



Corporate Governance- Current State, Challenges and Way-Forward

By: Syed Asad Ali Shah

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In today's global perspective all businesses are exposed to immense risks. In general, stakeholders view corporations as tools of maximization of profit and tend to have no scruples in achieving their end results. In such a scenario the role of corporate governance cannot be undermined as it provides appropriate control and the corporate Boards are entrusted the difficult task to ensure that the requirements are complied with. The increasing pressure to balance growth with control has led the boards to gauge their performance and evaluate how they can act contributors of value addition to the success of the company.

To highlight the current state and to suggest a way forward in the country's present scenario, Mr. Asad Ali Shah presented a paper on the topic in a seminar organized by The Institute of Chartered Accountants of Pakistan. It was attended by a large number of people covering the regulators, chairmen of various boards, directors and corporate heads.

The presentation was a walk through the changes brought about in the revised Code of Corporate Governance 2012 and also hinted at the weakness in the enforcement of the code and also suggested an approach to governance beyond compliance. Mr. Shah highlighted the importance of good governance in companies and stressed the boards to assume accountability for both failure and success of companies they govern. Covering salient features of the revised Code of Corporate Governance 2012, he highlighted the importance of good governance in companies for attaining sustained success.



He mentioned the key changes brought about in the revised Code of Corporate Governance 2012 and suggested that the companies should implement the Code in its true spirit for attaining their business objectives rather than reducing it to a box ticking exercise. While emphasizing the need for elaboration of some provisions in the Code, he pointed out challenges faced by companies and the SECP as the oversight - body in implementation of the Code.

In the way forward, Mr. Shah stressed on the directors of listed companies that they should not consider corporate governance just for the sake of compliance, rather they should adopt an approach of **"beyond compliance"** aimed at enhancing long-term viability of the companies they govern.

Event Held at: Institute of Chartered Accounts of Pakistan

Attended By: A large number of Board Chairmen, Directors, Regulators and professionals dealing with the issues of Corporate Governance.