

# **PRIME MINISTER'S ECONOMIC GOVERNANCE REFORMS [PM-EGR]**

**31<sup>st</sup> December 2025**



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## List of Abbreviations & Acronyms

Abbreviation/Acronyms	Full Form
ACEs	Anti-Corruption Establishments
ADR	Alternative Dispute Resolution
AGP	Auditor General of Pakistan
AI	Artificial Intelligence
AML	Anti-Money Laundering
AMLA	Anti-Money Laundering Act
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
BoI	Board of Investment
BO	Beneficial Ownership
BRA	Balochistan Revenue Authority
CCP	Competition Commission of Pakistan
CCoRR	Cabinet Committee on Regulatory Reforms
CDC	Central Depository Company
CIFC	Corruption Intelligence Follow-up Cell
CRM	Compliance Risk Management
CTDs	Counter Terrorism Departments
DEEP	Digital Economy Enhancement Project
DNFBPs	Designated Non-Financial Businesses and Professions
EFF	Extended Fund Facility
EPADS	e-Government Procurement and Disposal System
ESG	Environmental, Social and Governance
FBR	Federal Board of Revenue
FCDO	Foreign, Commonwealth & Development Office
FI	Financial Intelligence
FIA	Federal Investigation Agency
Fin Div	Finance Division
FMU	Financial Monitoring Unit
GCDA / GCD	Governance and Corruption Diagnostic Assessment
GoP	Government of Pakistan
HQ	Headquarters
HR	Human Resources
IMC	Integrity Management Cell
IMF	International Monetary Fund
IRIS	Inland Revenue Information System
IT	Information Technology
KPIs	Key Performance Indicators
KPRA	Khyber Pakhtunkhwa Revenue Authority
LEAs	Law Enforcement Agencies
LJCP	Law and Justice Commission of Pakistan
ML	Money Laundering
MLA	Mutual Legal Assistance
MoF	Ministry of Finance
MoITT	Ministry of Information Technology and Telecommunication

<b>MoL / MoLJ</b>	Ministry of Law / Ministry of Law and Justice
<b>MOFA</b>	Ministry of Foreign Affairs
<b>MOI</b>	Ministry of Interior
<b>NAB</b>	National Accountability Bureau
<b>NADRA</b>	National Database and Registration Authority
<b>NEPRA</b>	National Electric Power Regulatory Authority
<b>PBC</b>	Pakistan Business Council
<b>PC</b>	Procurement Cells
<b>PCP</b>	Pakistan Code of Corporate Governance
<b>PDA</b>	Pakistan Digital Authority
<b>PEMRA</b>	Pakistan Electronic Media Regulatory Authority
<b>PM-EGR</b>	Prime Minister's Economic Governance Reforms
<b>PIMA</b>	Public Investment Management Assessment
<b>PPRA</b>	Public Procurement Regulatory Authority
<b>PRAL</b>	Pakistan Revenue Automation Limited
<b>PRMI</b>	Pakistan Regulatory Modernization Initiative
<b>PSDP</b>	Public Sector Development Programme
<b>PSW</b>	Pakistan Single Window
<b>PSEB</b>	Pakistan Software Export Board
<b>PVARA</b>	Pakistan Virtual Assets Regulatory Authority
<b>QMRs</b>	Quarterly Monitoring Reports
<b>RAM</b>	Reform Action Matrix
<b>RIA</b>	Regulatory Impact Assessment
<b>RCLO</b>	Regulatory Compliance & Licensing One-Window
<b>SBP</b>	State Bank of Pakistan
<b>SECP</b>	Securities and Exchange Commission of Pakistan
<b>SIFC</b>	Special Investment Facilitation Council
<b>SOEs</b>	State-Owned Enterprises
<b>SOPs</b>	Standard Operating Procedures
<b>STRs</b>	Suspicious Transaction Reports
<b>TNA</b>	Training Needs Assessment
<b>TOM</b>	Tracking Outcomes Matrix
<b>TPO</b>	Tax Policy Office
<b>UBO</b>	Ultimate Beneficial Ownership
<b>VASPs</b>	Virtual Asset Service Providers
<b>WeBOC</b>	Web-Based One Customs

## Executive Summary

Pakistan's recent achievements in successfully dealing with macroeconomic challenges have underscored the central role of governance in sustaining economic stability, restoring investor confidence, and enabling private-sector-led growth. Structural weaknesses in fiscal governance, regulatory predictability, public investment management, tax policy and administration, and enforcement of economic rights have historically elevated transaction costs, constrained productive investment, and increased vulnerabilities to corruption. These challenges, while long-recognized, are not unique to Pakistan and reflect institutional and system-level constraints accumulated over time.

In response, the Government of Pakistan (GoP) has, over the past two years, initiated a sustained programme of reforms aimed at stabilizing the economy, restoring macro-fiscal credibility, and strengthening transparency and accountability across the public sector. These reforms driven by the Government's own reform agenda have delivered measurable progress in revenue mobilisation, expenditure discipline, digitalisation of public services, regulatory modernisation, procurement transparency, and oversight of state-owned enterprises (SOEs). Improvements in macroeconomic indicators, including fiscal balances, external buffers, and inflation, reflect the cumulative impact of these efforts.

Tax administration has strengthened significantly, with the number of tax filers increasing from 5 million to over 6 million by October 2025, supported by risk-based Compliance Risk Management tools, faceless processes, merit-based recruitment of more than 1,450 officials, and expanded appellate capacity. These reforms have contributed to a rise in the tax-to-GDP ratio from about 8 percent in 2023 to over 10.5 percent in 2025, alongside a shift in the primary balance from deficit to surplus and a sharp reduction in reliance on supplementary grants. Budget credibility and expenditure control have improved through the rollout of the Treasury Single Account, enhanced cash forecasting, and rationalisation of loss-making public entities. Oversight and transparency have been strengthened through automated audit systems, near-universal digital corporate incorporation, expanded ESG and gender disclosures, and widespread adoption of EPADS now covering over half a million contracts and integrated with national data systems.

The Government had requested IMF in January 2025 to carry out a Governance and Corruption Diagnostic Assessment (GCDA) allowing it to take stock of these reforms, identify remaining vulnerabilities that pose risks to economic growth, and prioritise next-stage actions. The Prime Minister's Economic Governance Reforms (PM-EGR) therefore represents a continuation of reform momentum anchoring future actions in demonstrated progress, institutional ownership, and a clear results framework.

**Purpose and Scope of the PM-EGR:** The PM-EGR translates the Government's priority economic policy priorities into a sequenced, time-bound, and measurable reform programme across key areas of economic governance. It focuses on addressing vulnerabilities that directly affect fiscal outcomes, and investor confidence, and economic performance, while reinforcing institutional integrity and rule-based decision-making.

**Objectives and Outcomes:** The PM-EGR is outcome-oriented program and progress will be measured periodically toward the following objectives:

1. Reduce significantly corruption vulnerabilities and fiscal leakages by strengthening transparency, integrity, and accountability across public procurement, public financial management, tax administration, and state oversight institutions.
2. Create a predictable, transparent, and rules-based regulatory and legal environment that reduces compliance costs, limits arbitrariness, and strengthens investor confidence, while ensuring effective enforcement of economic rights.
3. Embed risk-based, data-driven governance across fiscal, regulatory, and enforcement institutions—particularly in AML/CFT, tax administration, and regulatory supervision—to ensure proportional, effective, and credible oversight aligned with international standards.

The PM-EGR spreads over 15 prioritised reform areas with clearly defined 59 priority action items. In addition to monitoring progress against measurable indicators, progress will be assessed towards the following **key reform outcomes**:

- Improved detection and deterrence of corruption, tax evasion, illicit financial flows, and minimize corruption vulnerabilities
- Efficient allocation of supervisory and enforcement resources based on risk and enhance regulatory predictability
- Enhanced credibility of Pakistan’s economic governance regime and strengthen fiscal controls

The PM-EGR covers **59 Priority Action Items and 82 Complementary Actions Items**, structured across core domains of economic governance comprising public procurement and competitive neutrality; strategic investment governance; regulatory predictability and compliance costs; enforcement of economic and contractual rights; tax policy formulation and tax administration; data governance and digital accountability; budget credibility and public investment management; anti-money laundering regime enforcement; and integrity, accountability, and merit in the civil service.

Each Reform Action is organised around a common framework: identification of the economic vulnerability, recognition of ongoing reforms and achievements, articulation of planned priority reforms, expected reform outcomes, linkages to connected reforms, and measurable performance indicators. This structure ensures coherence across the PM-EGR while allowing sector-specific tailoring.

**Formulation Process and Institutional Ownership:** The PM-EGR was developed through a structured, government-led and consultative process to ensure realism, institutional ownership, and alignment with agency mandates. The MoF led the formulation by developing and circulating a standardized action-planning template supported by REMIT to build on ongoing reforms, develop organic progression, proposed priority actions, timelines, institutional responsibilities, and measurable KPIs across sixteen implementing agencies. Agency inputs were consolidated and refined through structured technical consultations to strengthen sequencing, coherence, and feasibility while preserving ownership. The process concluded with agency-wise validation sessions convened by the MoF to confirm reform actions, timelines, and performance indicators, resulting in a credible, government-owned reform framework grounded in existing initiatives and institutional capacities.

## **Overview of Reform Actions**

1. **Advancing Competitive, Efficient, Transparent Procurement:** The PM-EGR prioritises reform of public procurement as a foundational pillar of fiscal governance. Weaknesses in procurement

transparency, preferential treatment of SOEs, and discretionary contracting have historically contributed to fiscal leakages and distorted competition. Building on ongoing reforms, the PM-EGR commit to mandating comprehensive use of the e-Government Procurement System (EPADS), strengthening legal and regulatory frameworks, and enhancing real-time monitoring and analytics. These actions aim to ensure value for money, reduce discretion, and promote fair competition between public and private suppliers.

2. **Enhancing Value of Strategic Investments:** The PM-EGR introduces transparency and accountability into strategic investment facilitation by institutionalising the publication of an annual SIFC report.
3. **Enhancing Regulatory Predictability and Consistency for Private Sector Development:** Fragmented rulemaking, overlapping mandates, and inconsistent enforcement impose high compliance costs on businesses and discourage formalisation. The PM-EGR prioritises the creation of a comprehensive national registry of federal business regulations, systematic review and elimination of unnecessary regulations, and institutionalisation of regulatory impact assessment (RIA) processes aligned with international good practice. Complementary actions focus on digitising compliance processes, reducing manual interfaces, and enabling automation through interoperable digital infrastructure. Together, these reforms aim to lower compliance costs, enhance predictability, and support private-sector development.
4. **Minimizing Regulatory Compliance Costs:** This reform scales up end-to-end digitisation of regulatory compliance across federal regulators, led by SECP's LEAP programme. By converting regulations into machine-readable formats, automating licensing, enforcement and reporting processes, integrating datasets through secure APIs, and consolidating obligations into a national digital rulebook, the reform seeks to materially reduce compliance costs, processing times, and discretion while improving regulatory accessibility and transparency.
5. **Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights:** Delays and unpredictability in the resolution of economic and commercial disputes undermine investor confidence and credit market efficiency. The PM-EGR addresses these vulnerabilities by initiating reforms to assess and improve the performance of economic courts and tribunals, reduce case backlogs, and enhance transparency of adjudication timelines while respecting judicial independence. Improved enforcement predictability is expected to strengthen confidence in the legal system and support investment.
6. **Optimizing Tax Policy Function for Economic Efficiency:** Complex, fragmented, and ad-hoc tax policy has historically undermined economic efficiency and equity. Building on the establishment of a dedicated Tax Policy Office, the PM-EGR commits to simplifying tax structures, rationalising exemptions, reducing discretionary rulemaking, and strengthening analytical capacity for evidence-based tax policy. These reforms aim to create a simpler, more predictable, and growth-friendly tax system.
7. **Increasing Efficiency, Integrity, & Performance Culture of Tax Administration:** The PM-EGR complement tax policy reforms with actions to strengthen tax administration governance, integrity, and performance culture. Priority actions include strengthening headquarters oversight, reducing field-level discretion, enhancing risk-based compliance management, strengthening internal audit and integrity systems, and improving governance of digital tax infrastructure. These measures are designed to improve compliance, reduce corruption risks, and strengthen trust between taxpayers and the administration.



- 8. Enhancing Systems to Access and Use Data in Tax Administration:** To strengthen transparency, accountability, and effective use of data in tax administration, a special audit of the Pakistan Revenue Automation Limited (PRAL) will be undertaken.
- 9. Streamlining Budget Process:** This reform supports improved top-down budgeting by reinforcing parliamentary oversight over in-year budget adjustments and promoting disciplined budget execution. It emphasises institutional coordination to ensure that supplementary grants and fiscal flexibility are exercised transparently and in line with approved fiscal frameworks.
- 10. Rationalizing Development Expenditure:** The Government recognized that unaddressed weaknesses in budget execution, reliance on supplementary grants, and an overextended public investment portfolio may undermine fiscal discipline. The PM-EGR prioritise the efficiency and credibility of the PSDP by enforcing caps on new projects, systematically rationalising the project portfolio, protecting development spending from mid-year cuts, and integrating parliamentarians' projects within standard appraisal processes. The focus is on reducing throw-forward liabilities, improving completion rates, and aligning development spending with national priorities.
- 11. Framing a National Risk and Vulnerability Mitigation Infrastructure:** This reform introduces a centralized, risk-based approach to corruption prevention through a national corruption risk assessment framework aligned with AML/CFT systems. By identifying high-risk agencies, implementing targeted mitigation plans, and publishing annual progress reports, it aims to systematically reduce corruption vulnerabilities with macro-critical implications.
- 12. Reinforcing the Systemic Linkages and Accounting for Public Financial Resources:** This reform strengthens the constitutional independence and effectiveness of the Auditor General of Pakistan by modernising legislation, enhancing budgetary and HR autonomy, strengthening parliamentary oversight, and separating audit and accounting functions. These actions reinforce external audit credibility and accountability in public financial management.
- 13. Augmenting Anti-Money Laundering Enforcement Mechanisms:** This reform strengthens AML enforcement by removing legal ambiguities on predicate offences, enhancing STR quality and inter-agency cooperation, building investigative and prosecutorial capacity, and improving domestic and international asset recovery mechanisms. It aligns Pakistan's AML framework with FATF standards and strengthens financial intelligence-led enforcement against corruption and financial crime.
- 14. Strengthening Accountability and Integrity of the Civil Servants:** This reform operationalises public asset declaration and risk-based verification for senior civil servants through legal amendments, digital systems, and coordinated verification mechanisms. It enhances transparency while safeguarding confidentiality, reinforcing integrity and public trust in the civil service.
- 15. Merit at the Helm: Improving Appointment Processes:** This reform codifies transparent, merit-based appointment processes for heads of key oversight bodies, including SECP, CCP and NAB. By formalising selection criteria, timelines, and reporting obligations, it aims to strengthen institutional credibility, continuity of leadership, and insulation from discretionary influence.

The Reform Actions in each case are further planned as several Action Items. The Action Items are organised under the respective Reform Actions are listed in the following tables:

- Table 1, provided at the end of the executive summary, sets out the **59 priority action items** distilled from a total of 141 action items developed against the 15 priority reform recommendations. The serial numbers are from the complete list of 141 Action Items.
- Table 2, provided at the end of the executive summary after Table 1, sets out the **measurable KPIs** and the focused **Outcomes & Policy Dialogue**, as well as the timelines for the **59 priority action items**.
- Table 3, provided at the end of the executive summary after Table 2, presents the full action framework comprising of **82 complementary action items**, to provide an overview of the reform agenda. The serial numbers are from the complete list of 141 action items. Only the Reform Actions with any complementary action items appear in this table.

