

REGULATORY NEWS

By: ICMA Research and Publications Department

SBP Published Annual Financial Statements for FY2026

SBP has published its financial statements for the year ending June 30, 2026, along with the auditor's report, on its website. These documents have also been sent to the federal government and Parliament as required by the State Bank of Pakistan Act, 1956. For the year, the SBP reported a net profit of PKR 1,990 billion, with a surplus profit of PKR 1,932 billion remitted to the federal government after accounting for necessary appropriations.

SBP Designates UBL, HBL & NBP as Domestic Systemically Important Banks for 2026

SBP has identified United Bank Limited (UBL), Habib Bank Limited (HBL), and National Bank of Pakistan (NBP) as Domestic Systemically Important Banks (D-SIBs) for 2026, following an assessment based on their financials as of December 31, 2025. Banks are evaluated on size, interconnectedness, substitutability, and complexity to determine their systemic importance. Starting March 31, 2027, these banks will face enhanced supervisory and additional Common Equity Tier-1 (CET-1) capital requirements: UBL [2.5%], HBL [1.5%], and NBP [1.0%]. Additionally, branches of Global Systemically Important Banks (G-SIBs) in Pakistan must maintain extra CET-1 capital as per the Financial Stability Board. This designation is part of SBP's efforts to bolster banks' resilience and support financial stability and economic growth.

SECP Establishes Corporate Debt Market Desk

SECP has launched a Corporate Debt Market Desk to enhance the corporate debt market and facilitate capital raising through debt instruments. Directed by Finance Minister Senator Muhammad Aurangzeb, the initiative aims to provide simpler, faster, and cost-efficient debt issuance. The Desk will assist with public offerings, private placements, PSX listings, and Shariah-compliant instruments. Additionally, a Corporate Debt Market section on the SECP website offers legal frameworks and guidance. Chairman Dr. Kabir Ahmed Sidhu emphasized that a robust corporate debt market would diversify financing, attract

institutional investment, and bolster infrastructure and industrial growth, as part of SECP's comprehensive reforms in this area.

SECP Proposes New Law to Unlock Funding for Startups

SECP has presented a draft Venture Capital (VC) Bill to the Board of Investment (BOI) for public consultation. The Bill aims to enhance access to risk capital, attract investment, and support startups, thereby contributing to economic growth. Developed under a Federal Government initiative, it addresses the current limitations in venture capital access in Pakistan's startup and innovation sectors. The proposed legislation includes a transparent framework for VC funds, featuring light-touch licensing and clear governance standards. SECP Chairman Dr. Kabir Ahmed Sidhu emphasized that the law aims to channel private capital into emerging businesses while minimizing regulatory barriers. Public consultations with industry stakeholders will follow before the Bill is legislated.

Pakistan & IMF Differ Over Direct Contracts to SOEs Under Proposed PPRA Rules 2026

Pakistan and the IMF are in conflict over the proposed Public Procurement Regulatory Authority (PPRA) Rules 2026, which aim to enhance transparency and accountability in public procurement, replacing the outdated 2004 framework. The IMF allows direct contracting with state-owned enterprises (SOEs) only under exceptional circumstances. Additionally, SOE subcontracting is limited to 40% of project value to prevent unfair competition. The rules introduce stricter eligibility requirements for contractors and enable agencies to blacklist bidders for corrupt practices. Procurements over PKR 700,000 must follow competitive bidding, with oversight by federal secretaries.

