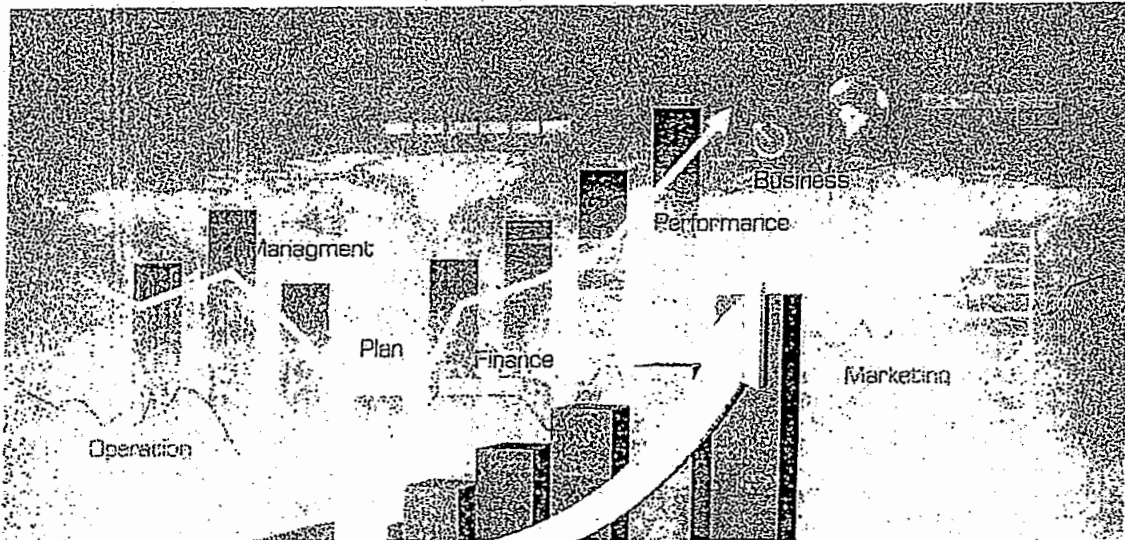


## SENATE OF PAKISTAN

REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND  
REVENUE

REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND  
REVENUE ON A PRIVATE MEMBER BILL TITLED "THE SECURITIES  
AND EXCHANGE COMMISSION OF PAKISTAN (AMENDMENT) BILL,  
2025"

PRESENTED BY

SENATOR SALEEM MANDVIWALLA

CHAIRMAN

## SENATE SECRETARIAT

### REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON A PRIVATE MEMBER BILL TITLED "THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (AMENDMENT) BILL, 2025" REFERRED BY THE HOUSE ON 1<sup>ST</sup> DECEMBER, 2025

I, Senator Saleem Mandviwalla, Chairman Senate Standing Committee on Finance and Revenue have the honor to present the report of the Committee on a Private Member Bill titled "The Securities and Exchange Commission of Pakistan (Amendment) Bill, 2025" referred by the house on 1<sup>st</sup> December, 2025 to the Committee for Consideration and report.

2. The Committee comprises of the following honorable Members:-

1. Senator Saleem Mandviwalla	Chairman
2. Senator Farooq Hamid Naek	Member
3. Senator Sherry Rehman	Member
4. Senator Mohsin Aziz	Member
5. Senator Anusha Rahman Ahmad Khan	Member
6. Senator Muhammad Talha Mahmood	Member
7. Senator Shahzaib Durrani	Member
8. Senator Fesal Vawda	Member
9. Senator Ahmed Khan	Member
10. Senator Manzoor Ahmed	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Senator Muhammad Abdul Qadir	Member
13. Senator Dilawar Khan	Member
14. Senator Zeeshan Khanzada	Member
15. Minister for Finance and Revenue	Ex-Officio Member
16. Minister of State for Finance and Revenue	Ex-Officio Member

3. The Committee considered the Bill in its meeting held on 10<sup>th</sup> December, 2025, 4<sup>th</sup> February & 4<sup>th</sup> March, 2026, in Committee Room No.1, Parliament House, Islamabad.