**The PM-EGR is grounded in reforms already underway and institutional capacities already in place, ensuring an organic progression of system augmentation, institutional development and economic governance.** This anchoring in demonstrated progress reinforces credibility, ensures feasibility, and sustains reform momentum. The PM-EGR thus represents not a standalone reform initiative, but a **continuum of governance reforms** aligned with Pakistan’s broader macroeconomic stabilisation and growth agenda.

**Implementation Arrangements:** The Prime Minister’s Economic Governance Reforms (PM-EGR) recognize that governance reforms are inherently complex, shaped not only by technical and administrative considerations, such as institutional capacity, legacy systems, and human resources, but also by political economy dynamics that affect incentives, sequencing, and feasibility. To avoid fragmented implementation and ensure durable institutionalization, the reform programme adopts an integrated, whole-of-government approach that aligns new initiatives with existing systems and ongoing reform efforts.

The PM-EGR is structured as a three-year programme implemented through clearly defined governance arrangements, roles, and responsibilities. Implementation will be overseen by three dedicated Reform Committees covering (i) Economic Governance Systems, (ii) Tax Administration, and (iii) Anti-Corruption/Anti-Money Laundering. These committees will provide strategic oversight, ensure coordination across institutions, and guide implementation sequencing. Progress will be reviewed regularly, with more intensive monitoring in the initial phase, and six-monthly progress reports will be submitted to the Prime Minister, with key indicators made public to strengthen transparency and accountability.

Monitoring and reporting will be anchored in a focused set of measurable Key Performance Indicators (KPIs), prioritised from the broader reform action set to ensure accuracy, feasibility, and manageable reporting burdens in the early stages. Implementing agencies will report against agreed milestones using their existing data systems, supported by standardized reporting formats. Structured policy dialogues at 6, 12, and 24-month intervals will serve as a core mechanism for reviewing progress, resolving cross-cutting issues, and making course corrections. Where relevant, alignment with the IMF Extended Fund Facility will be reinforced through IMF participation in these dialogues.

A dedicated Technical Unit housed in the Ministry of Finance will support implementation across all three committees. The unit will provide technical assistance, coordinate inter-agency engagement, compile quarterly progress reports, document evidence against milestones and KPIs, and organize policy dialogues and impact analyses. Led by a Joint Secretary-level officer to ensure institutional continuity and supported

by technical specialists including REMIT-backed staff, the Technical Unit will also act as the escalation channel for issues requiring senior-level or Prime Minister's Office intervention, while facilitating collaboration with development partners to ensure coherence with parallel reform support programmes.

**Table 1: Priority Action Items**

Sr No.	Priority Reform Action & Action Items	Institution Responsible	Timelines
<b>Reform Action 1: Advancing Competitive, Efficient, Transparent Procurement</b>			
1.1.	Approve Draft Public Procurement Rules	PPRA	Jun-26
1.2.	Promulgate New Rules	PPRA	Jun-26
1.3.	Roll-out EPADS Across Federal Government Agencies.	PPRA/Govt Depts/Ministries	Jun-27
<b>Reform Action 2: Enhancing Value of Strategic Investments</b>			
2.1	Publish SIFC Annual Report	SIFC	Jun-27
<b>Reform Action 3: Enhancing Regulatory Predictability and Consistency for Private Sector Development</b>			
3.1	Create a one-stop shop for regulatory approvals	BOI/SECP/MoITT	Dec-28
3.2	Establish National Regulatory Registry	BOI	Dec-28
3.7	Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices	SECP/Other Regulators	Jun-26
<b>Reform Action 4: Minimizing Regulatory Compliance Costs</b>			
4.1	Digitise SECP approvals	SECP	Dec-28
4.4	Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation	MoITT/SECP/MoL/PCP/Regulators/Govt/Departments	Dec-28
4.6	Establish Digital National Rulebook	MoITT, SECP, MoL, PCP, Regulators, Govt Departments, Provincial Regulators	Dec-28
<b>Reform Action 5: Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights</b>			
5.1	Form A Methodology Working Group	Ministry of Law and Justice (MOLJ), High Courts, Federal Judicial Academy, Working Group	Jun-26
5.4	Develop Methodology to Address the Backlog	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-26
5.8	Design and Notify Data Collection Framework	MOLJ, LJCP	Jun-26
5.9	Analyse/Evaluate Data to Make Actionable Recommendations	MOLJ, LJCP	Jun-27

Sr No.	Priority Reform Action & Action Items	Institution Responsible	Timelines
5.10.	Publish Annual Performance Report with Recommendations	MOLJ, LJCP	Jun-27
5.11	Devise Alternate Options for Economic and Commercial Cases	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-26
<b>Reform Action 6: Optimizing Tax Policy Function for Economic Efficiency</b>			
6.5	Simplify Tax Structures	TPO, MoF	Dec-26
6.6	Develop Criteria to Structure and Rationalise Rule Making Powers	MoF	Jun-26
6.7	Publish Annual Report on Simplification Progress and Changes in Exemption	TPO	Jun-26
<b>Reform Action 7: Increasing Efficiency, Integrity, &amp; Performance Culture of Tax Administration</b>			
7.1	Establish Executive Committees	FBR	Jun-26
7.2	Complete Institutional Risk Assessment and Establish Compliance and Risk Committee	FBR	Jun-27
7.3	Implement OECD CRM Framework	FBR; assistance and cooperation from PRAL, NADRA, SBP and other banks, provincial authorities, vehicle registration authorities, PSW	Jun-27
7.4	Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy	FBR	Jun-27
7.19	Mitigate PRAL IT Risks	FBR / PRAL / Fin Div	Jun-27
7.21	Establish and Notify Internal Audit Wing within PRAL	FBR / PRAL	Jun-26
7.22	Strengthen Oversight and Reporting Arrangements of the IMC	FBR	Jun-27
7.28	Conduct Institutional Risk Assessment and Establish Risk Committee	FBR	Jun-27
7.30.	Recruit Core Functional Specialists	FBR	Jun-27
7.31	Introduce Certifications to Strengthen FBR	FBR	Jun-27
<b>Reform Action 8: Enhancing Systems to Access and Use Data in Tax Administration</b>			

Sr No.	Priority Reform Action & Action Items	Institution Responsible	Timelines
8.1	Arrange Special Audit of PRAL	Auditor General; Revenue Division and Federal Board of Revenue will be involved	Jun-27
<b>Reform Action 9: Streamlining Budget Process</b>			
9.1	Streamline Budgetary Grant Process	Finance Division	Jun-27
<b>Reform Action 10: Rationalizing Development Expenditure</b>			
10.1	Enforce 10% Cap on New PSDP Projects	Ministries, Divisions for implementing the policy, guidelines circulated.	Jun-27
10.2	Prioritize High-Impact PSDP Projects	Planning Division	Jun-27
10.3	Prevent Mid-Year Cuts to Development Expenditure	Finance Division	Jun-27
10.4	Improve Feasibility and Appraisal Requirements of Local Projects	Planning Commission	Jun-27
10.5	Enhance Monitoring of Local Projects	Planning Division	Jun-27
<b>Reform Action 11: Framing a National Risk and Vulnerability Mitigation Infrastructure</b>			
11.1	Conduct National Risk Assessment on Corruption	NAB (Technical Lead)/ AML/CFT Authority (Interagency Coordination)/ Task Force NAB, FIA, ACEs/ MOF	Jun-26
11.2	Identify Top 10 High Risk Agencies	AML/CFT Authority (Lead)/ Task Force NAB, FIA, ACEs/ MOF	Jun-27
11.3	Devise Risk Reduction Action Plan	Task Force/ NAB, FIA, ACEs/ MOF/ 10 identified agencies	Jun-27
11.4	Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress	Cabinet Division/ NAB/ AML/CFT Auth / Task Force/ FIA, ACEs/ MOF	Jun-27
11.5	Ensure Effective Monitoring Through Reports	AML/CFT Auth (Lead)/ Task Force/ NAB, FIA, ACEs/ Cabinet Division/ MOF	Jun-28
<b>Reform Action 12: Reinforcing the Systemic Linkages and Accounting for Public Financial Resources</b>			
12.2	Achieve Legal Clarity	Finance Division	Jun-26
12.3	Review Budgetary and Establishment Authorities for Adequate Autonomy	Auditor General, Finance Division and Establishment Division will be involved	Jun-27
12.5	Submit Final Audit Reports to Parliament Observing Timelines	Auditor General; Finance and Parliamentary Affairs Division will be involved	Dec-26
<b>Reform Action 13: Augmenting Anti-Money Laundering Enforcement Mechanisms</b>			

Sr No.	Priority Reform Action & Action Items	Institution Responsible	Timelines
13.1	Conduct Legislative Review of AMLA 2010 to Remove Ambiguities	AML/CFT Auth / JWG/ ML designated Agencies/ Anti-Corruption Agencies (NAB, FIA, ACEs)/ MoLJ	Jun-26
13.3	Secure Approval and Notify the Amendments	MoLJ/ Cabinet Division/ AML/ CFT Auth	Jun-27
13.4	Improve STRs by Issuing Reporting Guidelines	FMU	Jun-26
13.9	Improve Feedback Mechanism using Automation and AI	FMU/ Anti-Corruption LEAs (NAB, FIA, ACEs)/ ML designated LEAs/ Reporting Entities	i. 06/2026 ii. 06/2027 iii. 06/2027
13.18	Build Capacity of LEAs Through TNAs and Trainings	Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies/ AML/CFT Authority	Jun-27
13.20.	Build Capacity of Judges Through Implementing Training Plans	MoLJ/ Federal Judicial Academy/ Provincial judicial Academies	Jun-27
13.28	Enact MLA Rules & Guidelines	MOI/ MoLJ/ AML/CFT Auth	Dec-28
13.29	Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets	MOI/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-27
13.30.	Improve International Cooperation Through Bilateral Agreements	MOI/ MOFA/ FMU/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Dec-28
<b>Reform Action 14: Strengthening Accountability and Integrity of the Civil Servants</b>			
14.4	Implement Verification	Establishment Division, FBR	Jun-27
14.5	Implement Investigation and Systemic Learning	Establishment Division, FBR, NAB, FIA, Police	Dec-27
14.6	Increase Transparency	Establishment Division (FBR would also be involved)	Jun-27
<b>Reform Action 15: Merit at the Helm: Improving Appointment Processes</b>			
15.1	Improve Selection Outcome for Chair	MoF, MoL, SECP	Jun-27
15.4	Improve Personnel Selection Outcomes for CCP	MoF, MoL, CCP	Jun-27
15.6	Review Appointment Process for Chairman NAB	MoLJ	Jun-27

**Table 2: KPIs and Outcomes for Priority Action Items**

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
<b>Reform Action 1: Advancing Competitive, Efficient, Transparent Procurement</b>				
1.1.	Approve Draft Public Procurement Rules	1. Notification of Public Procurement Rules	An evaluation study will be undertaken in 18 months will assess whether the procurement reforms have delivered cost reductions, improved transparency, and improved grievance filing. Compliance with the KPIs can be measured directly, but it will also be critical to assess the qualitative impact of meeting the KPIs, to establish that these compliances have made the process more transparent, equitable and accountable, leading to improvement in the space of public procurements. Apart from confirming these reform gains, this verification exercise will also identify areas requiring further action.	Jun-26
1.2.	Promulgate New Rules	1. Notified Rules 2. Notified Regulations	Competition and level playing field in public procurements	Jun-26
1.3.	Roll-out EPADS Across Federal Government Agencies.	1. Percentage of procuring agencies fully integrated with EPADS at the federal level 2. Percentage of procurement transactions executed through EPADS.	Reduced compliance costs of public procurement system for user departments	Jun-27
<b>Reform Action 2: Enhancing Value of Strategic Investments</b>				
2.1	Publish SIFC Annual Report	1. Draft Annual Report to be submitted in December 2026 2. Final Annual Report to be submitted in March 2027	Facilitation to investment in key areas of the economy.	Jun-27
<b>Reform Action 3: Enhancing Regulatory Predictability and Consistency for Private Sector Development</b>				
3.1	Create a one-stop shop for regulatory approvals	1.Setting up of a fully functional digital RCLO	Reform impact will be validated through stakeholder satisfaction surveys conducted in 24 months on regulatory accessibility,	Dec-28



Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		2.Reduction in average compliance processing times.	trends in the percentage increase in registered companies, and formal written feedback from OICCI and PBC, detailing how regulatory simplification has reduced time and cost burdens, improved the business environment, and strengthened investor confidence. These combined with the quantitative data related to progress on the KPIs will confirm reform effectiveness and guide further policy adjustments.	
3.2	Establish National Regulatory Registry	1. National registry established 2. Number of businesses entities utilising the registry	End-user survey to assess: (i) achievement in ease of doing business; (ii) transparency of the processes.	Dec-28
3.7	Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices	1. No. of regulations removed 2. No. of federal regulators that have established and implemented RIA process.	Policy dialogue will assess whether the revised regulatory change review process meaningfully embeds ex-ante and ex-post Regulatory Impact Analysis as a decision-making tool rather than a procedural formality. This will be evaluated through review of selected regulatory amendments to confirm evidence-based problem definition, assessment of economic and competition impacts, documented stakeholder inputs, and reasoned justification of regulatory changes.	Jun-26
<b>Reform Action 4: Minimizing Regulatory Compliance Costs</b>				
4.1	Digitise SECP approvals	1. Number of regulatory processes digitized 2. Reduction in average processing times 3. Variance in processing time taken	A study will help in formulating a 360-degree view of an entity and assess whether digitized licensing, enforcement, and adjudication processes genuinely reduced structural	Dec-28

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
			vulnerabilities by improving predictability, limiting discretion, and lowering compliance friction. Evidence from digital-usage patterns, reduced manual submissions, and stakeholder feedback will confirm whether firms now experience faster, more reliable regulatory interactions and whether these shifts strengthen the business environment.	
4.4	Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation	1. Number of machine-readable regulations published 2. Satisfaction surveys	The Action Steps 2–6 and their corresponding KPIs should be assessed to unravel whether a business friendly, transparent, and digitally accessible regulatory ecosystem has emerged as a consequence. Focus should be on whether these measures have collectively demystified the current maze of regulatory structure and clarified compliance obligations.	Dec-28
4.6	Establish Digital National Rulebook	1. Percentage coverage of National Rulebook 2. % of digitized regulations	Reduced compliance cost of regulation	Dec-28
<b>Reform Action 5: Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights</b>				
5.1	Form A Methodology Working Group	MOLJ notification of all-stakeholder- including business community- working group, mandated to conduct a diagnostic to efficiently and effectively: (i) resolve economic disputes, (ii) monitor judicial and court performance, (iii) reduce pendency and (iv) oversee implementation of recommendations. Diagnostic section examining actual systemic and political economy factors/drivers	Strengthened economic rights	Jun-26

