



# REGULATORY WATCH

By ICMA Research and Publications Department

## SECP Consults on Reforming Pakistan's Cost Audit Regime

The SECP held high-level consultations in Islamabad, Lahore, and Karachi on reforming Pakistan's cost audit framework, following its January 2025 Consultation Paper. Industry representatives, ICAP, ICMA, Mol, and CCP discussed aligning the regime with international standards and enhancing its regulatory relevance. It was agreed that ICAP and ICMA will jointly review and provide detailed recommendations within three weeks, focusing on audit formats, scope, and filing mechanisms, aiming to ensure transparency, accountability, and ease of doing business.

## SECP Seeks Public Feedback on ESG Disclosure Guidelines

The SECP has issued draft additions to its Guidelines on ESG Disclosures for Listed Companies for public consultation until October 22, 2025. The drafts, aligned with Pakistan's climate commitments and the Green Taxonomy, outline phased disclosure requirements applicable to all listed companies, voluntary until 2029 before becoming mandatory. Stakeholders, including environmental professionals and the public, are invited to provide feedback to help finalize the guidelines and strengthen responsible business practices.

## SECP Approves New Book Building Mechanism for IPOs

The SECP has approved joint procedures for a modernized book building mechanism under the amended Public Offering Regulations, 2017, effective August 6, 2025. The framework replaces the traditional Book Runner model with Eligible Participants (EPs), allowing brokers, banks, DFIs, and mutual funds to participate directly in IPOs. Investors can submit disclosed or undisclosed bids, enhancing transparency, efficiency, and market competitiveness. The system integrates PSX and NCCPL infrastructure for smooth bid collection, settlement, and refunds, strengthening Pakistan's capital market.

## FBR Extends Manual Tax Return Filing Deadline to Nov 30

The Federal Board of Revenue (FBR) has extended the deadline for taxpayers filing returns manually to

November 30, 2025. While FBR is phasing out manual forms in favor of digital filing, special support cells in tax offices will assist manual filers with legal and technical guidance free of cost. The extension aims to ensure smooth completion of the process, following a record 5.9 million returns filed for FY2025, up 17.6% from last year.

## FBR Mandates Online Filing for Individual Taxpayers

The Federal Board of Revenue (FBR) has proposed amendments to the Income Tax Rules 2002, making it mandatory for individual taxpayers to submit both income tax returns and withholding statements online. The draft under Rule 73 has been issued for stakeholder feedback, with comments invited within seven days of gazette publication. The initiative aims to modernize tax filing, streamline processes, and enhance management of taxpayer data.

## SBP Issues Framework for Fair Consumer Treatment

The State Bank of Pakistan has introduced the Business Conduct and Fair Treatment of Consumers Regulatory Framework (BC&FRF), setting new standards for banks, DFIs, EMIs, and payment service providers. The framework covers the full product lifecycle, emphasizing governance, transparency, fair conduct, data protection, dispute resolution, and consumer awareness. Designed after extensive consultation, BC&FRF aims to foster a customer-centric, ethical, and resilient financial ecosystem, reinforcing SBP's commitment to consumer protection and responsible business conduct.

## SBP Reports Robust Growth in Payment Systems for FY25

The State Bank of Pakistan released its Annual Payment Systems Review for FY25, highlighting rapid expansion in digital and retail payments. Transactions reached 9.1 billion worth Rs. 612 trillion, with digital channels accounting for 88% of all retail payments. Mobile banking apps led with 6.2 billion transactions, while e-money wallets doubled in volume and value. Pakistan's instant payment platform Raast saw more than a twofold increase in transactions and value. The POS and ATM networks expanded, and the RTGS system was upgraded to PRISM+, strengthening efficiency, security, and financial inclusion across the country.