 and the SOE Ownership & Management Policy-2023.

Purpose and Legal Framework

The Business Plan outlines strategic, operational and financial goals for three years, developed with the Line Ministry and the Central Monitoring Unit (CMU) as required under Section 8 of the Act.

Business Plan Focus Areas

The Plan must define objectives, long-term vision, inputs, barriers and key performance indicators (KPIs) supported by both financial and non-financial measures, including SWOT and sensitivity analyses.

Statement of Corporate Intent (SCI)

The SCI serves as a tripartite agreement among the SOE Board, the relevant Ministry and the Ministry of Finance, detailing strategic targets and accountability measures.

Objectives of the SCI

It aims to promote good governance, sustainable financing, operational efficiency and adherence to international best practices in resource management.

Governance and Oversight

Both instruments promote good governance, sustainable financing and transparency, with CMU and ministries monitoring compliance through reports and performance reviews.

Integrated Governance

Together, the Business Plan and SCI create a structured mechanism for reforming SOEs—linking strategic intent with measurable outcomes, promoting transparency and reinforcing state ownership accountability.

Day-3:

Session Summaries

Code of Conduct and Conflict of Interest

Mr. Shoaib Mir

Mr. Shoaib Mir is a senior public-sector professional with extensive experience in federal and provincial governance, administration and public enterprises. A retired Pakistan Administrative Service officer (BS-22), he has served in key leadership roles including Federal Secretary to the Government of Pakistan, Chief Secretary Balochistan, Chairman State Life Insurance Corporation and Chairman National Investment Trust Limited. He also completed a statutory term as Member of the Federal Public Service Commission in February 2022. Known for strategic leadership, sound judgment and effective stakeholder engagement, he brings deep expertise in public administration, financial oversight and institutional governance.

Mr. Shoaib Mir, emphasized the importance of a strong Code of Conduct (CoC) for ethical corporate governance, focusing on integrity, transparency and accountability. He identified anti-corruption, conflict management and disclosure mechanisms as essential components, asserting that institutionalizing ethics is a strategic asset that enhances trust and governance while ensuring long-term credibility.

Foundational Framework

The workshop emphasized that a *Code of Conduct* serves as the cornerstone of corporate governance, guiding behavior from the Board to management. It is an enforceable ethical framework that aligns all actions with organizational values and legal duties, protecting institutional credibility.

Ethical Integration

Rather than being a standalone policy, the Code was described as a system embedded within governance processes, ensuring consistency, fairness, and accountability across all operational levels.

Core Components

Key elements include anti-corruption controls, conflict of interest management, and proactive disclosure requirements that collectively promote transparency and responsible conduct.

Disclosure and Compliance Tools

Maintaining formal registers, such as for Related Party Transactions, was highlighted as an essential practice to document disclosures and provide verifiable proof of ethical compliance.

Enforcement Mechanisms

Effective codes depend on consistent enforcement through clear procedures for reporting, investigating, and resolving ethical breaches to uphold integrity and accountability.

Cultural Transformation

Participants stressed that ethics must move beyond compliance, fostering a culture where honesty, fairness, and transparency become instinctive organizational values.

Strategic Value of Integrity

The workshop concluded that institutionalizing ethics strengthens trust, enhances governance, and transforms integrity into a strategic advantage for sustainable corporate credibility.

Reporting and Disclosure

Mr. Imtiaz Mehmood

Mr. Imtiaz Mehmood is an accomplished professional with over 30 years of experience in Audit, Accounts, Finance, Corporate and Media Affairs. Before his current role as Company Secretary, SNGPL, he has held key positions including Chief Accountant & Secretary Funds, showcasing his leadership and strategic vision. A fellow member of ICMAP and PIPFA, he holds an MS in Business Administration and has completed a Directors Training Program at LUMS. Additionally, he presides over the Sports Steering Committee and has served as Chairman of the Technical Support Committee at ICMAP's Lahore Branch.

Mr. Imtiaz Mehmood highlighted that the SOE Act 2023 and Policy 2023 institutionalize transparency and accountability through structured reporting, public disclosure, and oversight by the Central Monitoring Unit (CMU), aligning SOEs with global governance standards and ensuring fiscal discipline.

Legislative Foundation

The SOE Act 2023 and Policy 2023 establish a legal framework making transparency and fiscal oversight mandatory, transforming the government into an informed and responsible shareholder.

Strategic Roadmaps

The Business Plan and Statement of Corporate Intent (SCI) act as accountability tools, linking goals to measurable outcomes through coordinated review among boards, ministries, and the CMU.

Reporting Calendar

A fixed reporting schedule mandates half-yearly reviews, pre-fiscal business planning, and annual report submission within four months, ensuring timely and consistent performance monitoring.