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		affecting judicial-court governance and performance.		
5.4	Develop Methodology to Address the Backlog	1. Diagnostic report section/s (i) evaluating current qualitative and quantitative methodologies to monitor and evaluate court and judicial performance, time, delays and outcomes and proposed policy options or recommendations.	Pendency reduced effectively and sustainably	Jun-26
5.8	Design and Notify Data Collection Framework	1. Notification of Data Collection Framework	Reduced duration of economic dispute resolution	Jun-26
5.9	Analyse/Evaluate Data to Make Actionable Recommendations	1. Data compiled and Recommendations formulated	Increased efficiency of economic dispute resolution	Jun-27
5.10.	Publish Annual Performance Report with Recommendations	1. Published Report	Increased performance of judges	Jun-27
5.11	Devise Alternate Options for Economic and Commercial Cases	1. Diagnostic report section exploring the ADR mechanisms in practise and their relative efficacy in disposing economic/commercial cases and options to strengthen diversionary mechanisms, frameworks and strategies.	Economic rights strengthened	Jun-26
<b>Reform Action 6: Optimizing Tax Policy Function for Economic Efficiency</b>				

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
6.5	Simplify Tax Structures	1. Simplification strategies covering (a) to (g) setting out specific timed, monitorable actions over 3-5 years period. 2. Revised legislation enacted and policies notified as per MOF approved simplification strategies covering (a) to (g) 3. Revised tax policy and/or laws covering (a) to (g) available on TPO and MOF websites for public	Reduced economic burden of taxes with lowering of compliance costs.	Dec-26
6.6	Develop Criteria to Structure and Rationalise Rule Making Powers	1. MOF notified criteria for rationalising and structuring rule making powers. 2. SROs affecting tax policy and its implementation reviewed, restructured and/or deleted.	Rule-making discretion structured and rationalised	Jun-26
6.7	Publish Annual Report on Simplification Progress and Changes in Exemption	1. TPO approved M&E framework and system for evaluating and reporting tax simplification and their demonstrable impact. 2. Annual performance or implementation and impact status reports, including changes in the number and value of tax exemptions, posted on MOF and TPO websites	Impact on tax policy reported publicly	Jun-26
<b>Reform Action 7: Increasing Efficiency, Integrity, &amp; Performance Culture of Tax Administration</b>				
7.1	Establish Executive Committees	1. Written decision regarding formation of committees, along with membership and terms of reference	Improved FBR governance in core functional areas	Jun-26
7.2	Complete Institutional Risk Assessment and Establish Compliance and Risk Committee	1. FBR Compliance and Institutional Risk (including CRM) Committee notified along with composition and mandate. 2. Risk register established. 3. Comprehensive risk mitigation strategy developed	Risk culture established in tax administration.	Jun-27

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		and overseen by organizational risk committee.		
7.3	Implement OECD CRM Framework	1. Evidence of risk-based selection 2. Evidence of performance monitoring	Study of adoption plan with timelines and milestones for system consolidation methods.	Jun-27
7.4	Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy	1. Key processes identified and listed. 2. Manuals available	Optimal calibration of field office autonomy with impact on revenue collection	Jun-27
7.19	Mitigate PRAL IT Risks	1. Developed risk register and mitigation strategy	Reduced PRAL IT risks	Jun-27
7.21	Establish and Notify Internal Audit Wing within PRAL	1. Annual Internal Audit Reports	Strengthened internal controls in tax administration	Jun-26
7.22	Strengthen Oversight and Reporting Arrangements of the IMC	1. Notification of revised TORs for IMC. 2. Integrity and anti-corruption FBR policy available, along with legal instruments to enforce it	Increased integrity perceptions across taxpayers	Jun-27
7.28	Conduct Institutional Risk Assessment and Establish Risk Committee	1. Risk Assessment Report made available. 2. Organizational Risk Committee notified along with composition and mandate. 3. Risk register developed. 4. Comprehensive risk mitigation strategy developed.	Higher degree of attention to institutional risks with active action regimen.	Jun-27
7.30.	Recruit Core Functional Specialists	1. Appointment and placement orders	Improved FBR performance in core functional areas.	Jun-27
7.31	Introduce Certifications to Strengthen FBR	1. Launch of PGD and certificate courses	Increase in FBR officers' capacity	Jun-27
<b>Reform Action 8: Enhancing Systems to Access and Use Data in Tax Administration</b>				

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
8.1	Arrange Special Audit of PRAL	1. Audit Report	Improved performance of PRAL	Jun-27
<b>Reform Action 9: Streamlining Budget Process</b>				
9.1	Streamline Budgetary Grant Process	1. Review report of the supplementary grants 2. Approvals according to the process 3. Variance in budget approved with spending 4. Envelopes defined in budget circulars with budgetary allocations 5. Ratio of Budget allocations with actual spending.	Reduced variance in budgetary allocations and expenditures	Jun-27
<b>Reform Action 10: Rationalizing Development Expenditure</b>				
10.1	Enforce 10% Cap on New PSDP Projects	1. Change in throw forward liability, percentage, year-on-year. 2. Decrease in backlog of projects 3. Reduction in delay of completion of projects. 4. The BCC cap year-on-year	1. Composition of portfolio and financial management efficiency. 2. Project completion ratios, cost overruns, cost-revisions, and cost predictability (completion cost/original cost)	Jun-27
10.2	Prioritize High-Impact PSDP Projects	1. Quarterly & Annual (full year) review reports	Alignment of project portfolio composition with economic policy objectives	Jun-27
10.3	Prevent Mid-Year Cuts to Development Expenditure	1. Release/Allocation by quarter	Financing modalities of public infrastructure	Jun-27
10.4	Improve Feasibility and Appraisal Requirements of Local Projects	1. Minutes of the approval fora	Cost efficient development spending	Jun-27
10.5	Enhance Monitoring of Local Projects	1. Monitoring reports from the specific mechanism. 2. Percentage of Parliamentary projects approved	Mechanism to link constituency demands with resource allocation	Jun-27
<b>Reform Action 11: Framing a National Risk and Vulnerability Mitigation Infrastructure</b>				

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
11.1	Conduct National Risk Assessment on Corruption	1. Formation of the National Anti-Corruption Task Force within 3 months. 2. Framework completion within 6 months	Interagency consensus on risk assessment framework	Jun-26
11.2	Identify Top 10 High Risk Agencies	1. Top 10 agencies with high corruption risks identified	Higher attention to corruption associated risks in ministry/agency management	Jun-27
11.3	Devise Risk Reduction Action Plan	1. Action plan completed within 3 months	Higher alignment of institutional resources to corruption risk reduction.	Jun-27
11.4	Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress	1. Formation of an Implementation Unit (IU) within 3 months 2. Progress reports by ministries/agencies on implementation of the RRP	Higher visibility of progress made against agency plans	Jun-27
11.5	Ensure Effective Monitoring Through Reports	1. Publication of annual reports and publication of the identified 10 highest risk agencies and report on demonstrated reduction of risks.	Reduced incidence of corruption established through administrative data and objective perception surveys based on agency personnel as well as public at large	Jun-28
<b>Reform Action 12: Reinforcing the Systemic Linkages and Accounting for Public Financial Resources</b>				
12.2	Achieve Legal Clarity	1. Study Report 2. Legislated Provisions	Operational effectiveness enhanced	Jun-26
12.3	Review Budgetary and Establishment Authorities for Adequate Autonomy	1. Review Report 2. Reduction in time taken to carry out reappropriations 3. Reduction in time taken to fill sanctioned positions	Increased institutional autonomy to perform the audit function	Jun-27
12.5	Submit Final Audit Reports to Parliament Observing Timelines	1. Clarified submission process	Increased accountability and incidence of sanctions	Dec-26
<b>Reform Action 13: Augmenting Anti-Money Laundering Enforcement Mechanisms</b>				

Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
13.1	Conduct Legislative Review of AMLA 2010 to Remove Ambiguities	1. WG and its TORs notified. 2. Finalization and submission of amended Anti-Money Laundering Act (AMLA) within 3-6 months for review by Parliament	Increased conviction rates in money laundering offenses	Jun-26
13.3	Secure Approval and Notify the Amendments	1. Amendments to be notified and enacted within 12 months.	Increased conviction rates in money laundering offenses	Jun-27
13.4	Improve STRs by Issuing Reporting Guidelines	1. Reporting Guidelines issued for the reporting entities	Increased investigations and case outcomes based on improved STRs	Jun-26
13.9	Improve Feedback Mechanism using Automation and AI	1. Feedback mechanism devised and implemented 2. Automated/ AI-driven Feedback Formats developed and implemented 3. Feedback reports shared with GC annually	Continuous systemic gains from system learning	i. 06/2026 ii. 06/2027 iii. 06/2027
13.18	Build Capacity of LEAs Through TNAs and Trainings	1. Number of TNAs conducted. 2. Number of training plans issued	Improved quality of investigation and prosecution leading to higher conviction rates	Jun-27
13.20.	Build Capacity of Judges Through Implementing Training Plans	1. Annual plan issued and implemented	Improved quality of judgements	Jun-27
13.28	Enact MLA Rules & Guidelines	1. MLA Rules & subsequent guidelines notified	Increased number of MLAs successfully concluded	Dec-28
13.29	Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets	1. Digital database established and relevant agencies linked with the database	Improved accounting and security for frozen, recovered, and repatriated assets.	Jun-27
13.30.	Improve International Cooperation Through Bilateral Agreements	1. Number of bilateral agreements executed	Increased number of bilateral agreements	Dec-28
<b>Reform Action 14: Strengthening Accountability and Integrity of the Civil Servants</b>				
14.4	Implement Verification	1. Verification taken place 2. Percentage of cases verified	Increased transparency and integrity of the civil service	Jun-27



Sr No.	Priority Reform Action & Action Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
14.5	Implement Investigation and Systemic Learning	1. Percentage of cases reviewed by the committee 2. Number of systemic areas identified for vulnerability mitigation	Increased identification of foci of vulnerability	Dec-27
14.6	Increase Transparency	1. Publication with confidentiality safeguards	Increased integrity of the civil service	Jun-27
<b>Reform Action 15: Merit at the Helm: Improving Appointment Processes</b>				
15.1	Improve Selection Outcome for Chair	1. Notification of SECP rules, that codify the entire process of appointment of Chairman/Commissioners/Policy Board Members. 2. Timely initiation of appointment processes (minimum 3 months before tenure completion). 3. Publication of annual governance and transparency report approved by SECP Policy Board.	Improved oversight and reduced leadership gaps leading to enhanced regulatory stability, decision-making consistency, and investor confidence.	Jun-27
15.4	Improve Personnel Selection Outcomes for CCP	1. Amendment in the Competition Act 2010 will be required to give effect for the separate and independent for the appointment of the chairperson. 2. Notification of CCP rules, that codify the entire process of appointment of Chairman/Members. 3. Timely initiation of appointment processes (minimum 3 months before tenure completion). 4. Publication of annual governance and transparency report approved by the Commission.	Enhanced effectiveness in ensuring competitive markets including commodities.	Jun-27
15.6	Review Appointment Process for Chairman NAB	1. Conclusion of the formal review process, and action there against, if required	Increased public credibility of NAB as an anti-corruption agency	Jun-27

**Table 3: Complementary Action Items**

<b>Reform Action &amp; Complementary Action</b>			
<b>Sr No.</b>	<b>Items</b>	<b>Institution Responsible</b>	<b>Timelines</b>
<b>Reform Action 1: Advancing Competitive, Efficient, Transparent Procurement</b>			
1.4.	Roll-out EPADS Across Provincial Governments.	PPRA/PSEs/ Provincial	Dec-28
1.5.	Introduce Public Procurement Quarterly Monitoring Reports	PPRA	Jun-26
1.6.	Revise Standard Bidding Documents	PPRA	Jun-26
1.7.	Revise Competency Framework Periodically	PPRA	Dec-28
1.8.	Report on Compliance Percentage	PPRA	Jun-26
<b>Reform Action 3: Enhancing Regulatory Predictability and Consistency for Private Sector Development</b>			
3.3	Integrate Regulatory Bodies and Government Departments on the Basis of API	SECP/Partner agencies & Depts	Jun-27
3.4	Ensure Independent Adjudication	MoF/MoL/SECP	Dec-27
3.5	Codify Enforcement Actions for Transparency and Objectivity	SECP	Jun-27
3.6	Develop High Priority MR Regulatory Database	MoITT/MoL/ Regulators/Govt Dept	Jun-26
<b>Reform Action 4: Minimizing Regulatory Compliance Costs</b>			
4.2	Expand Data Integration Layer for Real-Time Interoperability Across Banks and Regulators	SECP, Banks	Jun-27
4.3	Unify All SECP Regulatory Data	SECP	Dec-28
4.5	Deploy E-Gazette Platform	MoITT, SECP, MoL, PCP, Regulators, Govt Departments, Provincial Regulators	Dec-28
4.7	Enforce Comprehensive Dataset Updates	MoITT/SECP/MoL/Regulators/Govt Departments / Provincial Regulators	Dec-28
4.8	Implement Standardised Financial Report	SECP	Dec-28
<b>Reform Action 5: Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights</b>			
5.2	Examine Systemic Strengthens and Weaknesses	Ministry of Law and Justice (MOLJ), High Courts, Federal Judicial Academy, Working Group	Jun-26
5.3	Examine Systemic Causes/ Drivers for Pendency	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-26

Reform Action & Complementary Action			
Sr No.	Items	Institution Responsible	Timelines
5.5	Devise Performance Assessment & Reporting Frameworks	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-26
5.6	Review International Best Practices in Judicial and Court Governance	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-26
5.7	Validate and Publish Diagnostic Findings and Reform Methodology	Ministry of Law and Justice (MOLJ), High Courts, Working Group, Federal Judicial Academy	Jun-27
<b>Reform Action 6: Optimizing Tax Policy Function for Economic Efficiency</b>			
6.1	Operationalise TPO	MoF	Jun-26
6.2	Capacitate TPO	MoF	Jun-26
6.3	Notify TPO Protocols	MoF	Jun-26
6.4	Develop TPO	MOP, TPO	Jun-26
6.8	Strengthen Tax Expenditure Statement	TPO	Jun-26
<b>Reform Action 7: Increasing Efficiency, Integrity, &amp; Performance Culture of Tax Administration</b>			
7.5	Digitise Management of Attendance and Case Monitoring	FBR	Jun-27
7.6	Conduct Biannual System Runs to Enhance Integrity and Work Quality	FBR	Jun-27
7.7	Diagnose Internal Audit Processes	DG Internal Audit	Jun-27
7.8	Standardise Internal Audit Certification	FBR	Dec-28
7.9	Establish Performance Benchmarks and KPIs for Internal Audit Staff	FBR	Jun-27
7.10.	Link Internal Audit Findings with HR Decisions	FBR	Jun-27
7.11	Grant Internal Auditors Access to Customs and IRS IT Systems	FBR	Dec-28
7.12	Conduct Annual Assessments of FBR Processes and Governance Systems	FBR	Dec-28
7.13	Strengthen Internal Audit Independence and Effectiveness	FBR / Directorate General of Internal Audit	Jun-26
7.14	Conduct Independent Cybersecurity Audits of IRIS and WeBOC	FBR	Jun-26
7.15	Audit by SAI	FBR, Auditor General of Pakistan	Jun-26