4. The meeting was attended by the following Members on 10<sup>th</sup> December, 2025.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Anusha Rahman Ahmad Khan	Member
3. Senator Manzoor Ahmed Kakar	Member
4. Senator Muhammad Talha Mahmood	Member
5. Minister of State for Finance and Revenue	Ex-Officio Member

5. The meeting was attended by the following Members on 4<sup>th</sup> February, 2026.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Mohammad Abdul Qadir	Member
4. Minister of State for Finance and Revenue	Ex-Officio Member

6. The meeting was attended by the following Members on 4<sup>th</sup> March, 2026.

1. Senator Saleem Mandviwalla	Chairman
-------------------------------	----------



2. Senator Anusha Rahman Ahmad Khan	Member
3. Senator Muhammad Talha Mahmood	Member
4. Senator Shahzaib Durrani	Member
5. Minister for Finance and Revenue	Ex-Officio Member
6. Minister of State for Finance and Revenue	Ex-Officio Member

7. In the meeting of the Committee held on 10<sup>th</sup> December, 2025, Senator Anusha Rahman opened the discussion by commending the State Minister for Finance and Revenue, Mr. Bilal Azhar Kayani, and appreciating his experience and commitment, stating that his presence provided reassurance that key matters could be effectively addressed.

8. She highlighted persistent inconsistencies in the remuneration frameworks of federal regulatory bodies, noting that there were 19 regulators, out of which Boards of only three regulators, including the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP), were empowered to fix their own salaries and benefits, as opposed to the other sixteen regulators whose salaries and benefits were determined by the Prime Minister or the Federal Government, as the case may be.

9. She emphasized the need to harmonize the procedure through which the salaries and benefits of the regulators were fixed, observing that exceptional treatment had created discrepancies across regulatory bodies, resulting in variations across MP scales, SSP scales and other structures, leading to institutional friction.

10. Referring to the SBP Act introduced during 2021–22 under IMF-related compulsions, she observed that under the revised governance structure, the SBP Governor chaired the Board and recommended the salary/remuneration of State Bank Governor to the Board that he self chairs. She stated that a similar exception existed for the SECP, whose Policy Board presently exercised full authority over salaries and allowances on the recommendation of the commission, an arrangement inconsistent with broader regulatory practice. She further stated that the need for harmonization had become even more necessary after the AGPR pointed out the abuse of the discretion exercised by the SECP Board by increasing salaries with retrospective effect of sixteen months.

11. To harmonise all regulators and remove disparities, her proposed amendments sought to restore the Federal Government's authority over salary and remuneration matters. She stated that similar intervention was required in the State Bank of Pakistan law and requested the Committee to consider the amendment in the wake of her presentation. She also stated that one private member's bill on the subject had already been introduced.

12. Senator Muhammad Talha Mahmood supplemented these concerns by drawing attention to significant expenditures incurred by the SECP, including bonuses and perks amounting to approximately Rs. 226 million and Rs. 111 million, in addition to another Rs. 22 million, totalling nearly Rs. 33-34 crore. He highlighted the payment of Rs. 7 million for an Islamabad Club membership of a retiring commissioner and sought a detailed breakdown of these expenditures. He also questioned the approval of 16 months of arrears in 2024, backdated to 1 July 2023, and requested legal clarification, asking that the Chairman Committee formally note his queries and obtain written responses from the relevant authorities.

13. The Secretary, Ministry of Finance and Revenue, Mr. Imdad Ullah Bosal, appreciated the concerns raised but opposed the amendment and stated that the issue required careful consideration from the perspective of regulatory independence. He recalled that Parliament had intentionally vested the remuneration-setting authority with the SECP Board and cautioned that transferring this power to the Government could compromise the autonomy expected of regulators. He suggested to consider and contemplate other modalities to check the powers of the Board.

14. He further stated that effective oversight also depended on the diligence and professionalism of Board members and referred to a recent instance in which the Board had reviewed and blocked a proposal relating to perks and privileges, demonstrating that internal checks could work when exercised properly.

