EXCLUSIVE INTERVIEW

SECP

“In strengthening Pakistan’s financial governance, SECP is prioritizing credibility through measurable enforcement and transparent compliance. Key initiatives include reducing licensing backlogs by over 510 cases in three months, introducing the Certificate of Statutory Compliance, implementing T+1 settlement, and advancing the Insurance Bill 2026—all designed to ensure that regulatory action is visible, consistent, and trusted.”

Dr. Kabir Ahmed Sidhu

Chairman, Securities and Exchange Commission of Pakistan (SECP)

ICMA: At the Competition Commission of Pakistan, the case backlogs were reduced by over 70% and recovered Rs. 1.60 billion in penalties within two years. What institutional lesson from that experience are you applying at SECP?

Dr. Kabir Ahmed Sidhu: The biggest lesson learnt is that institutions earn credibility through execution, not announcements.

At CCP, we inherited more than 560 pending cases and a weak enforcement record. By setting clear targets, empowering our people, using technology intelligently, and measuring performance, we cleared the backlog and significantly improved recoveries.

The similar philosophy is being applied to SECP. We are focusing on people, processes, and technology. We set measurable targets, remove unnecessary bottlenecks, and use technology to improve both service delivery and regulatory oversight. The Certificate of Statutory Compliance, T+1 settlement, the Insurance Bill 2026, and reducing the licensing backlog by over 510 cases in just three months are examples of that approach.

The philosophy is simple: good regulation should be easy to comply with, difficult to evade, and quick to enforce.

ICMA: SECP regulates companies, capital markets, insurance, and non-banking finance simultaneously. How do you prevent regulatory fragmentation from undermining coherent governance?

Dr. Kabir Ahmed Sidhu: This is one of the most important structural questions for any multi-mandate regulator. Our answer is coordinated reform design, ensuring that initiatives across divisions reinforce one another rather than pull in different directions.

Take digital onboarding: the same NADRA-based biometric verification and IBAN-linked account requirements are being applied consistently across NBFCs, insurance, and capital market entry. Or take disclosure: the UBO framework, the Certificate of Statutory Compliance, and enhanced reporting under the Insurance Bill 2026 all flow from the same principle, that regulators and investors must be able to see clearly through a company's structure and activities. Internal governance at SECP, including regular cross-divisional coordination, ensures that our licensing, supervisory, and enforcement functions are aligned rather than siloed. A regulator with fragmented oversight creates arbitrage opportunities; we are determined not to.

ICMA: SECP's LEAP programme has digitised licensing, replaced statutory forms from 75 to 28, and launched same-day corporate bank account opening. Where does technology-driven regulation still fall short in Pakistan?

Dr. Kabir Ahmed Sidhu: LEAP, our Leading Efficiency through Automation Prowess programme, has been transformative. eZfile has replaced the legacy eServices portal, automating key corporate registration, post-incorporation compliance, mortgage registrations, and foreign company filings. The reduction in statutory forms from 75 to 28 eliminated procedural duplication that had accumulated over decades. But I am direct about where gaps remain. First, digital penetration is uneven: many small and medium enterprises, particularly outside major cities, still struggle to navigate even simplified online processes. Second, the quality and completeness of digital filings varies significantly. A system is only as good as the data entered into it. Third, enforcement has not yet fully leveraged real-time digital intelligence. We are addressing all three: through public awareness, through the AI-powered data validation systems we are building, and through Phase 2 of LEAP which now covers insurance and NBFC licensing.

ICMA: It is to directed PMEX to build physically deliverable agricultural futures contracts backed by an Electronic Warehouse Receipt system. This is a transformative idea for Pakistan's farming sector, what are the biggest obstacles to making it real?

Dr. Kabir Ahmed Sidhu: This initiative sits at the intersection of market modernisation, agricultural development, and financial inclusion, and it is one I am personally committed to advancing. When farmers cannot access transparent price discovery, they are at the mercy of intermediaries. Physically deliverable agricultural futures, linked to a real-time Electronic Warehouse Receipt system, would change that fundamentally. The obstacles are real but surmountable. First, warehouse infrastructure across Pakistan is fragmented and often below the standards required for accredited storage. Second, farmer and trader familiarity with futures instruments is very limited, financial literacy and market education must accompany infrastructure. Third, coordination between federal and provincial governments, PMEX, and financial institutions requires sustained political will. SECP has already approved PMEX's acquisition of a majority stake in Naymat Collateral Management Company to anchor the EWR ecosystem, and Punjab's successful pilot for wheat storage shows the model works. The roadmap we have directed PMEX to prepare will set concrete timelines for each of these.

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ICMA: Investor participation in Pakistan's capital markets remains below 1% of the population, while SECP has set a target of 2.5 million investors. How much success rate do you expect in achieving this target?