Reform Action & Complementary Action			
Sr No.	Items	Institution Responsible	Timelines
7.16	Commission IT Systems Audit of PRAL and FBR Systems	FBR; Auditor General of Pakistan, external firms selected for audit, PRAL	Jun-27
7.17	Review PRAL SLA Compliance	FBR / PRAL	Jun-27
7.18	Deploy Domain Officers	FBR / PRAL	Dec-28
7.20.	Report to PRAL Board on Data Security and Compliance	FBR / PRAL	Jun-26
7.23	Digitise Complaint Management	FBR	Jun-27
7.24	Enforce IMC Recommendations	FBR, Police, FIA, Establishment Division, NAB	Jun-27
7.25	Review IMC Effectiveness	FBR	Jun-27
7.26	Publish Complaints Receipt and Processing Data	FBR	Jun-27
7.27	Publish Disciplinary Penalties on the FBR Website	FBR	Jun-27
7.29	Enlarge CRM Module	FBR	Mar-2026 Jun-2027
7.32	Integrate Internal and External Datasets	FBR	Mar-26
7.33	Deploy Advanced Analytics and Machine Learning Models	FBR	Mar-26
7.34	Expand CRM for Third-Party Data Utilization	FBR	Dec-26
<b>Reform Action 12: Reinforcing the Systemic Linkages and Accounting for Public Financial Resources</b>			
12.1	Reduce Audit Findings Backlog	Auditor General, Public Accounts Committee	Jun-26
12.4	Strengthen Public and Parliamentary Oversight of the Auditor General's Establishment	Finance Division, Public Accounts Committee, Auditor General	Dec-27
12.6	Create Senior IT Posts within the Auditor General's Establishment	Auditor General; Finance Division and Establishment Division will be involved	Jun-26
<b>Reform Action 13: Augmenting Anti-Money Laundering Enforcement Mechanisms</b>			
13.2	Strengthen ML Investigations and Prosecution Through Further Statutory Amendments for Procedural Clarity	AML/CFT Auth / JWG/ ML designated Agencies/ Anti-Corruption Agencies (NAB, FIA,ACEs)/ MoLJ	Jun-26
13.5	Update Risk Reporting Indicators	FMU	Jun-26

Reform Action & Complementary Action			
Sr No.	Items	Institution Responsible	Timelines
13.6	Improve the Quality of STRs Through Feedback Reports	FMU/ Fis/ DNFBPs	Jun-27
13.7	Strengthen Coordination by Establishing Engagement Plans, Mode of Engagements and Focus Areas of Engagements.	FMU/Anti-Corruption Agencies( NAB,FIA,ACEs)/AML designated LEAs/ AML/CFT Auth/ ACEs/ SECP/ Police	Jun-26
13.8	Strengthen Institutions Through Dedicated FIFC	FMU/ Anti-Corruption LEAs (NAB, FIA, ACEs)/ ML designated LEAs	Jun-26
13.10.	Bring VASPs under the Reporting Framework	FMU/ AML/CFT Auth/ PVARA/ MoF	Jun-26
13.11	Improve STR Reporting by DNFBPs	FMU/ DNFBPs/ AML/CFT Auth	Jun-26
13.12	Improve Access to Information for Analysis Purposes	FMU	Dec-27
13.13	Share Strategic Analysis Report with LEAs	FMU / Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated/ LEAs	Jun-26
13.14	Improve Procedural Framework Through Typologies	FMU/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated LEAs	Jun-27
13.15	Ensure Monitoring and Evaluation	FMU/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated LEAs	Jun-27
13.16	Conduct Institutional Review to Identify Shortcomings and Constraints; Recommend Measures to Address the Issues Identified.	AML/CFT Auth (Lead)/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies/ WG	Jun-26
13.17	Review Investigation SOPs of the Agencies	AML/CFT Auth/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-26
13.19	Build Capacity of Judges Through Comprehensive Training Modules	MoIJ/ Federal and Provincial Judicial Academies	Jun-26
13.21	Build Capacity Through Joint Sessions of Investigators and Judicial Officers	MoIJ/ Federal Judicial Academy/ Provincial judicial Academies/ ML designated LEAs/ Anti-corruption LEAs (NAB, FIA, ACEs),	Jun-27
13.22	Build Capacity Through Certifications	MOI, MOLJ, NAB, FIA, ACEs, MOF, other relevant LEAs	Dec-28
13.23	Strengthen Institutions and Build Capacity Through Provision of Funds	MoF/ Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-27
13.24	Strengthen Prosecution Through Dedicated Investigators/Prosecutors with Fixed Tenure	Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-26
13.25	Strengthen Monitoring and Evaluation Mechanism of LEAs	Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-26

Reform Action & Complementary Action			
Sr No.	Items	Institution Responsible	Timelines
13.26	Strengthen Institutional Mechanisms Through Dedicated Asset Recovery and Management Units	Anti-corruption LEAs (NAB, FIA, ACEs)/ ML designated Agencies	Jun-26
13.27	Review MLA Act for Improved International Cooperation	MOI/ MoLJ/ AML/CFT Auth	Jun-27
13.31	Improve Asset Recovery Through Mechanism/Framework to be Established by DNFBPs for Assisting in Asset Recovery	DNFBPs, FBR, SECP	Jun-26
13.32	Establish BO Registry for SECP	SECP	Jun-26
13.33	Strengthen SBP's Institutional Framework to Establish Incentive Mechanism to Promote Asset Recovery	SBP	Jun-26
13.34	Align NAB's Legislative Framework with International Standards	NAB, MoLJ	Dec-28
<b>Reform Action 14: Strengthening Accountability and Integrity of the Civil Servants</b>			
14.1	Revise Rules	Establishment Division	Jun-26
14.2	Develop Risk Model and Coordination	Establishment Division (FBR would also be involved)	Jun-27
14.3	Deploy Across Government	Establishment Division (FBR would also be involved)	Jun-27
<b>Reform Action 15: Merit at the Helm: Improving Appointment Processes</b>			
15.2	Improve Selection Outcome for Commissioners	SECP	Jun-27
15.3	Elaborate Code of Conduct for SECP	MoF, MoL, SECP	Jun-27
15.5	Elaborate Code of Conduct for CCP	CCP, MoF	Jun-27

## Introduction

The Government of Pakistan (GoP) aims to build on the momentum of economic governance reforms achieved in the last two years and continue further work to remove structural and institutional impediments to economic growth and to place the economy on a path of sustainable, inclusive, and private-sector-led development. In pursuit of this objective and consistent with its commitment to transparency, accountability, and effective use of public resources, over the past two years, the GoP has undertaken a sustained programme of governance, fiscal, and institutional reforms aimed at stabilizing the economy, restoring macro-fiscal credibility, and strengthening transparency and accountability across the public sector.

Tax administration and compliance have improved markedly, with tax filers increasing from around 5 million to over 6 million and the tax-to-GDP ratio rising from about 8 percent to over 10.5 percent, supported by risk-based compliance tools, merit-based recruitment, and reduced administrative discretion. Budget credibility has been strengthened through improved cash and debt management, rollout of the Treasury Single Account, and rationalization of loss-making public entities, contributing to a shift in the primary balance from deficit to surplus. Oversight and regulatory frameworks have been reinforced through expanded audit automation, strengthened SOE and procurement governance, and digitalization of corporate and public financial management systems. These reforms have coincided with improved macroeconomic outcomes, including a narrower fiscal deficit, strengthened external balances, higher reserves, and declining inflation. Against this backdrop, the PM-EGR is framed as a consolidation and continuation of reforms already underway anchoring the next phase of governance and anti-corruption actions in demonstrated results, institutional ownership, and reform momentum.

Despite the recent macroeconomic stabilization and reform momentum, the Government prioritises addressing structural challenges that constrain productivity, investment, and long-term growth. Recognizing that weaknesses in governance and vulnerabilities to corruption have macro-critical consequences, the Government requested the International Monetary Fund (IMF) in 2025 to undertake a Governance and Corruption Diagnostic (GCD). The diagnostic was conducted under the IMF's 2018 Framework for Enhanced Fund Engagement (EFF) with the objective to identify and analyze governance weaknesses and corruption vulnerabilities that undermine economic performance and reform efforts. The diagnostic focused on federal-level governance in five core state functions: fiscal governance, market regulation, financial sector oversight, anti-money laundering and combating the financing of terrorism (AML/CFT), and rule of law, and considered the strength and effectiveness of anticorruption institutions and approaches to address corruption risks.

Global and country-specific evidence demonstrates that corruption distorts policy implementation, weakens institutions and implementation of policies and programs, and erodes trust in the state. The Government recognizes that corruption has macro-economic consequences, adversely affecting revenue mobilization, public spending efficiency, investment, and the credibility of economic institutions. Weak control of corruption has been associated with Pakistan's persistently low tax-to-GDP ratio, ineffective public investment outcomes, and diminished investor confidence, contributing to subdued private investment and foreign direct investment over time. The GCD estimates Pakistan could gain 5-6.5% of GDP over five years by tackling corruption.

The GCD discusses corruption vulnerabilities that are systemic in nature, arising from governance weaknesses across core state functions. These include fiscal governance (tax policy, revenue administration, public financial management, public procurement, and SOE oversight), market regulation, financial sector oversight, anti-money laundering and counter-terrorism financing, rule of law, and anti-corruption institutions. Fragmented institutional mandates, discretionary decision-making, opaque regulatory processes, and weak accountability mechanisms where they exist can create conditions in which public authority can be misused for private gain, often benefiting privileged or state-affiliated entities at the expense of competition and economic efficiency

Corruption and governance weaknesses undermine economic growth through multiple channels. These include distorted allocation of public resources, inefficient and non-transparent procurement, weak budget credibility due to in-year adjustments and supplementary grants, preferential treatment of state-owned enterprises, regulatory capture in key sectors, and delays and uncertainty in contract enforcement caused by judicial inefficiencies and case backlogs. Together, these factors crowd out private investment, increase the cost of doing business, and weaken public trust in economic institutions and the rule of law

The economic governance challenges are situated within Pakistan's broader reform context. While past stabilization efforts have been relatively successful in addressing short-term macroeconomic imbalances, reforms have often not been sufficiently institutionalized to deliver durable improvements in governance and accountability. The Government therefore aims to carry out a sequenced, government-owned, and time-bound reform agenda that strengthens institutions, reduces discretion, enhances transparency, and improves enforcement capacity across the public sector

Against this backdrop, Prime Minister's Economic Governance Reforms (PM-EGR) translates the accumulated analysis and reform consultations into a practical, prioritized, and implementable reform framework, building further on the Government's ongoing reform efforts. In the short run, it will strengthen actions under the IMF-supported Extended Fund Facility. Over time, these reforms will place Pakistan on a sustainable growth path. The PM-EGR focuses on addressing the most macro-critical governance vulnerabilities, strengthening public sector performance, enabling private sector development, and restoring confidence in state institutions through enhanced transparency, accountability, and rule-based decision-making.

### **Objectives of the PM-EGR**

The PM-EGR is outcome-oriented program and progress will be measured periodically toward the following objectives:

1. Reduce significantly corruption vulnerabilities and fiscal leakages by strengthening transparency, integrity, and accountability across public procurement, public financial management, tax administration, and state oversight institutions.
2. Create a predictable, transparent, and rules-based regulatory and legal environment that reduces compliance costs, limits arbitrariness, and strengthens investor confidence, while ensuring effective enforcement of economic rights.
3. Embed risk-based, data-driven governance across fiscal, regulatory, and enforcement institutions—particularly in AML/CFT, tax administration, and regulatory supervision—to ensure proportional, effective, and credible oversight aligned with international standards.



Focusing on addressing macro-critical governance weaknesses and corruption vulnerabilities, the discussion in the 15 reform areas brings this out by specifically identifying the outcomes in each reform area. The proposed actions provide a critical path to realize the outcomes and impact accordingly. This includes an emphasis on carrying out systems enhancement, improving interagency linkages and enhancing institutional development for achieving policy synchrony, efficient and effective economic governance, strengthen fiscal discipline, and minimizing vulnerabilities to corruption. Another set of actions will seek to institutionalize risk management by the use of data and analytics for objective, transparent, and evidence-based functioning across key economic management, enforcement regimes and regulatory roles of government and improve regulatory predictability. These actions will aim to strengthen institutional integrity and reduce corruption risks, improve regulatory predictability.

The PM-EGR spreads over 15 prioritised reform areas with clearly defined 59 priority action items. In addition to monitoring progress against measurable indicators, progress will be assessed towards the following **key reform outcomes**:

- Improved detection and deterrence of corruption, tax evasion, illicit financial flows, and minimize corruption vulnerabilities
- Efficient allocation of supervisory and enforcement resources based on risk and enhance regulatory predictability
- Enhanced credibility of Pakistan's economic governance regime and strengthen fiscal controls

## Formulation Process of the PM-EGR

The PM-EGR was formulated through a structured, government-led consultative process designed to ensure ownership, consistency, and alignment with priority governance and corruption diagnostic recommendations.

As a first step, the GCD report was analyzed to bring out key insights and plan the next round of reform actions. As part of this analysis, vulnerabilities to economic growth have been distilled to serve as the key focus of planning and implementing reform actions. The MoF organized this activity to formulate the action plan; a set of reform actions to address prioritized areas with credible, time-bound action plans.

The process began with the development of a standardized action-planning template to solicit agency-level proposals against identified priority recommendations. The MoF led this effort, with FCDO funded Revenue Mobilisation Investment & Trade (REMIT) programme providing targeted technical support to ensure the template captured reform actions, timelines, key performance indicators (KPIs), and implementation responsibilities in a consistent and measurable manner.

Following its finalization, the template was formally circulated by the MoF to seventeen implementing agencies. Agencies were requested to populate the template by outlining their ongoing reform initiatives, proposed actions aligned with the GCD priorities, indicative implementation timelines, and relevant KPIs. This step ensured that the PM-EGR reflected reforms already underway as well as planned measures embedded within agencies' own mandates and reform trajectories.

The submissions received from agencies were subsequently consolidated and subjected to structured technical review and refinement led by the MoF. This phase involved close technical consultations with individual agencies to clarify proposed actions, strengthen sequencing, refine KPIs, and ensure internal

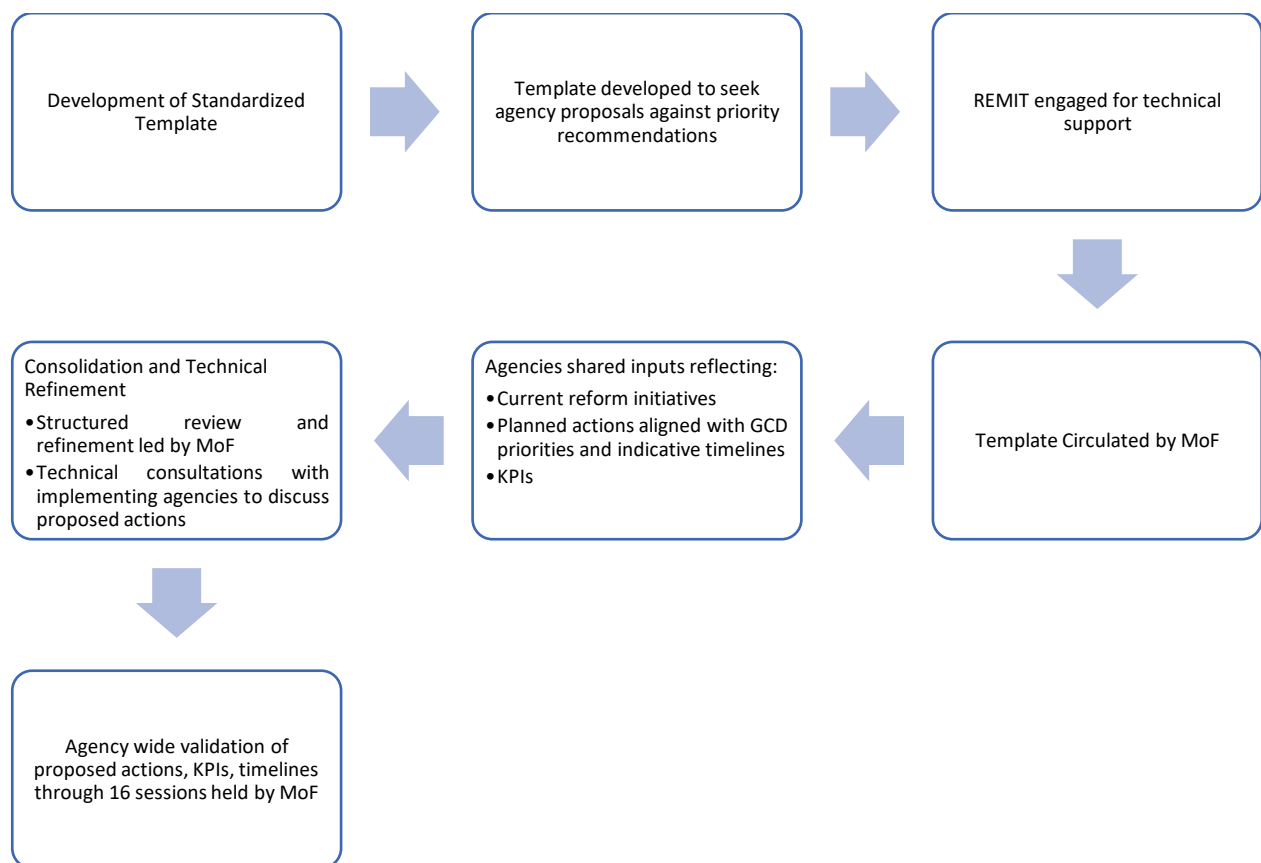
coherence and feasibility. The objective was to enhance the quality and consistency of proposed measures while maintaining fidelity to agency inputs and ownership.

