

# IFRS® SUSTAINABILITY DISCLOSURE STANDARDS (ISSB STANDARDS)— APPLICATION AROUND THE WORLD



## JURISDICTIONAL PROFILE: Pakistan

**Disclaimer**—The information in this profile is for general guidance only and may change from time to time. You should not act on the information in this profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action in relation to this profile. If you believe that the information is incorrect, please contact us at [regulatoryaffairs@ifrs.org](mailto:regulatoryaffairs@ifrs.org).

This profile provides information about the application of ISSB Standards in Pakistan. The ISSB Standards are developed and issued in the public interest by the International Sustainability Standards Board (ISSB). The ISSB is a standard-setting body of the IFRS Foundation (Foundation), an independent, not-for-profit organisation.

The Foundation has prepared this profile applying an analysis that is in accordance with the [Inaugural Jurisdictional Guide on the adoption or other use of ISSB Standards](#) (*Jurisdictional Guide*) and based on information provided by jurisdictional authorities in response to a questionnaire the Foundation issued on the regulatory approach to the use of the ISSB Standards. The Foundation invited the questionnaire's respondent and international accounting firms to review a draft of the profile.

The purpose of the Foundation's Jurisdictional Profiles is only to illustrate the extent of adoption or other use of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact [licensing@ifrs.org](mailto:licensing@ifrs.org).

## Description of the jurisdictional approach

Jurisdictional approach towards the adoption or other use of ISSB Standards<sup>1</sup>  
Updated 12 June 2025

	Current <sup>2</sup>	Target <sup>3</sup>
<b>Jurisdictional approach</b>	Fully adopting ISSB Standards	Fully adopting ISSB Standards

<sup>1</sup> Refers to the range of approaches that jurisdictions may take to 'adopt, apply or otherwise be informed by' ISSB Standards when introducing sustainability-related disclosure requirements in their legal and regulatory frameworks, as set out in Section 3.4 of the *Jurisdictional Guide*. This range includes approaches that involve the adoption or other use of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* directly, as well as the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2 (referred to as 'requirements with functionally aligned outcomes').

<sup>2</sup> The current approach describes the most up-to-date status of a jurisdiction's sustainability-related disclosure requirements reflecting what entities in the jurisdiction are required or permitted to apply at the time the jurisdictional profile is published. In the case of the Pakistan profile, where regulation comes into effect on 1 July 2025, the profile reflects status at that date.

<sup>3</sup> The target approach describes the stated jurisdictional target that a jurisdiction aims to achieve for sustainability-related disclosure requirements, reflecting either the final milestone in the jurisdictional roadmap or requirements that have already been introduced by law or regulation but where application by entities will only be required at a future date.

## Regulatory approach to sustainability-related disclosures

Has the relevant authority(ies) in the jurisdiction published a decision to require sustainability-related financial disclosures?	Yes.
Does the jurisdiction's regulatory framework for sustainability-related disclosures adopt or otherwise use ISSB Standards?	Yes.
Description of and links to the relevant announcement, roadmap, standards and/or law or regulation.	On 31 December 2024, the Securities and Exchange Commission of Pakistan (SECP) <a href="#">issued an order</a> mandating application of IFRS S1 and IFRS S2 and communicated their applicability to listed companies and SECP licensed non-listed Public Interest Companies through a phased approach, under section 238 of the Companies Act, 2017.
Summary of the timeline for the application of the jurisdiction's sustainability-related disclosure requirements by entities in the jurisdiction.	<p>The requirements are phased in over three reporting cohorts:</p> <ul style="list-style-type: none"> <li>Phase I—mandatory reporting from annual reporting periods beginning on or after 1 July 2025 by listed companies meeting any two of the following criteria: <ul style="list-style-type: none"> <li>annual turnover &gt; Pakistani Rupee (Rs.) 25 billion in last two consecutive financial years;</li> <li>employees &gt; 1,000 at last financial year-end; and</li> <li>total assets &gt; Rs. 12.5 billion as at last financial year-end.</li> </ul> </li> <li>Phase II—mandatory reporting from annual reporting periods beginning on or after 1 July 2026 by listed companies meeting any two of the following criteria: <ul style="list-style-type: none"> <li>annual turnover &gt; Rs. 12.5 billion in last two consecutive financial years;</li> <li>employees &gt; 500 at last financial year-end; and</li> <li>total assets &gt; Rs. 6.25 billion as at last financial year-end.</li> </ul> </li> <li>Phase III—mandatory reporting from annual reporting periods beginning on or after 1 July 2027 for all remaining listed companies and non-listed companies locally defined as Public-Interest-Companies licensed or registered with the SECP.</li> </ul> <p>Early application is permitted and encouraged for all companies in scope of the regulation.</p>