Dr. Kabir Ahmed Sidhu: Success is not just a number , it is what lies behind the number. Two and a half million active, informed investors who understand what they own, why they own it, and what their rights are: that is the goal. It means young Pakistanis using the upcoming dedicated stock market app to make their first investment from a mobile phone in Multan or Mirpur, not just in Karachi or Lahore. It means women and SME owners entering formal capital markets for the first time, supported by the Capital Market Development Fund's Rs. 120 million initial contribution to investor education.

It means SECP's enforcement machinery visibly protecting those new investors when market misconduct occurs. Failure, by contrast, would be a headline number achieved through unsophisticated retail participation that is then devastated by a market downturn or manipulative scheme. That is why our investor protection reforms, mandatory disclosures, AML/CFT safeguards, and robust enforcement, must grow in parallel with outreach.

ICMA: Mutual fund investment has been simplified for small investors. Yet Pakistan's savings-to-GDP ratio remains persistently low. Can SECP's reforms realistically shift savings behaviour at the national level?

Dr. Kabir Ahmed Sidhu: Regulatory reform is a necessary but not sufficient condition for shifting savings behaviour. What we can do, and are doing, is remove every friction that stands between a Pakistani citizen and their first formal investment. Simplified mutual fund onboarding, streamlined KYC and AML procedures, digital account opening, and accessible product information lower the cost and complexity of entry. The Capital Market Development Fund, supported by contributions from market participants, will sustain investor education over the long term rather than through one-off campaigns. But savings behaviour is also shaped by macroeconomic confidence, real returns, and the perceived safety of formal institutions. When people trust that their investments are protected and regulated fairly, they save through formal channels. That is why enforcement credibility is as important as process simplification, the two must move together.

ICMA: SECP is proposing a UK-style mandatory pre-litigation mediation framework to decouple commercial dispute resolution from the courts. Why is this relevant to financial governance specifically?

Dr. Kabir Ahmed Sidhu: Pakistan's courts carry an enormous backlog of commercial cases, including a substantial number involving SECP-regulated entities. When disputes take years to resolve, investor confidence erodes, capital allocation is distorted, and the deterrent effect of regulatory enforcement weakens. The UK's mandatory pre-litigation mediation model has demonstrated that a significant proportion of commercial disputes can be resolved faster, at lower cost, and with greater satisfaction to both parties, without ever reaching a courtroom. The ADR Centre we are exploring with the U.S. Department of Commerce's CLDP would provide a structured, credible, and professionally managed alternative pathway. For financial governance, the implications are direct: faster resolution of company disputes, securities claims, insurance disagreements, and contract matters means greater predictability for investors and businesses.

Rule of law is not only about what courts eventually decide, it is about how quickly and fairly disputes are resolved.

ICMA: ESG reporting in Pakistan is still voluntary for most companies. Should it become mandatory, and if so, through what sequencing?

Dr. Kabir Ahmed Sidhu: The SECP-IFC ESG Pakistan Project, launched earlier this year, has created an important foundation: private sector leaders, capital market institutions, professional bodies, and multilateral partners working together to build responsible investing norms. My view is that mandating ESG reporting prematurely, without adequate standards, board capacity, and verification infrastructure, risks producing compliance theatre rather than genuine disclosure. The sequencing I favour begins with expanding voluntary adoption among listed companies, developing Pakistan-appropriate ESG reporting standards aligned with international frameworks, and building the auditing and verification capacity within the professional accountancy community, including ICMA members, who will be central to this work. Mandatory reporting for listed companies should follow once the ecosystem is ready to deliver meaningful, comparable disclosures. The goal is substance, not paperwork.

ICMA: If you look five years ahead, what does a transformed SECP look like, and what is the single biggest risk to getting there?

Dr. Kabir Ahmed Sidhu: Five years from now, I want SECP to be known as one of Pakistan's best-performing public institutions, trusted for its transparency, efficiency, and ability to deliver results.

Our priorities are clear.

1. Increase the investor base from around 500,000 to more than 2.5 million informed investors.
2. Fully automate company registration, licensing, and compliance through an AI-powered regulatory platform.
3. Establish Business Facilitation Centres across Pakistan to make starting and growing a business much easier.
4. Transform PMEX into a modern mercantile exchange that delivers transparent price discovery and expands access to finance for farmers.
5. Modernize the insurance sector through the Insurance Bill 2026 with faster claims settlement and greater consumer protection.
6. Establish specialised Securities and Insurance Tribunals for faster dispute resolution.
7. Continue improving SECP's own efficiency by reducing human intervention, strengthening governance, and making regulation more transparent and predictable.

The biggest risk is not the lack of ideas. It is the lack of consistency. Institutions succeed when reforms continue beyond individuals. If we sustain this momentum with capable people, efficient processes, and modern technology, SECP can become a model regulator for the region.

*The Editorial Board thanks **Dr. Kabir Ahmed Sidhu, Chairman, Securities and Exchange Commission of Pakistan (SECP),** for sparing his precious time to give an exclusive interview for Chartered Management Accountant Journal.*