The process culminated in agency-wise structured policy dialogue on proposed actions, KPIs, and timelines through twenty dedicated **validation sessions** convened by the MoF. These sessions provided a platform for final confirmation of commitments, resolution of outstanding issues, and alignment across institutions. Through this iterative and consultative approach, the PM-EGR emerged as a credible, government-owned action plan grounded in existing reforms and supported by clearly defined implementation arrangements and performance metrics.

These validation sessions served multiple purposes:

- Confirming agency ownership of reform actions.
- Aligning reform timelines with institutional capacity and legal processes.
- Ensuring coherence across fiscal, regulatory, and governance reforms; and
- Building consensus around implementation sequencing and monitoring arrangements.

The dialogue-based approach ensured that the PM-EGR reflects **collective government agreement**, rather than unilateral commitments.



*Figure 1 PM-EGR Formulation Process*

Accordingly, the PM-EGR:

- Builds on governance, regulatory, fiscal, and digital reforms already in progress.
- Specifies **next steps** with clear timelines, responsibilities, and key performance indicators.
- Provides a framework for **monitoring implementation and ensuring accountability**; and
- Demonstrates policy continuity, institutional credibility, and sustained reform momentum.

## Structure of PM-EGR

The PM-EGR is a structured, government-owned reform framework designed to strengthen economic governance and reduce vulnerabilities to economic growth. It translates diagnostic and consultative insights into actionable, time-bound reform measures by clearly identifying reform actions, responsible institutions, implementation timelines, and mechanisms for monitoring progress. In all there are 59 priority action items distilled from a total of 141 action items developed against the 15 Reform Actions.

## Organization of the Report

The PM-EGR is organized, after the introduction, into 15 chapters, each corresponding to a priority reform area identified through the GCD. Each chapter of the PM-EGR follows a standardized and sequential structure to ensure consistency, clarity, and ease of implementation across reform areas.

Chapters begin by identifying key vulnerabilities affecting economic growth, providing a clear diagnostic lens for the reform area. This is followed by a summary of ongoing reforms and recent achievements, situating proposed actions within the broader continuum of government-led reforms already underway. The chapter then sets out planned priority reforms, detailing the specific actions required to address identified gaps. A dedicated section on reform outcomes articulates the intended institutional, governance, and service-delivery improvements. Where relevant, chapters also highlight connected or complementary reforms planned and maximize the cumulative impact of reform initiatives.

To support accountability and results-based implementation, each chapter defines measurable Key Performance Indicators (KPIs) linked to the proposed actions. Finally, supplementary domains are presented to capture enabling or cross-sectoral considerations that support the effective delivery and sustainability of reforms.

Following the conclusion of the reform chapters, the report sets out a dedicated chapter on Implementation Arrangements, which outlines the proposed institutional, coordination, and oversight mechanisms for implementing the PM-EGR, and the modalities for periodic policy dialogue and review.

The report is complemented by a set of Annexures that provide detailed operational and monitoring information. Annexure I presents the comprehensive Reform Action Matrix (RAM), setting out priority reforms, associated actions items, responsible institutions, and timelines. Annexure II provides the Tracking Outcomes Matrix (TOM), which specifies performance indicators and dialogue triggers, and monitoring modalities to support structured implementation tracking, accountability, and course correction over time.

# Reform Action 1: Advancing Competitive, Efficient, Transparent Procurement

## 1.1 Fixing Vulnerabilities for Economic Growth

A transparent, rule-based, and competitive public procurement system is fundamental to responsible fiscal governance, efficient public financial management, and a well-gearred private-sector. Weaknesses in procurement governance<sup>1</sup> create fiscal leakages, undermine value for money, and elevate the cost of public service delivery. In addition, when the procurement allows preferential treatment, it distorts competitive neutrality between State-Owned Enterprises (SOEs) and private suppliers.

In policy terms, elements such as fragmented procurement rules, differing practices in direct contracting, evolving transparency and digitization, and variation in the application of procurement standards warrant ongoing reforms. These will further reinforce efficiency and institutional accountability. In the same vein, the current role of SOEs in procurement processes will be refined further to obviate the possibility of adverse influence on market dynamics and ensure equal opportunities to enhance competition and optimize outcomes.

In this regard, the following priority area of reform has been identified:

**Improve the performance of the public procurement system by eliminating preferences for State-Owned Enterprises, including provisions allowing for direct contracting, and mandating the use of the e-Government Procurement system (EPADS) for all procurement transactions within 12 months.**

*Source: GCDA Report, IMF, 2025. Table 1*

## 1.2 Ongoing Reforms and Achievements

The government having recognised these vulnerabilities has made notable progress in addressing them, and meaningful advances have been achieved in modernizing its procurement governance. The reforms now being undertaken by the Public Procurement Regulatory Authority (PPRA) represent a structural shift towards transparency, digitalization, harmonization, and competitive neutrality. The planned actions will accelerate these reforms by eliminating preferential provisions for SOEs, institutionalizing mandatory e-procurement, strengthening oversight through EPADS, and streamlining procurement rules aligned with international good practice.

As such, the Government of Pakistan, through PPRA, has already initiated substantial reforms aligned with the objective of procurement neutrality. These include legal amendments, transparency measures, digitalisation of procurement, monitoring enhancements, and efforts to bring in SOEs into the E-PADS infrastructure. Key achievements contained in the PPRA reform actions, summarised below, are substantive steps to consolidate gains around reform objectives.

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<sup>1</sup> As identified in the GCDA Section 2 assessment

### 1.2.1 Legal and Regulatory Reforms

PPRA has drafted amendments to the existing Public Procurement Rules in 2025 with technical support and submitted the same for approval. These new Rules explicitly eliminate preferential treatment and define special circumstances in accordance with best practices. They also rationalise procurement methods, expand transparency requirements, enhance accountability mechanisms, and align procedural standards with international benchmarks.

Standard Bidding Documents are being updated to ensure uniformity, clarity, and improved risk allocation. Together, these reforms establish a coherent legal foundation for implementing a level playing field in the public procurement space.

### 1.2.2 Transparency, Accountability, and Monitoring Enhancements

Major governance improvements are embedded in the draft Rules 2025, including mandatory third-party evaluation for high-value procurements, independent pre-shipment inspections, and establishment of grievance and inspection committees. PPRA has developed a comprehensive accountability framework through delineation of roles and responsibilities and introduction of transparent redressal mechanisms.

Quarterly Monitoring Reports have been initiated, capturing procurement performance, compliance patterns, risk indicators, and contracting behaviour across agencies. These reports enhance transparency and promote corrective action.

### 1.2.3 Capacity-Building and Institutional Strengthening

Dedicated Procurement Cells (PCs) are being established across procuring agencies, with 122 already operational. Procurement officials are required to obtain professional certification aligned with PPRA's Competency Framework. Training programs, including certificates and diplomas, have strengthened professionalisation, with over 2,200 individuals trained since July 2024.

### 1.2.4 Digitalisation and Use of EPADS

EPADS adoption has expanded significantly. As of November 2025, 1,061 federal agencies are actively using the system. PPRA's Monitoring and Evaluation Wing employs EPADS data for pattern recognition, risk analysis, detection of collusive behaviour, and identification of rule violations. Insights are used to issue advisories and drive corrective actions across agencies.

EPADS is central to enhancing data access and transparency of public procurements, as it forms the foundation for eliminating discretion, enabling real-time monitoring, and mandating digital procurement processes.

### 1.2.5 SOE Procurement Governance

Under Section 17(2), all SOEs are required to develop independent procurement policies that adhere to global standards and indicate the degree of compliance with PPRA rules. SOE procurement processes will be fully integrated with EPADS through dedicated modules.

## Theory of Change

Stronger procurement governance reduces fiscal risks, promotes value for money, ensures equitable competition, and strengthens public trust. These gains support wider economic stability and create an enabling environment for private-sector-led growth. The theory of change is grounded in four causal mechanisms:

- Eliminating SOE preferences → enhanced competition and better pricing.
- Mandatory EPADS adoption → reduced discretion, increased transparency, real-time monitoring.
- Stronger legal and regulatory framework → harmonised practices and reduced misuse of direct contracting.
- Enhanced monitoring and capacity-building → sustained compliance and long-term institutional strengthening.

These mechanisms collectively lead to improved public procurement performance, lower fiscal risks, and greater trust in government processes.

Collectively, these reforms demonstrate that PPRA has already developed a strong foundation to operationalise standardisation in public procurement at scale.

### 1.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the reforms listed in the tables below. Table 4 presents the priority action items, while Table 5 presents the complementary action items.

**Table 4: Reform Action 1 – Priority Action Items**

<b>Reform Action 1:</b> Improve the performance of the public procurement system by eliminating preferences for State-Owned Enterprises, including provisions allowing for direct contracting and mandating the use of the e-Government Procurement system for all procurement transactions within 12 months.				
#	Achievements	Action items	Institution Responsible	Timelines
1.1	<ul style="list-style-type: none"> <li>• <b>Public Procurement Rules 2025</b> prepared in line with international best practice and being processed for cabinet approval.</li> <li>• <b>Explicit removal of SOE preference:</b> The new draft Rules 2025 contain <b>no preferential treatment for State-Owned Enterprises.</b></li> </ul>	<b>1.1 Approve Draft Public Procurement Rules</b>  Approval of Draft Public Procurement Rules 2025 – already prepared in line with international best practice.	PPRA	06/2026
1.2		<b>1.2 Promulgate New Rules</b>  Upon approval, new rules will be promulgated, and all existing regulations will be updated and notified.	PPRA	06/2026
1.3		<b>1.3 Roll-out EPADS Across Federal Government Agencies.</b>  Roll-out of EPADS system across federal government  Complete integration of EPADS with all the PSEs and	PPRA/Govt Depts/Ministries	06/2027

		government departments and other discrete data sets (tax, NADRA, Audit) at federal government		
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**Table 5: Reform Action 1 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
1.4		<b>1.4 Roll-out EPADS Across Provincial Governments.</b> Roll-out of EPADS system across all Provincial Governments. Complete integration of EPADS with provincial governments	PPRA/PSEs/ Provincial	12/2028
1.5	<b>Major transparency and accountability reforms included in draft Rules 2025:</b>  – Mandatory Third-Party Evaluation for procurements above Rs. 2 billion. – Third-Party Validation for procurements from Rs. 500 million to Rs. 2 billion. – Formation of independent Grievance Redressal and Inspection Committees. – Independent pre-shipment inspections of goods. – PPRA to maintain a panel of independent experts to assist procuring agencies in bid evaluation, validation, inspection and grievance redressal. – Clear delineation of roles & responsibilities of procuring officials for accountability.	<b>1.5 Introduce Public Procurement Quarterly Monitoring Reports</b>  Introduction of Quarterly Monitoring Reports of public procurement for development and non-development expense.	PPRA	06/2026
1.6	<b>Standard Bidding Documents</b> being revised in line with global best practices.	<b>1.6 Revise Standard Bidding Documents</b>  Following the notification of the new procurement rules, revised standard Bidding Documents.	PPRA	06/2026

1.7	<p>i. On the advice of PPRA, dedicated Procurement Cells (PCs) are being established across Federal Government procuring agencies. So far 122 procuring agencies have established PCs.</p> <p>ii. To ensure professionalization in public procurement, government officials are required to acquire relevant certification to become eligible for placement in PCs</p> <p>In accordance with PPRA Competency Framework developed with the technical assistance of World Bank, different procurement training courses have been introduced including Certificate in Procurement and Four-month diploma in Procurement and Contract Management. 2,205 individuals have been trained on PPRA regulatory framework and EPADS since July 2024.</p>	<p><b>1.7 Revise Competency Framework Periodically</b></p> <p>The periodic revisions of competency framework will be informed by the lessons learnt and embedded in HR evaluations</p>	PPRA	12/2028
1.8	<p>For effective complaint resolution, procedures for grievance redressal have been devised by PPRA through “Redressal of Grievance Regulations 2021”. The reports/orders for all grievances decided by PPRA will be published on the PPRA website.</p> <ul style="list-style-type: none"> <li>• <b>Complaint-handling</b> function strengthened: M&amp;E Wing receives complaints, calls for procurement data, conducts investigations, prepares findings and issues advisories or corrective measures.</li> </ul>	<p><b>1.8 Report on Compliance Percentage</b></p> <p>Report on Compliance %age and data on violations, methods of procurement, grievances, etc.</p>	PPRA	06/2026

## 1.4 Reform Outcome

The expected outcome of public procurement reform is a transparent, efficient, competitive, and digitally enabled procurement ecosystem that eliminates preferential treatment, reduces fiscal burdens, and ensures value for money. Full EPADS adoption will provide real-time oversight, reduce discretion, and strengthen compliance. Removal of SOE preferences will create competitive neutrality and expand market participation.

These outcomes directly contribute to improved fiscal governance, reduced waste, stronger accountability, and enhanced economic efficiency.



## 1.5 Connected Reforms Planned by PPRA

PPRA plans to expand EPADS capabilities, integrate procurement systems with tax, audit, and identity databases, and enhance the analytics capability of its Monitoring and Evaluation Wing. Further reforms under consideration include:

- Revision of procurement regulations and standard documents.
- Full SOE procurement integration into EPADS.
- Advanced data analytics for risk-based audits.
- Automated red flags for collusion and price anomalies.
- Strengthening existing grievance redressal transparency through public disclosure.

These planned reforms reinforce the long-term sustainability of efficient and accountable public procurement.