15. Senator Anusha Rahman responded that the concept of independence could not be used to justify expenditures of public funds without adequate oversight. Independence in decision making should not be mingled with unbridled enrichment power as recently observed. She asked if Government representatives on the SECP Board, including the Secretaries Finance, Commerce and Law, had recorded dissent on recent decisions involving retrospective financial approvals, which was responded in negative.

16. She further observed that the independent members of the Board, all drawn from Karachi, lacked broader national representation and stated that she intended to address Board composition as well. She reiterated that the immediate issue was the misuse of autonomy, retrospective payments and financial decisions that burdened the public, stressing that her critique was institutional and not person-specific.

17. She further expressed concern that the SECP Board had convened a meeting after Senate Committee meeting immediately prior to a commissioner's retirement, to consider additional privileges, and stated that the proposal was only halted because the Board got cautioned after PAC

18. The Secretary Finance stated that while he agreed there were instances of misuse and weaknesses in the current framework, the Finance Ministry did not support the proposed amendments. He suggested the need for broader research, examination of international regulatory practices and a holistic review of the role of independent members, the scope of autonomy, and the status of regulator-generated receipts, including those not forming part of the Federal Consolidated Fund.

19. The Chairman Committee advised the Ministry not to oppose the Bill outright and suggested that, if amendments were required, they be developed collaboratively with the Committee. The Senators were unanimously of the view that the amendment be passed.

20. The State Minister for Finance and Revenue cautioned that while the Committee might approve the Bill, the Government would not support it in the House, resulting in its failure. He requested to defer the Bill and find out a way to reach consensus on the proposed amendment, suggesting that such an outcome should be avoided and recommending that the Finance Ministry and Senator Anusha Rahman jointly examine alternatives to resolve the concerns more comprehensively.

21. Senator Anusha Rahman agreed to postpone consideration, stating that she remained open to constructive engagement. She stated that if additional amendments could be identified through further discussion, she would welcome their inclusion.

22. Therefore, at the request of the State Minister for Finance and Revenue, the Committee agreed to defer the Bill for detailed discussion in the next meeting, or until the next meeting of the Committee, to allow further consultations among Senator Anusha Rahman, the State Minister, and relevant stakeholders.

23. In the meeting held on 4<sup>th</sup> March, 2026, Senator Anusha Rahman proposed an amendment to section 5 relating to the financial autonomy of SECP. She stated that SECP's financial autonomy had become excessive and that under the existing provision the commissioners, including the chairman, were paid remuneration and allowances determined by the Commission with approval of the Board. She proposed that determination and revision of remuneration and salary packages of commissioners should instead require approval of the Federal Government, similar to other public sector salaries, as the funds involved constituted public money.

24. The Chairman Committee observed that if surplus funds of SECP were transferred to FCF the issue of financial autonomy would already be addressed and further amendment might not be necessary. The Committee also decided that since Agendas V and VI were closely related, they

could be merged.

25. Senator Anusha Rahman reiterated that individuals should not determine their own salaries and emphasized that the remuneration determined by the Board was paid from public funds. The Chairman Committee responded that government representatives including the Secretaries of Finance, Law and Commerce were already present on the Board and could object if necessary. He stated from experience that if the Secretary Finance objected in SECP or State Bank boards, the matter would generally not proceed and therefore the issue was not one of majority but of agreement by government representatives.

26. Senator Anusha Rahman questioned whether such decisions should rest with secretaries or with the Federal Government and ministers accountable to Parliament. She argued that elected representatives were responsible for safeguarding the public exchequer, whereas secretaries often attended board meetings without seeking policy direction from ministers, weakening parliamentary accountability.

27. The Federal Minister for Finance and Revenue confirmed that secretary finance did not seek his consent before authorizing salary increase with retrospective effect of 16 months, and stated that structural changes would not resolve issues arising from failures of individuals or processes. He emphasized that government nominees on boards were expected to act responsibly and that referring every matter to the Prime Minister or Federal Government would undermine the functioning of such bodies. He added that any lapses would be addressed through the audit process and those responsible held accountable.

28. Senator Anusha Rahman reiterated that secretaries often effectively became decision-makers in board meetings without clear alignment with ministers, undermining parliamentary oversight. She argued that if salary revisions required Federal Government approval, retrospective increases such as the SECP salary revision would come before the Government for scrutiny prior to implementation.