Comprehensive Annual Reporting

Annual Reports must reflect financial and operational results, progress on SCI targets and compliance with governance and ethical standards to ensure a full performance picture.

Public Transparency

SOEs are required to publish Annual Report summaries and approved SCIs online, promoting public access, investor confidence and institutional credibility.

Integration with Broader Law

These reporting requirements complement the Companies Act 2017 and stock exchange rules, aligning SOE governance with national and international best practices.

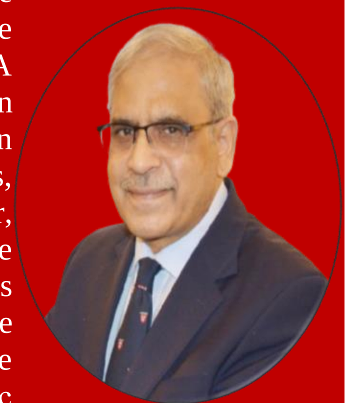
Enforcement and Control

Strong internal controls and CMU oversight ensure effective implementation, enabling evidence-based decision-making and reinforcing accountability across SOEs.

Board Composition and Structure

Mr. Tariq Bajwa

Mr. Tariq Bajwa is currently serving as Special Assistant to the Prime Minister on Coordination for the Office of the Deputy Prime Minister/Minister of Foreign Affairs, with the status of Minister of State. A retired civil servant, he was appointed Governor of the State Bank of Pakistan by the President of Pakistan on July 7, 2017. Over a distinguished career in the civil service, Mr. Bajwa has held a wide range of senior positions, including Assistant Commissioner, Deputy Commissioner, General Manager, and Director General (Planning & Finance) in various organizations. He served as Secretary Finance, Government of Punjab (2010–2013) and as Chairman of the Federal Board of Revenue (2013–2015). He also held the positions of Secretary, Economic Affairs Division and Secretary Finance prior to his retirement in 2017. Mr. Bajwa holds a Master's degree in Public Administration from Harvard University and an LL.B. from the University of the Punjab.



Mr. Tariq Bajwa shed lights on the imp ortance of a transparent and accountable governance framework for SOEs that balances operational independence with national policy alignment, focusing on board structures, nomination procedures and accountability mechanisms.

Board Composition and Independence

SOE boards comprise five to eleven members, with a majority of independent directors to minimize political interference. The same individual cannot serve as both Chairman and CEO, ensuring impartial oversight and professional governance.

Role and Function of the Board Nomination Committee (BNC)

Chaired by the relevant Minister, the BNC ensures merit-based appointments through public advertisements, headhunting processes and use of SECP's database to select qualified independent and nominee directors.

Selection Criteria and Diversity

Appointments emphasize competence, experience and diversity—ensuring gender balance, inclusion of younger professionals and representation from the private sector, academia and trade bodies.

Board Governance and Decision-Making

Boards must maintain independence with limited ministerial representation. Strategic decisions—such as CEO appointments, budgets and major asset sales—require a three-fourths majority, while ordinary matters pass by simple majority.

Accountability and Removal Provisions

Independent directors can be removed for misconduct, conflicts of interest, or violations of governance codes. The 2024 amendment empowers the Federal Government to act on BNC recommendations following performance reviews.

Board Simulations — Case Study

Mr. Salman Amin

Mr. Salman Amin has a diversified experience of over 28 years. He is Member at Competition Commission of Pakistan. By profession he is a CA and ACCA (UK) with specialization in regulatory affairs from University of Florida. He has served at senior positions in OGDCL, Ministry of Finance, NEPRA, and also with international organizations like DFID & CIDA. In 2018, he got 'Exceptional Public Value Award' from ACCA for rationalizing power tariffs in Pakistan and in May 2025 he got "Professional Excellence Award' from ICAP for enabling conducive and competitive business environment. He is a certified director involved in various inter-ministerial committees and boards.

Mr. Salman Amin, prior to the conclusion of the workshop, orchestrated "A Governance Case Study on Pak-Trade Centers (Pvt.) Ltd., that evaluates the entity's financial insolvency, operational inefficiency and serious governance issues, indicating a lack of ongoing public value. The sole feasible course of action is a Board recommendation for privatization, dependent on addressing substantial legal and structural obstacles, as further recapped below:-

Severe Financial Deterioration

Accumulated losses of Rs.1.3 billion and a 71% higher net loss, driven by a 43% revenue drop and sudden financing costs, question past reporting accuracy and ongoing viability.

Critical Governance Failures

The Board approved accounts despite unresolved auditor concerns, with members using company assets personally. Lack of an organogram, KPIs, or a credible business plan shows a deficient control environment.

Inept Leadership & HR

Unstable CEO tenure and a CFO with a history of embezzlement inquiries, combined with overstaffing and no performance systems, indicate profound operational inefficiencies.