## 1.6 Measurable KPIs

Key performance indicators for public procurement reforms include:

- Notification of Public Procurement Rules 2025
- Percentage of procurement transactions executed through EPADS
- Publication frequency and quality of quarterly monitoring reports
- Notification of the Standard Bidding Documents
- Number of trained procurement professionals
- Number of complaints received and resolved, disaggregated by outcome
- Average time taken for grievance resolution
- Quarterly Monitoring Reports (QMRs) published
- Percentage of procuring agencies fully integrated with EPADS
- Quarterly M&E Reports generated
- Percentage increase in the number of agencies and transactions covered in QMRs
- Percentage of SOEs linked with EPADS

## 1.7 Supplementary Domains

The reform action relates to broader governance reforms, including fiscal transparency, PFM reforms, SOE governance, audit and oversight strengthening, digital public service delivery, and rule-based government decision-making. Integration with national data platforms (tax, identity, audit) and alignment with SOE reforms ensures a whole-of-government approach to procurement governance.

## Reform Action 2: Enhancing Value of Strategic Investments

### 2.1 Fixing Vulnerabilities for Economic Growth

Strategic investments play a central role in shaping Pakistan's economic trajectory, influencing capital formation, sectoral competitiveness, investor sentiment, and long-term growth prospects. The absence of structured transparency around strategic investment initiatives including those facilitated through the Special Investment Facilitation Council (SIFC) creates informational asymmetries that can undermine policy predictability, elevate perceived governance risks, and weaken investor confidence. Addressing this will be taken to enhance the effectiveness and sustainability of investment promotion.

The challenge is not one of lack of activity, but one of formalisation: Pakistan has made significant strides in attracting and facilitating investment, yet the public availability of consolidated information on concessions, fiscal implications, and regulatory relaxations remains limited. Without systematic disclosure particularly regarding tax concessions, policy exemptions, or regulatory relaxations, stakeholders face uncertainty about the rationale, cost, and outcomes of strategic investments. This can weaken allocative efficiency, blur the distinction between facilitation and discretion, and constrain the credibility of investment governance mechanisms.

Addressing these vulnerabilities requires institutionalised transparency, regular publication of structured investment information, and clarity regarding the implementation of Article 10F of the Bol (Amendment) Act, which empowers the Government to relax or exempt regulatory compliance requirements for strategic projects. Strengthened disclosure will ensure that Pakistan's investment facilitation regime reinforces credibility, mitigates perceptions of uneven treatment, and supports sustainable growth.

In this regard, the following priority area of reform has been identified:

**Enhance transparency regarding strategic investments by producing and making public the first annual report of the Special Investment Facilitation Council, including information on all investments that it has facilitated, including concessions provided (tax, policy/regulatory, or legislative) along with detailed rationale of concessions, and the estimated value of the concessions, and publishing the information on the implementation of the Bol (Amendment) Act, Article 10F (Power to relax or exempt from regulatory compliance).**

*Source: GCDA Report, IMF, 2025. Table 1*

### 2.2 Ongoing Reforms and Achievements

The Government has already recognised the importance of transparency in strategic investments and has initiated steps to institutionalise reporting mechanisms aligned with global good practice. As part of its commitment under the GCDA, SIFC has adopted a medium-term plan to publish the first comprehensive Annual Report on strategic investment facilitation.

The SIFC has prepared the following actions:

- Draft Annual Report to be submitted by December 2026

- Final Annual Report to be submitted by March 2027

This Annual Report will consolidate information on all investments facilitated by SIFC, including:

- Details of concessions approved (tax, regulatory, policy, or legislative)
- Rationale for concession decisions
- Estimated fiscal value of concessions
- Progress status of facilitated projects
- Implementation details relating to Article 10F (Power to relax or exempt from regulatory compliance)

The decision to institutionalise an annual disclosure mechanism signifies the Government's commitment to strengthening investment governance through predictable, rules-based transparency. These reforms build on existing coordination between SIFC, the Board of Investment, and sectoral ministries, demonstrating that Pakistan is actively transitioning toward a more open investment oversight framework consistent with GCDA expectations.

## 2.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the priority reforms depicted in Table 6.

**Table 6: Reform Action 2 – Priority Action Item**

<b><u>Reform Action 2:</u></b>				
Enhance transparency regarding strategic investments by producing and making public the first annual report of the Special Investment Facilitation Council, including information on all investments that it has facilitated, including concessions provided (tax, policy/regulatory, or legislative) along with detailed rationale of concessions, and the estimated value of the concessions, and publishing the information on the implementation of the Bol (Amendment) Act, Article 10F (Power to relax or exempt from regulatory compliance).				
#	Achievements	Action items	Institution Responsible	Timelines
2.1		<b>2.1 Publish SIFC Annual Report</b>  Publication of SIFC's annual report, as a recommended action by IMF's subject Diagnostic Assessment has a timeline of medium term. Following Action Plan by SIFC is submitted. <ol style="list-style-type: none"> <li>Draft Annual Report to be submitted in December 2026</li> <li>Final Annual Report to be submitted in March 2027</li> </ol>	SIFC	06/2027

## 2.4 Reform Outcome

The expected outcome of actions in this reform area is a transparent, rules-based strategic investment governance framework anchored in regular public reporting. By producing and publishing the SIFC Annual Report, the Government will institutionalise:

- A consistent mechanism for disclosing investment facilitation activities
- Clear public documentation of concessions and their economic rationale
- Enhanced visibility on the use of Article 10F powers
- Strengthened oversight of investment decision-making

This reform will support investor confidence, ensure fiscal prudence in the granting of concessions, and reinforce the credibility of Pakistan's strategic investment ecosystem. Over time, such transparency will improve allocative efficiency, reduce perceptions of discretion, and align investment facilitation practices with global benchmarks.

## 2.5 Connected Reforms Planned

Additional reforms to promote investment in Pakistan's strategically identified sectors will continue, linked with facilitation through transparency, predictability and institutional support.

## 2.6 Measurable KPIs

- Publication of the **Draft SIFC Annual Report**
- Publication of the **Final SIFC Annual Report**

## 2.7 Supplementary Domains

This reform actions are closely linked to broader governance reforms, including:

- Fiscal transparency and reporting of tax expenditures
- Regulatory governance improvements (Reform. Action 3 & Reform Action 4)
- SOE governance and investment oversight
- Audit and public financial management reforms
- Transparency in public-private partnerships and concession frameworks

These interlinked reforms collectively advance Pakistan's commitment to strengthening credibility, predictability, and accountability in economic decision-making.

## Theory of Change

Enhanced transparency in strategic investments → increased credibility of investment governance and reduced information asymmetries.

Publication of SIFC Annual Report → improved visibility of rationale, and fiscal implications → strengthened policy predictability and investor trust.

Disclosure of Article 10F implementation → clearer understanding of regulatory relaxations → reduced perceptions of discretion and arbitrariness.

Consistent annual publication cycle → institutionalised transparency → greater continuity and stability in investment facilitation practices.

Strengthened transparency mechanisms → improved governance signals to domestic and international investors → enhanced attractiveness of strategic investments.

Continuous monitoring and public reporting will reinforce adherence to rules-based investment governance. Transparency, accountability, and clarity of decisions reduce fiscal risks, enhance stakeholder trust, and support a stable, credible environment for strategic investments ensuring that facilitation remains aligned with national economic priorities and

## Reform Action 3: Enhancing Regulatory Predictability and Consistency for Private Sector Development

### 3.1 Fixing Vulnerabilities for Economic Growth

Pakistan's economic performance is closely linked to the efficiency, predictability, and transparency of its regulatory landscape. The Government recognizes that fragmented rule-making practices, overlapping regulatory mandates, inconsistent enforcement standards, and duplicated and cumbersome compliance requirements contribute to elevated business costs and lower investor confidence. These challenges are not unique to Pakistan; however, their cumulative effect creates uncertainty for firms, particularly small and medium enterprises that lack the administrative capacity to navigate numerous manual or inconsistent regulatory interfaces.

Ultimately, the vulnerabilities addressed through Reform Action 3 relate to economic friction and sludge. The Government has already begun addressing these frictions through digitalisation, inter-agency integration, and standardisation initiatives led by Bol, SECP and MoITT. These efforts reflect a broader strategy to ensure that regulatory governance supports sustainable, resilient, and private-sector-driven growth.

In this regard, the following priority area of reform has been identified:

**Under the leadership of the Securities and Exchange Commission of Pakistan, enhance regulatory consistency within 18 months by: (1) establishing a comprehensive database of all federal business regulations, (2) eliminating unnecessary regulations based on structured systematic review; (3) creating a review process based on international good practice for all new regulatory proposals.**

*Source: GCD A Report, IMF, 2025. Table 1*

### 3.2 Ongoing Reforms and Achievements

Considerable progress has already been made by SECP and MoITT in modernising Pakistan's regulatory governance environment. These reforms predate the GCD A recommendations and demonstrate the Government's pre-existing recognition of the need for enhanced regulatory consistency and institutional strength.

#### 3.2.1 SECP Achievements

SECP has taken several steps to ensure a more coherent, transparent, and predictable regulatory system. Key achievements include reforms under the Pakistan Regulatory Modernisation Initiative (PRMI), integrations with provincial and federal departments, proposed amendments to the Companies Act 2017 focused on digitisation and strengthened regulatory impact analysis practices. SECP has worked extensively on drafting improvements, including clarity enhancements to regulatory instruments, better publication practices, and reduced duplication in compliance processes.

Under PRMI, SECP has linked multiple federal and provincial entities to streamline business processes over the last five years (such as PSEB, PTA, STZA, PEC, PSW, and Bol; while integration with NEPRA, PRA, DRAP, SNGPL, PEMRA, IESCO, BRA, KPRA, and KPBOIT is being expedited) – allowing firms to access services through unified digital windows. SECP has operationalised its Data Integration Layer to connect with

NADRA, FBR, PTA, the Central Depository Company, and other departments. These integrations have reduced duplication, improved authentication, and strengthened compliance monitoring.

SECP has also modernized corporate regulation through proposed reforms to the Companies Act 2017 brought out during 2025, and associated rule-making (The Companies Regulations, 2024). These include simplified processes for incorporation, digitised filings, rationalised licensing frameworks, and updated supervisory methodologies. Revised regulatory procedures have strengthened transparency and limited discretionary decision-making. Work on insolvency (Corporate Restructuring Companies Act, 2016), Corporate Rehabilitation Act 2017, and enhanced statutory oversight represent deeper structural reforms that complement the objectives of this action reform by improving legal consistency and predictability.

SECP's adoption of structured consultation frameworks demonstrates a shift toward inclusive, evidence-based rulemaking. The Commission has strengthened ex-ante and ex-post RIA practices and institutionalised guidelines that help ensure consistency, analytical clarity, and alignment with international good practice.

Collectively, these reforms illustrate the Government's continuing commitment to strengthening regulatory governance. This action reform therefore builds not from a point of weakness, but from a foundation of meaningful progress.

### 3.2.2 MoITT/PDA Achievements

MoITT and the Pakistan Digital Authority (PDA) have undertaken foundational work that directly supports this reform action's objectives. During May 2024, under the **Digital Economy Enhancement Project (DEEP)**, MoITT has established national standards for interoperability, digital identity, authentication, and secure data exchange. These initiatives create the necessary infrastructure for a national regulatory registry and for structured integration between federal agencies.

Through **Digital Masterplan**, established with the **Digital Nation Pakistan Act, 2025**, MoITT introduced whole-of-government digital governance frameworks. The Masterplan establishes governance structures for institutional coordination and outlines guidelines for digital transformation within ministries and regulators. While several advanced digitisation initiatives (e.g., machine-readable legislation, policy-as-code, and national rulebook repositories) fall under future reforms, MoITT's completed groundwork, interoperability layers, standards, and institutional governance is an achievement that enables this action reform to be implemented at scale.

Beginning with regulatory mapping under DEEP and improved datasets through the Open Data Framework, MoITT has strengthened transparency and evidence-based policymaking. These initiatives align with GCDA principles and form part of the Government's broader strategy to support economic growth through improved regulatory clarity.

### 3.2.3 Joint Achievements and Institutional Coordination

## Theory of Change

Acknowledgement of regulatory vulnerabilities and ongoing reform momentum → political and institutional commitment to strengthen regulatory governance.

Systematic regulatory review, digital consolidation, and strengthened rule-making governance → increased regulatory consistency and predictability.

Establishment of a national regulatory registry and elimination of unnecessary regulations → improved regulatory transparency and reduced compliance burdens.

Application of structured Regulatory Impact Assessment (RIA) → evidence-based rule-making and reduced discretionary regulation.

Reduced compliance costs and regulatory uncertainty → increased firm entry, investment, and formalisation.

Increased formalisation and predictable regulatory environment → strengthened tax base, enhanced competitiveness, and improved economic efficiency.

SECP-led regulatory consistency and MoITT-enabled digital infrastructure → integrated, accessible, and up-to-date regulatory datasets across government.

Enhanced policy credibility, stronger investor trust, and a more competitive, innovation-friendly economy aligned with

SECP and MoITT have a shared understanding on interoperability standards, digital identity verifications, data exchange mechanisms, and regulatory simplification processes. Their coordination provides the basis for a unified national regulatory registry—a core objective of this Reform Action.

The achievements already in place underscore that the reform action serves as an opportunity to consolidate, accelerate, and systematise reforms that the current Government has actively championed.

### 3.3 Planned Priority Reforms

The planned priority reforms are listed as priority action items in Table 7, while complementary action items are provided in Table 8.