29. The Chairman Committee remarked that even if such matters were referred to the Federal Government, the same officials who had agreed earlier might defend their decisions at the cabinet level. Senator Anusha Rahman further stressed to strengthen public sector oversight through inclusion of members of the National Assembly and Senate in the Board rather than expanding the role of secretaries.

30. She further observed that the State Bank of Pakistan followed a model where the Board determined the remuneration of the Governor. The Governor of the State Bank clarified that the

Governor was appointed by the President of Pakistan on the recommendation of the Federal Government and that although the Board determined the remuneration, the Governor did not participate in discussions on the agenda relating to his own salary.

31. The Federal Minister for Finance and Revenue stated that regulatory authorities already operated transparently and their actions were not concealed from the public.

32. The Additional Draftsman of the Law Ministry, Mr. Jam Aslam, observed that under the Mustafa Impex case powers assigned to the Federal Government were generally exercised through the Minister-in-Charge, and suggested that if the law referred to the Federal Government it might ultimately be exercised by the concerned minister.

33. Senator Anusha Rahman responded that retaining the reference to the Federal Government was important because the Secretary Finance already sat on the Board therefore broader government consideration would be required even more to provide greater transparency and accountability.

34. The Federal Minister for Finance and Revenue clarified that the Government was not agreeing to the amendments at that stage.

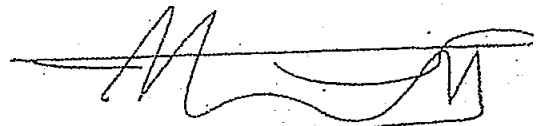
35. However, notwithstanding the foregoing, the Committee unanimously recommended the amendments.

36. The Bill as introduced in the Senate is annexed at "A" and the Bill reported by the Committee is annexed at "B".

37. The Committee also gave approval for presentation of this report to the House.



(IFFAT MUSTAFA)  
Secretary Committee



(SENATOR SALEEM MANDVIWALLA)  
Chairman Committee

<sup>AS</sup>  
~~TO BE~~ INTRODUCED IN THE SENATE]

A  
BILL

... further to amend the Securities and Exchange Commission of Pakistan Act, 1997

**WHEREAS** it is expedient further to amend the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

**1. Short title and commencement.** - (1) This Act may be called the Securities and Exchange Commission of Pakistan (Amendment) Act, 2025.

(2) It shall come into force at once.

**2. Amendment of section 3, Act XLII of 1997.**- In the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), hereinafter referred to as the said Act, in section 3, in sub-section (3), the expression, "financially" occurring in the first line, shall be omitted.

**3. Amendment of section 5, Act XLII of 1997.**- In the said Act, in section 5, in sub-section (4),-

- (i) for the word "Commission" the word "Board" shall be substituted; and
- (ii) for the word "Board" occurring after the words "with the approval of the", the words, "Federal Government" shall be substituted.

**STATEMENT OF OBJECTS AND REASONS**

The amendment is proposed to allign Securities and Exchange Commission of Pakistan with other authorities of the Federal Government.

2. This bill is aimed to achieve the above-said objective.

**SENATOR ANUSHA RAHMAN AHMAD KHAN**  
**Member-in-Charge**

BILL

*further to amend the Securities and Exchange Commission of Pakistan Act, 1997*

**WHEREAS** it is expedient further to amend the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

**1. Short title and commencement.** - (1) This Act may be called the Securities and Exchange Commission of Pakistan (Amendment) Act, 2025.

(2) It shall come into force at once.

**2. Amendment of section 5, Act XLII of 1997.**- In the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), in section 5, in sub-section (4),-

- (i) for the word "Commission" the word "Board" shall be substituted; and
- (ii) for the word "Board" occurring after the words "with the approval of the", the words, "Federal Government" shall be substituted.

**STATEMENT OF OBJECTS AND REASONS**

The amendment is proposed to align Securities and Exchange Commission of Pakistan with other authorities of the Federal Government:

2. This bill is aimed to achieve the above-said objective.

**SENATOR ANUSHA RAHMAN AHMAD KHAN**  
Member-in-Charge