## Extent of application of ISSB Standards

### Requirements

<b>Applicable ISSB Standards:</b> which ISSB Standards does the legal or regulatory framework adopt or otherwise use?	IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and IFRS S2 <i>Climate-related Disclosures</i> .
<b>Scope:</b> what information is an entity in the jurisdiction required to disclose?	Material information about the sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or the cost of capital over the short, medium or long term.
<b>Focus:</b> at whom is the information provided by sustainability-related disclosure requirements in the jurisdiction focused?	Existing and potential investors, lenders and other creditors.
<b>Placement of disclosures:</b> does the jurisdiction require that an entity include sustainability-related financial disclosures as part of its general purpose financial reports?	Yes.  The sustainability-related financial disclosures prepared in accordance with ISSB Standards (IFRS S1 and IFRS S2), shall be located in the annual report, after the directors' report (except in the first year of compliance, subject to the transition relief described in the <i>Timing of reporting</i> section).
<b>Timing of reporting:</b> does the jurisdiction require that an entity report sustainability-related financial disclosures at the same time as its related financial statements?	Yes. Sustainability-related financial disclosures are required to be published at the same time as the related financial statements, as required by IFRS S1 (subject to transition relief for the first annual reporting period, to allow reporting to be made separately within nine months from the close of the financial year).
<b>Transition reliefs:</b> do the jurisdiction's requirements include any <b>extensions</b> of the transition reliefs included in IFRS S1 and IFRS S2?	No.
<b>Jurisdictional modifications:</b> do the jurisdiction's requirements include any modifications to the requirements in IFRS S1 and IFRS S2?	No.

Schedule of differences between ISSB Standards and jurisdictional requirements, if applicable and available

Not applicable.

**Dual reporting:** is 'dual reporting' allowed, such that entities in the jurisdiction may assert compliance both with IFRS Sustainability Disclosure Standards as issued by the ISSB and another set of standards (for example, compliance with both ISSB Standards and the jurisdiction's sustainability-related disclosure requirements)?

No.

**Assertion of compliance:** does the jurisdiction's legal or regulatory framework require entities to make an explicit and unreserved statement of compliance?

Yes—with IFRS Sustainability Disclosure Standards as issued by the ISSB.

## Reporting entities

Are all or most<sup>4</sup> **domestic** publicly accountable entities either required or permitted to comply with the jurisdiction's sustainability-related disclosure requirements?

Current	Target
Yes—required.	Yes—required.
Required for listed entities captured based on the thresholds for Phase I (see <i>Summary of the timeline for the application of the jurisdiction's sustainability-related disclosure requirements by entities in the</i>	<p>All companies listed on Pakistan Stock Exchange.</p> <p>SECP licensed non-listed Public Interest Companies, which are:</p> <ol style="list-style-type: none"> <li>1. a public sector company as defined in the Act; or</li> <li>2. registered and/or licensed under the Administered Legislation or Rules, or regulations made thereunder, as follows: <ol style="list-style-type: none"> <li>1. Non-banking Finance Companies which are Asset Management Companies,</li> </ol> </li> </ol>

<sup>4</sup> In accordance with the *Jurisdictional Guide*, 'most' publicly accountable entities is intended to capture the weight of the entities in relation to the economy or activity in the jurisdiction, instead of the number of entities subject to the requirements. It is based on the relative weight of listed entities captured by the requirements in relation to the jurisdiction's gross domestic product or the overall market capitalisation in the main equity index.