**Table 7: Reform Action 3 – Priority Action Items**

<b>Reform Action 3:</b>				
Under the leadership of the Securities and Exchange Commission of Pakistan, enhance regulatory consistency within 18 months by:				
(1) establishing a comprehensive database of all federal business regulations,				
(2) eliminating unnecessary regulations based on structured systematic review,				
(3) creating a review process based on international good practice for all new regulatory proposals.				
#	Achievements	Action items	Institution Responsible	Timelines
3.1	<p><b>Asaan Karobaar Act</b> passed by Senate in Nov '25; under Section 16 of which, 'Pakistan Business Portal' would be established within two years of commencement of the Act.</p> <p>Through a series of workstreams in consultation with Bol, the Companies Act, 2017 has been reviewed for amendments in four major areas:</p> <ul style="list-style-type: none"> <li>a. Digitization</li> <li>b. Ease of doing business</li> <li>c. Decriminalization of non-compliances</li> </ul>	<p><b>3.1 Create a one-stop shop for regulatory approvals</b></p> <p>Pakistan Business Portal will be operationalized and maintained by Bol to provide facilities to enable submission / processing of applications for registrations, licenses, certificates, permits, approvals, and permissions, at one place. It should be the country's exclusive one-window portal (RCLO);</p> <p>For the Bol to manage this successfully, it will require ongoing support from SECP (given its domain knowledge of registrations and licensing) as well as the MoITT (given its ability to convert manual operations into digital ones) on a full-time basis; additionally – the</p>	BOI/SECP/MoITT	12/2028

	<p>d. SECP's role in regulating listed and unlisted companies.</p> <p>Additionally, with respect to the insolvency/bankruptcy framework, draft bills have been submitted before CcoRR for further approval, proposing amendments in the following laws:</p> <p>i. Corporate Rehabilitation Act, 2018, to ensure effective rehabilitation of companies</p> <p>ii. Corporate Restructuring Companies Act, 2016, focusing on operationalisation of the Corporate Restructuring Board</p> <p>iii. Sections 41B &amp; 42A of the SECP Act, to reinforce the legal sanctity of the regulatory functions of SECP, shield regulated entities from arbitrary or coercive actions by LEAs, and create a more secure environment for both domestic and foreign investors.</p>	support of all other regulators and agencies would also be critical in making this a success.		
3.2	Law has already been enacted under the name of Ashaan Karobaar Act, which mandated the establishment of a regulatory registry; federal registry has been established.	<p><b>3.2 Establish National Regulatory Registry</b></p> <p>Enhance federal registry already established and transform it to national registry by including subnational business regulations.</p>	BOI	12/2028
3.7	SECP engages in meaningful and extensive public/stakeholders' consultation. It has in place, a Policy Manual for Regulatory Impact Analysis.	<p><b>3.7 Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices</b></p>	SECP/Other Regulators	06/2026



		<p>In addition, the Government will form 3 Committees (Finance, Energy &amp; Power and Others), headed by private sector professionals, but having membership of various business associations and regulatory bodies, that will formally solicit proposals from leading business associations, chambers and trade bodies details about redundant and unviable regulatory / business regulations that need to be eliminated / curtailed. The committee will then deliberate and decide on these regulations' fate and recommend the elimination /amendment of the ones that are no longer needed or do not add any value.</p> <p>Alternatively, the Asaan Karobaar Technical Unit, as mandated by the legislation, can be operationalised at the earliest to carry out such consultation.</p> <p>To conduct Prefact and Postfact <b>Regulatory Impact Analysis (RIA)</b>, the existing manual will be improved in line with international best practices to further enhance the transparency and inclusivity of the process.</p> <p>Additionally, the consultation process will be <b>fully digitized</b> to improve accessibility and efficiency</p>		
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**Table 8: Reform Action 3 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
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3.3	<p>Under the Pakistan Regulatory Modernization Initiative (PRMI), to reduce compliance burden of businesses and improving the effectiveness of regulatory regime, Bol has coordinated SECP's integration with numerous federal and provincial departments, including Intellectual Property Organization of Pakistan (IPO), Financial Monitoring Unit (FMU), Pakistan Single Window (PSW), Pakistan Software Export Board (PSEB), Pakistan Telecommunication Authority (PTA), Special Technology Zones Authority (STZA), Pakistan Engineering Council (PEC), Board of Investment (BoI), Employees' Old-Age Benefits Institution (EOBI), Federal Board of Revenue (FBR), MNP Database (Guarantee) Limited, Employees Social Security Institutions, Labour &amp; Human Resource Departments, Excise &amp; Taxation Departments in provinces</p>	<p><b>3.3 Integrate Regulatory Bodies and Government Departments on the Basis of API</b></p> <p>Integration of DRAP, SNGPL, PEMRA, IESCO, BRA, KPRA, and KPBOIT with SECP Registry will be completed.</p> <p>BoI along with SECP and all regulatory bodies will develop connectivity through APIs, with all such counterparties based on their specific needs and ensuring the legal basis, so that all the agencies/bodies needing information from SECP, can digitally access it directly.</p>	SECP/Partner agencies & Depts	06/2027
3.4		<p><b>3.4 Ensure Independent Adjudication</b></p> <p>Section 33 of the SECP Act 1997 be amended and the Appellate Bench consisting sitting Commissioners be replaced with an Independent Tribunal constituted by Federal Government for hearing appeals against orders of SECP to ensure transparency, independence and impartiality.</p>	MoF/MoL/SECP	12/2027

3.5	<ol style="list-style-type: none"> <li>1. SECP in light of FATF's standards has implemented risk-based approach for effective implementation of AML/CFT regulatory framework, as well as a guideline to help regulated persons (RP) in this regard.</li> <li>2. RPs are required to submit data on above factors every year by April 30, to carry Annual Risk Assessment, which is then used in the risk-based supervisory enforcement actions of SECP.</li> <li>3. A risk-based supervisory methodology now underpins ongoing compliance oversight and ensures effective monitoring of BO-related obligations.</li> <li>4. SECP applies a risk-based approach to classify Legal Persons into four Beneficial Ownership (BO) risk categories, each with a corresponding supervisory coverage level.</li> </ol>	<b>3.5 Codify Enforcement Actions for Transparency and Objectivity</b>  Risk-Based Enforcement Policy will be formulated and implemented and the same will be made publicly available.	SECP	06/2027
3.6		<b>3.6 Develop High Priority MR Regulatory Database</b>  Convert priority Regulations, SROs, notifications into MR formats, and form part of the digitized database of regulations.	MoITT/MoL/ Regulators/G ovt Dept	06/2026

### 3.4 Reform Outcome

The expected outcome is a coherent, predictable, and transparent national regulatory framework supported by a unified, authoritative, and digitally accessible registry of all federal business regulations. Redundant, conflicting, or outdated regulations will be systematically identified and eliminated. As an ongoing endeavour, new regulations will be subject to internationally benchmarked RIA processes.

This outcome aligns with the Government’s strategy to enhance regulatory trust, improve investor confidence, and reduce compliance costs. Clear and accessible regulations benefit all economic actors, encourage formalisation, and strengthen Pakistan’s business environment. Over the medium term, this reform supports fiscal stability, increases productivity, and advances private-sector-led growth.

### **3.5 Connected Reforms Planned**

#### **3.5.1 SECP Additional Reforms**

Within a 3-year period, SECP plans to deepen its supervisory reforms through enhanced enforcement transparency, data-driven monitoring, and modernised licensing workflows. Publication of an SECP Policy Board approved Enforcement Policy within a year will reinforce consistency and reduce subjectivity. Expanded RIA frameworks, improved consultation mechanisms, and structural amendments to strengthen appellate processes are also under consideration and will be implemented within a 3-6-month period. SECP is also exploring initiatives to improve beneficial ownership transparency, strengthen insolvency resolution, and enhance investor protection mechanisms over the next 12 months.

#### **3.5.2 MoITT/PDA Additional Reforms**

MoITT intends to implement machine-readable regulation standards, develop a digital SRO lifecycle system, modernise the Gazette of Pakistan, and deploy a National Rulebook Repository. These future initiatives will modernise rule publication and interpretation. Enhanced interoperability expanded open data access, and digital certification frameworks will complement digital regulatory governance.

### **3.6 Measurable KPIs**

KPIs for this Action Reform include:

- Percentage of federal regulations digitised and published in the national registry.
- Number of redundant regulations eliminated through systematic review.
- RIA compliance rates across federal regulators.
- Number of agencies integrated with the national regulatory registry.
- Reduction in compliance processing times.
- Annual publication of regulatory review reports.
- Stakeholder satisfaction metrics regarding regulatory accessibility.

### **3.7 Supplementary Domains**

Sub-reform areas linked to Reform Action 3 include strengthening regulatory governance, enhancing evidence-based policymaking, improving inter-agency coordination, expanding digital public service delivery, and increasing transparency in rule-making. Additional related areas include regulatory harmonisation across federal and provincial bodies, public consultation frameworks, appeal and grievance reform, and digital rulebook development. These initiatives collectively support predictable, transparent, and investment-friendly regulatory governance.

## Reform Action 4: Minimizing Regulatory Compliance Cost

### 4.1 Fixing Vulnerabilities for Economic Growth

Pakistan’s economic competitiveness is closely tied to the efficiency and lightening of its regulatory compliance environment. The Government recognises that manual and paper-based regulatory procedures contribute to delays, increase administrative burdens, and create opportunities for discretion. These systemic vulnerabilities may affect business confidence, discourage investment, and restrict the ability of firms—particularly SMEs and technology-driven enterprises—to scale operations efficiently. Compliance delays and high costs slow economic transactions, inhibit firm entry, and reduce the overall productivity of the business environment.

In this regard, the following priority area of reform has been identified:

**Increase transparency and enhance efficiency by systematically digitizing the process of complying with regulations. Within 15 months, establish the list of regulatory processes to be digitized, and demonstrate progress in introducing digitized compliance procedures.**

*Source: GCDA Report, IMF, 2025. Table 1*

### 4.2 Ongoing Reforms and Achievements

While Pakistan faces legacy challenges in digitization, the Government has already taken concrete steps to strengthen digital public service delivery and enhance regulatory technology infrastructure. The vulnerabilities identified under this action reform are therefore well recognized, and meaningful progress has been initiated. SECP has already digitized a substantial portion of its regulatory processes (launching of a Digital **Secured Transactions Registry**, in **May 2019**, and a completely new **Corporate Registry “eZfile”** in **May 2024**). With the introduction of the eZfile, SECP **reduced the number of statutory filing forms from 75 to 28** by reviewing existing regulations, eliminating duplications, and simplifying processes. MoITT/PDA, on the other hand has laid foundational systems that enable broader automation and interoperability. This action reform builds on this active reform trajectory, aiming to accelerate digitization and deliver a predictable, rules-based digital compliance ecosystem aligned with global best practices.

#### 4.2.1 SECP Achievements

SECP has made significant progress in digitizing regulatory processes under its LEAP programme. Digital incorporation, end-to-end licensing, e-filings, online complaints, and commencement of developmental work on digital adjudication and electronic supervision form a comprehensive set of digital interfaces that have substantially reduced compliance burdens. Licensing modules across capital markets, NBFCs, insurance, and corporate regulation are being automated, shortening turnaround times and increasing transparency. The licensing of insurance companies was digitized in 2025 and is now a completely paperless process.

SECP’s Data Integration Layer allows real-time verification and data exchange with NADRA, FBR, CDC, and other public institutions. This capability reduces duplication, eliminates manual authentication, and supports automated checks within regulatory workflows. Through unified data standards introduced by the Data Sciences Department in 2024, SECP has streamlined reporting across regulated sectors, ensuring

consistency and analytical reliability. SECP's upgraded service delivery portals offer user-centric guidance and consolidated compliance tools for businesses. Collectively, these achievements place SECP at an advanced stage of regulatory digitization in the country.

## 4.2.2 MoITT/PDA Achievements

MoITT and PDA have already established the foundational digital framework necessary for whole-of-government regulatory digitisation. The Digital Economy Enhancement Project (DEEP) has developed national standards for interoperability, API governance, e-signatures, electronic payments, identity verification, and audit trails. These standards lay the groundwork for automating compliance processes across federal agencies.

MoITT has also developed the Digital Masterplan governance framework, which assigns the Pakistan Digital Authority a leading role in driving structural regulatory digitisation. Initial regulatory mapping and readiness assessments conducted under DEEP have enabled a more accurate understanding of the current compliance landscape.

These foundational achievements demonstrate that the Government has already taken substantive steps to address vulnerabilities in the path of economic growth. This action reform now builds on this initial work to deliver meaningful digitisation outcomes.

## 4.2.3 Joint Institutional Strengthening

SECP and MoITT have a coordinated input on unified service delivery standards and regulatory simplification efforts. Their combined progress demonstrates a strong institutional platform for accelerating digitisation of compliance processes across government.

## 4.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the reforms shown in the tables below. Table 9 provides the priority action items, while Table 10 provides the complementary action items.

## Theory of Change

Digitisation reduces economic friction by eliminating manual steps, enabling automation, and strengthening transparency. Action Reform 4 follows a clear causal chain:

- Mapping of compliance processes → identification of digitisation priorities
- API-enabled integrations → automated data validation
- Digitised workflows → reduced processing times and lower compliance burdens
- Machine-readable rules → predictable rule interpretation
- Digital publication → transparency and reduction in discretion

SECP's existing digital platforms demonstrate the feasibility of full digital compliance. MoITT's foundational digital infrastructure ensures that compliance digitisation can be scaled across regulators. Together, these institutional strengths ensure that this action reform outcomes are realistic, implementable, and aligned with Pakistan's modernization trajectory.

**Table 9: Reform Action 4 – Priority Action Items**

<b>Reform Action 4:</b>				
Increase transparency and enhance efficiency by systematically digitizing the process of complying with regulations. Within 15 months, establish the list of regulatory processes to be digitized, and demonstrate progress in introducing digitized compliance procedures.				
#	Achievements	Action items	Institution Responsible	Timelines

4.1	<p>SECP has led a comprehensive digital transformation under its LEAP program, significantly enhancing regulatory efficiency and transparency. The transformation covers key functional domains, including the company registry, where filing and compliance processes, regulatory approvals, conversions and closures of companies, group registrations, mergers, winding up, and the Ultimate Beneficial Ownership register have all been digitized. In licensing, SECP now digitally manages insurance entities, Section 42 companies, non-banking financial companies, modarabas, and capital market entities.</p> <p>The supervision function has also been strengthened to cover listed companies, capital market participants, NBFCs, the insurance sector, unlisted companies, and all onsite inspections, enquiries, and investigations of regulated entities.</p> <p>Enforcement has similarly been modernized, with adjudication and litigation processes for all entity types being managed digitally.</p>	<p><b>4.1 Digitise SECP approvals</b></p> <p>All processes will be digitized under the 'LEAP' program of SECP.</p> <p>This will be carried out in a phased manner; whereby licensing and regulatory approvals will be completed within 18 months; enforcement and adjudication will be completed within 36 months.</p>	SECP	12/2028
4.4		<p><b>4.4 Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation</b></p> <p>Full Federal Coverage &amp; Integration with Gazette &amp; Rulebook, building on Machine</p>	MoITT/SECP/ MoL/PCP/ Regulators/G ovt Departments	12/2028

		Readable (MR) Legislation – (Development of National Schema) and conversion of priority Regulations, SROs, notifications into MR formats, becoming an evolving, real time updated and referable database		
4.6		<b>4.6 Establish Digital National Rulebook</b>  Consolidate all Federal Regulatory Obligations into a structured searchable digital National Rulebook across all regulators	MoITT/SECP/ MoL/  Regulators/G ovt  Departments / Provincial Regulators	12/2028

**Table 10: Reform Action 4 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
4.2	SECP has also developed the Data Integration Layer, a secured data-exchange framework designed to standardize, connect, and streamline information flows across SECP's internal systems, including the Company Registry (e-services), the Financial Institutions Portal, and the Electronic Mortgage Register, as well as with external organizations such as NADRA, FBR, CDC, and SBOSS.	<b>4.2 Expand Data Integration Layer for Real-Time Interoperability Across Banks and Regulators</b>  SECP's Data Integration Layer will be further expanded to banks for same-day account opening and to other regulatory bodies to enable seamless, real-time data exchange across platforms.	SECP/Banks	06/2027
4.3	SECP has also established the Data Sciences & Research Department to manage data warehousing and enhance efficiency and transparency across processes. This department supports structured and	<b>4.3 Unify All SECP Regulatory Data</b>  Integrate all dataset, including all data relating to administered laws regulated by SECP, into a single enterprise data	SECP	12/2028



	standardized reporting of data from all sectors regulated by SECP.	platform/lake to obtain a unified and centralised dataset.		
4.5		<b>4.5 Deploy E-Gazette Platform</b> E-Gazette platform deployment & Retirement of Manual Gazette Processes	MoITT/SECP/MoL/ Regulators/Govt Departments/ Provincial Regulators	12/2028
4.7		<b>4.7 Enforce Comprehensive Dataset Updates</b> Enforce Quarterly Dataset Updates Across Federal Regulators	MoITT/SECP/MoL/ Regulators/Govt Departments / Provincial Regulators	12/2028
4.8		<b>4.8 Implement Standardised Financial Report</b> SECP will implement XBRL format financial reporting by its regulated entities in a phased and organized manner, starting with the most critical-yet-practical at the outset:  1. Completion of Taxonomy Development 2. Deployment for Listed Companies; integration with FBR 3. Deployment for unlisted companies	SECP  SECP  SECP	12/2028

#### 4.4 Reform Outcome

The outcome of this action reform is a modern, predictable, simplified and transparent digital compliance environment. All major compliance procedures will be digitised, allowing firms to fulfil regulatory obligations through automated workflows. Human discretion will be minimised, turnaround times reduced, and data validation automated through secure API integrations.