Major Reporting Irregularities

Unexplained, late recognition of large interest expenses and the non-disclosure of surrendered PSDP funds reveal serious flaws in financial management and transparency.

Failed Strategic Mandate

No data supports its economic purpose. It loses market share to private competitors and has never reached break-even, undermining its original investment rationale.

Binding Legal Hurdles

Privatization is complicated by leased land needing federal approval, a restructured loan, tax disputes and a 15-acre land parcel controlled by a political figure.

Recommended Path: Privatization

The Board should resolve to recommend privatization due to persistent losses and no public value. A detailed plan is needed to manage legal issues and attract a strategic investor.

LIST OF PARTICIPANTS

Sr. No.	Participants	Department	Designation
1.	**Mr. Abdul Shabbir Khan Khattak**	Utility Stores Corporation (USC) M/o Industries and Production, Islamabad	Joint Secretary (A&F)
2.	**Mr. Faheem Ur Rehman**	Abu Dhabi National Oil Company (ADNOC), Abu Dhabi	Senior Engineer
3.	**Mr. Faisal Abbas**	Punjab Food Authority (PFA), Lahore	Addl. Director General
4.	**Colonel Faisal Mahmud**	Heavy Industries Taxila	Managing Director
5.	**Mr. Faisal Mujeeb**	Special Economic Zone Authority (SEZA). Government. of Sindh, Karachi	Chief Executive Officer
6.	**Mr. Faisal Nisar Chaudhry**	Utility Stores Corporation (USC) M/o Industries and Production, Islamabad	Managing Director
7.	**Mr. Ghulam Bashir**	Pakistan Agricultural storage and Services Corporation Ltd. (PASSCO), Lahore	General Manager (S&C)
8.	**Mr. Imran Yousaf**	Sui Northern Gas Pipelines Ltd. (SNGPL), Lahore	Senior General Manager (Distribution)
9.	**Mr. Ikhlaq Ahmed**	Energy and Power Department Government of Khyber Pakhtunkhwa, Peshawar	Additional Secretary
10.	**Mr. Javaid Aslam**	National Engineering Services Pakistan (Pvt) Limited (NESPAK), Lahore	Chairman Board of Directors
11.	**Mr. Kaukab Hussain Bhatti**	National Engineering Services Pakistan (Pvt) Limited (NESPAK), Lahore	Acting Managing Director
12.	**Mr. Khaqan Murtaza**	State Life Insurance Corporation, Karachi.	Member (Board of Directors)
13.	**Mr. Liaqat Ali Nehra**	Sui Northern Gas Pipelines Ltd. (SNGPL), Lahore	General Manager Finance
14.	**Mr. Manjhee khan**	Hyderabad Electric Supply Company (HESCO) Hyderabad	Company Secretary
15.	**Mr. Mazhar Ali**	The Bank of Punjab	EVP – Divisional Head
16.	**Mian Shuja-Ud-Din Zaka**	National Highway Council (NHC) National Highway Authority, Islamabad	Chairman
17.	**Mr. Muahammad Fayyaz**	National School of Public Policy (NSPP) Lahore	Additional Director (Admin)

Sr. No.	Participants' Name	Department	Designation
18.	**Mr. Muhammad Junaid Moti**	Pakistan Reinsurance Company Limited, Karachi	ED (U/W) / Acting CEO
19.	**Mr. Nayyar Saeed**	National Highway Council (NHC) National Highway Authority, Islamabad	Member
20.	**Mr. Qaisar Iqbal**	Executive Development Institute (EDI) National School of Public Policy (NSPP) Lahore	Addl. Director
21.	**Qazi Shahzad Alam**	National School of Public Policy (NSPP) Lahore	Director Finance
22.	**Ms. Saira Imdad Ali**	National Institute of Public Policy (NIPP) National School of Public Policy (NSPP)	Director Publication
23.	**Mr. Saleem Zia**	State Life Insurance Corp	Ex- Senator / Chairman (Board of Directors)
24.	**Syed Muhammad Omer**	Punjab Central Business District Development Authority (PCBDDA)	Director Budgeting & Corporate Affairs
25.	**Mr. Tanveer Abdullah**	Hyderabad Electric Supply Company (HESCO), Hyderabad	Chief Legal Officer
26.	**Maj Gen Umar Farid**	Ministry of Defence	Addl. Secretary
27.	**Mr. Waqas Alam**	Pakistan Agricultural storage and Services Corporation Ltd. (PASSCO), Lahore	Managing Director

PHOTO GALLERY-1

DTP-SOEs Program opens with National Anthem

Dean/Director, EDI, addresses DTP-SOEs Participants

PHOTO GALLERY-2

Rector NSPP & Dean EDI present Sovenirs to Speakers & Certificates to Participants

Group-Photograph