	<p><i>jurisdiction</i> section).</p>	<p>Pension Fund Managers, REIT Management Companies or Deposit Taking NBFCs.</p> <ol style="list-style-type: none"> <li>2. Modaraba Company</li> <li>3. Insurer</li> <li>4. Securities Exchange</li> <li>5. Commodity Exchange</li> <li>6. Central Depository</li> <li>7. Clearing House; or</li> </ol> <ol style="list-style-type: none"> <li>3. Securities brokers having license as Trading and Self Clearing or Trading and Clearing category and having custody of customers assets and Professional Clearing Member.</li> <li>4. Registered, notified and/or licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or Microfinance Institutions Ordinance, 2001 (LV of 2001), as follows: <ol style="list-style-type: none"> <li>1. Banking Company including Foreign Banking Company</li> <li>2. Microfinance Bank</li> <li>3. Development Finance Institution (DFI) or</li> <li>4. all companies engaged in production and sale of sugar.</li> </ol> </li> </ol>
Are entities without public accountability either required or permitted to comply with the jurisdiction's sustainability-related disclosure requirements?	Not explicitly addressed in regulation but entities may choose to apply ISSB Standards in the absence of any specific mandatory requirements.	
What sustainability-related disclosure requirements apply to <b>foreign</b> publicly accountable entities?	SECP, in its order dated 31 December 2024, has not specifically prescribed requirements for foreign publicly accountable entities or their domestic branches or subsidiaries operating in Pakistan. However, that order's requirements to apply IFRS Sustainability Disclosure Standards are applicable to any local subsidiary of a foreign publicly accountable entity that is a listed company or SECP licensed unlisted Public Interest Company in Pakistan.	

---

**Reporting entity:** do the jurisdiction's requirements specify that an entity's sustainability-related financial disclosures shall be for the same reporting entity as the related financial statements? Yes.

---

## Other sustainability reporting considerations

---

**Additional disclosure requirements:** does the jurisdiction require or permit an entity to provide additional disclosures within the report that contains sustainability-related financial disclosures based on ISSB Standards?

There are no specific provisions requiring or permitting an entity to provide additional disclosures within the sustainability report.

If additional disclosures are permitted or required, what is the basis for such additional information?

Not applicable.

Does the jurisdiction require that any such additional disclosures are clearly identified and do not obscure information required by ISSB Standards?

Yes, ISSB Standards are directly referenced so the requirements of IFRS S1 would apply to any additional disclosures provided.

---

**Digital reporting:** is digital reporting of sustainability-related disclosures required?

No.

If yes, what digital reporting taxonomy is used (if applicable)?

Not applicable.

---

**Assurance:** what level of assurance over sustainability-related disclosures does the jurisdiction require?

Assurance would begin from the second year of reporting. The assurance standards are yet to be confirmed.

---

---

Other comments regarding the content of sustainability-related financial reporting or the use of ISSB Standards in the jurisdiction.

Not applicable.

---

## Jurisdictional authorities

---

Organisation(s):

[Securities and Exchange Commission of Pakistan \(SECP\)](#)  
[Institute of Chartered Accountants of Pakistan \(ICAP\)](#)

---

Role of the organisation(s):

Securities and Exchange Commission of Pakistan is the corporate regulator empowered under the Companies Act, 2017 of Pakistan to mandate applicability of financial reporting standards for companies in Pakistan.

Institute of Chartered Accountants of Pakistan is the standard-setting body with the mandate to recommend standards to SECP for notification in Official Gazette of Pakistan.

---

Website:

[www.icap.org.pk](http://www.icap.org.pk)

---