The reform will produce a national list of regulatory processes for digitisation and demonstrate measurable progress within 15 months. Over time, this reform will reduce compliance costs, increase

investment, expand the formal economy, and strengthen Pakistan's readiness for digital economic integration.

## **4.5 Connected Reforms Planned**

### **4.5.1. SECP Additional Reforms**

SECP intends to further digitise remaining licensing, supervisory, and disclosure processes. Expanding XBRL-based reporting, automated enforcement notices, and integrated complaint resolution portals are among the initiatives under consideration. SECP also plans enhancements to digital adjudication and expansion of risk-based supervisory tools.

### **4.5.2 MoITT/PDA Additional Reforms**

MoITT plans to deploy advanced digital governance tools including machine-readable legislation, policy-as-code, a digital SRO lifecycle system, a modernised e-Gazette, and a National Rulebook Repository. While these initiatives fall primarily under Reform Action 3, they strongly complement this Reform Action by enabling automation of compliance logic. PDA also plans nationwide open-data expansion, sector-specific digital compliance pilots, and deeper cross-agency API integrations.

## **4.6 Measurable KPIs**

- Number of regulatory processes digitised
- Reduction in average processing times
- Number of regulators integrated through APIs
- Usage metrics for digital compliance portals
- Reduction in manual submissions
- Number of machines-readable regulations published
- Volume of automated versus manual verification tasks

These KPIs ensure transparency in progress and demonstrate measurable improvement.

## **4.7 Supplementary Domains**

These include e-government expansion, national digital identity strengthening, data-sharing frameworks, cloud-based government systems, risk-based auditing, and digital public service delivery. These sub-reform areas contribute to a unified whole-of-government approach toward regulatory digitisation and improved governance quality.

# Reform Action 5: Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights

## 5.1 Fixing Vulnerabilities for Economic Growth

Predictability, efficiency and timeliness in legal enforcement of economic rights is a key prerequisite for investment and economic growth. The extent to which private parties have confidence in the legal system to enforce their economic rights is critical for investor confidence. Hence, having effective mechanisms in place for protecting economic rights is of paramount importance for private sector mobilization, fluidity of credit markets and stimulation of international investment. Across the world, countries with strong enforcement of contract rights accrue economic benefits including, potentially, lower costs of lending, greater business productivity, growth in the size of businesses, increased overall rates of investment, and more direct foreign investment. Inefficiencies within the judicial process enhance possible risks to security of investment and property.

The backlog of cases in courts in Pakistan is a matter receiving increasing attention. The 145 federally administered Special Courts and Administrative Tribunals alone have a pendency of more than 128,000 cases as of 2023. The slow disposal of cases in courts and tribunals focused on economic disputes cumulate economic losses to the concerned parties and raise questions about the viability of doing business in Pakistan.

In this regard, the following priority area of reform has been identified:

**Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)**

*Source: GCDA Report, IMF, 2025. Table 1*

## 5.2 Ongoing Reforms and Achievements

The Law & Justice Commission of Pakistan (LJCP) compiles and publishes statistics periodically that highlight performance data of various courts and tribunals. In 2024, the LJCP published an annual report titled Judicial Statistics 2024, which provides an insight to the performance of courts, human resources, budget allocation, statistics of cases, etc.

## 5.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the reforms enumerated in tables below. Table 11 provides the priority action items, while Table 12 provides the complimentary action items.

**Table 11: Reform Action 5 – Priority Action Items**

<b>Reform Action 5:</b>				
Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)				
#	Achievements	Action items	Institution Responsible	Timelines
Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)				
5.1	The LJCP s publishes annual “judicial statistics / performance data.”	<b>5.1 Form A Methodology Working Group</b>  Constitute an Inter-Departmental Working Group (Law & Justice Division, Law & Justice Commission of Pakistan, judiciary representatives, economist/statistician, Federal Judicial Academy or any other relevant agency/department/representative)  Organise technical resources to carry out reviews, evaluations, consultations, and proposal development.	Ministry of Law and Justice (MOLJ)  High Courts  Federal Judicial Academy  Working Group	06/2026
5.4		<b>5.4 Develop Methodology to Address the Backlog</b>  Based on the Diagnostic report findings and reform options presented, develop a draft qualitative and quantitative methodology to: <ul style="list-style-type: none"> <li>i. Monitor institutions, disposals, backlog, appeals, delays and time</li> <li>ii. Strategies for active case management</li> </ul> Set backlog reduction targets and KPIs	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.8		<b>5.8 Design and Notify Data Collection Framework</b>  Based on the agreed performance evaluation methodology, design and notify data collection framework for all Administrative Tribunals and Special Courts performance disaggregated by court/tribunal, type of case/application, type of	MOLJ, LJCP	06/2026

		litigant, whether injunction granted, duration of injunction, no. of adjournments, process time (calculated in terms of calendar days case pending in court/tribunal, actual days spent on hearing), case value (financial), pendency, budgets, human resources etc. to formulate actionable recommendations to enhance the efficiency and effectiveness of the judicial process.		
5.9		<b>5.9 Analyse/Evaluate Data to Make Actionable Recommendations</b>  Compile and analyse/evaluate disaggregated performance related data for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to make actionable recommendations and implement strategy to reduce pendency and enhance efficiency and effectiveness of judicial process.	MOLJ, LJCP	06/2027
5.10		<b>5.10 Publish Annual Performance Report with Recommendations</b>  Publish the annual performance monitoring and evaluation report with actionable recommendations for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to reduce pendency and enhance efficiency and effectiveness of judicial process.	MOLJ, LJCP	06/2027
5.11		<b>5.11 Devise Alternate Options for Economic and Commercial Cases</b>  Applying diversionary options including promoting mandatory Alternative Dispute Resolution (ADR) and out-of-court settlement mechanisms, especially for commercial disputes — to reduce load on courts while ensuring timely, enforceable outcomes.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026

**Table 12: Reform Action 5 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)				
5.2		<b>5.2 Examine Systemic Strengthens and Weaknesses</b>  WG to examine systemic strengthens and weaknesses of the adversarial judicial-court system and the monitoring frameworks in practice with focus on economic dispute resolution to formulate reform options.	Ministry of Law and Justice (MOLJ)  High Courts  Federal Judicial Academy  Working Group	06/2026
5.3		<b>5.3 Examine Systemic Causes/ Drivers for Pendency</b>  WG to examine key systemic causes/drivers for increasing litigation, delays and substantial pendency to formulate reform options.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.5		<b>5.5 Devise Performance Assessment &amp; Reporting Frameworks</b>  Based on the Diagnostic report findings and reform options presented, devise a comprehensive performance assessment criteria and framework for evaluating court and judicial governance and performance including diversionary/ADR mechanisms with analytic and predictive capacities to implement active case management.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.6		<b>5.6 Review International Best Practices in Judicial and Court Governance</b>  Review of international best practices and methodologies for evaluating judicial and court governance, performance and outcomes; strategies for case management, and diversionary means (such as mandatory/voluntary ADR).	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026

5.7		<b>5.7 Validate and Publish Diagnostic Findings and Reform Methodology</b>  Conduct stakeholder consultations to review diagnostic report findings and recommendations to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges including diversionary/ADR means.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2027
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## 5.4 Reform Outcome

Actions proposed will (i) contribute to reduce the stock or pendency of economic disputes accumulated in the judicial process and (ii) enhance predictability and efficiency of adjudication focusing on the legal enforcement of economic rights. Overall, this will contribute towards reducing transaction costs, releasing financial value, facilitating investment and commercial activities.

After ascertaining the complex causes and drivers of pendency, appropriate monitoring and evaluation methodologies will be implemented to track Special Courts and Administrative Tribunals' (i) stock/pendency, (ii) performance, (iii) time and (iv) inform actionable recommendations and strategies to manage cases and delays effectively and efficiently.

## 5.5 Connected Reforms Planned

The establishment of an inter-departmental Working Group that includes representation from the judiciary and the business community will lead stakeholder consultations on developing assessment criteria for judges and courts' performance reviews. Following a rigorous diagnostic of the systemic and political economy causes and drivers of pendency, a review of judicial and court governance and performance monitoring frameworks and methodologies, the Working Group will study international best practices to see what is applicable in the local context. The Working Group will then implement backlog reduction methodologies, strategies and targets, look at questions of resource allocation, and examine the need for promoting Alternate Dispute Resolution (ADR) mechanisms.

Once the assessment methodologies and metrics are agreed, the Ministry of Law, in consultation with the provincial High Courts, envisages scaling up the monitoring system to the district judiciary and Revenue Courts that also deal with contract and property disputes.

## 5.6 Measurable KPIs

Key performance indicators include:

- Formation of Working Group
- Finalising of judge and court assessment methodology
- Publishing of first annual report.

## 5.7 Supplementary Domains

As noted by the IMF report, there is no unifying governance arrangement that links all the disparate parts of the judicial system adjudicating economic disputes. In addition to the district judiciary, a significant number of commercial, economic and property cases are before the Federal and provincial Administrative

Tribunals and Special Courts whose judges are appointed and administered by the MoJ and provincial departments of law. This fragmented structure results in overlapping mandates and uncoordinated initiatives, such as digitalization and case management reforms, ultimately contributing to inefficiencies across the judiciary.

Moreover, Administrative Tribunals and Special Courts fall outside the purview of the High Court's Monitoring & Inspection Teams that monitor the district judges by applying a quantitative methodology. There is therefore very little effective monitoring of the Administrative Tribunals and Special Courts. Similarly, the land administration system and the working of the Revenue Courts also fall outside of the High Courts' monitoring framework. As the PM-EGR is implemented and progresses, these areas need to be examined to formulate suitable reform options.

To better appreciate these wider governance gaps, the proposed Working Group diagnostic will cover the complete Federal Administrative Tribunal and Special Courts supply chain from case institution through to termination; covering litigants' experiences through to appointment of judges and judicial vacancies; oversight of court performance; monitoring integrity of court personnel including judicial officers; digitising and managing caseloads effectively; streaming and prioritising cases and active case management; judicial competencies and standards; and monitoring time and public reporting. Insights and lessons learned from the Special Courts and Administrative Tribunals may be scaled to the wider judicial and revenue systems to improve the resolution of economic, commercial and property cases.

Whilst the LJCP's judicial statistics reports provide annual numbers for "stock", the report is analytically inadequate to provide actionable recommendations to devise and implement evidence-based strategies to manage the stock or pendency, case flow, case management and delays effectively. The Special Courts and Administrative Tribunal performance monitoring and evaluation methodologies will enrich the compilation and reporting of judicial statistics.

## Theory of Change

Strengthened methodologies for assessing judicial and tribunal performance → improved visibility of court efficiency and delays → increased predictability in enforcement of economic rights.

Development of a standardised performance assessment framework → clearer benchmarks for case disposal → reduced uncertainty for businesses and investors.

Publication of performance reports for economic tribunals and special courts → improved transparency of adjudication timelines → higher accountability for case management.

Structured backlog-reduction methodologies and targets → reduced pendency in economic disputes → improved timeliness of case resolution.

Promotion of ADR mechanisms where appropriate → faster dispute resolution pathways → reduced burden on special courts and tribunals.

Strengthened monitoring of court performance → increased operational discipline and governance coherence → reduced vulnerability to inefficiencies and corruption.

Embedding judicial performance data into policy and resource planning → targeted reforms and budget allocations → continuous improvement in judicial service delivery.



## Reform Action 6: Optimizing Tax Policy Function for Economic Efficiency

### 6.1 Fixing Vulnerabilities for Economic Growth

A critical function in economic planning is the formulation of tax policy that is a design for a tax system to raise revenue to meet government spending while minimizing excess burden on the economy.<sup>2</sup> FBR tax administration and collection mandate, and tax policy were all housed in the FBR and organised as a shared responsibility with The Policy Board (TPB)<sup>3</sup> providing “policy guidelines in framing fiscal policy and in achieving goals and targets” and the International Centre of Technical Excellence<sup>4</sup> (ICTE) to “contribute to the development of tax policy”. A consequence of this arrangement, the policy function is fragmented and is seen as excessively complex, which creates uncertainty for taxpayers, invites disputes, enables corruption and compromises economic efficiency and equity.<sup>5</sup> Moreover, FBR has been addressing weaknesses in tax compliance and collection through ad hoc short-term changes in policy and legislation<sup>6</sup> by issuing tax preferences, incentives, exemptions, Statutory Regulatory Orders (SROs), etc. It has been recognised that housing the policy function within the tax administration set-up has sometimes brought in distortions in tax policy implementation.<sup>7</sup>

In this regard, the following priority area of reform has been identified:

**Publish a tax simplification strategy by May 2026 that reduces tax schedules, special regimes, excessive withholding and advance taxes, rationalises tax exemptions and scales back rule-making powers, and annually report on implementation progress. Demonstrate reduction in the number and value of tax exemptions that have been granted.<sup>1</sup>**

*Source: GCDA Report, IMF, 2025. Table 1*

### 6.2 Ongoing Reforms and Achievements

To address these tax policy governance challenges, the MoF issued a notification<sup>8</sup> dated 13<sup>th</sup> January 2025, providing for a separate, dedicated and specialised tax policy office (TPO) “to build on the Government’s economic reform agenda”. The TPO is broadly mandated to lend support to the analysis of tax policy and proposals through data modelling, revenue and economic forecasting as well as the country’s international tax treaties and obligations. Operationalised in October 2025,<sup>9</sup> all tax policy decisions have been moved from the FBR to the TPO, which reports directly to the Minister of Finance and Revenue. Key

<sup>2</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 34, para. 28.

<sup>3</sup> Created under s. 6, Federal Board of Revenue Act 2007 (as amended 2011).

<sup>4</sup> Created under s. 230J, Income Tax Ordinance 2001.

<sup>5</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 34, para. 29.

<sup>6</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 34, para. 30.

<sup>7</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 34, para. 30.

<sup>8</sup> [https://www.finance.gov.pk/budget/circular\\_13022025.pdf](https://www.finance.gov.pk/budget/circular_13022025.pdf)

<sup>9</sup> <https://tribune.com.pk/story/2574219/imf-condition-tax-policy-office-activated>

technical appointments have been made<sup>10</sup> enabling the TPO to begin work on the financial year 2027 tax policy and framework.<sup>11</sup>

### 6.3 Planned Priority Reforms

The reform items to simplify tax policy appear below in Tables 13 and 14. Table 13 provides the priority action items, while Table 14 provides the complementary action items.

**Table 13: Reform Action 6 – Priority Action Items**

<b>Reform Action 6:</b> Publish a tax simplification strategy by May 2026 that reduces rate schedules, special regimes, excessive withholding and advance taxes, rationalizes tax exemptions and scales back rulemaking power, and annually report on implementation progress. Demonstrate reduction in the number and value of tax exemptions that have been granted.				
#	Achievements	Action items	Institution Responsible	Timelines
6.5		<b>6.5 Simplify Tax Structures</b> Formulate time-bound monitorable simplification strategy with draft tax policy provisions to: <ul style="list-style-type: none"> <li>(a) Reduce rate schedules</li> <li>(b) Reduce special regimes</li> <li>(c) Reduce excessive withholding</li> <li>(d) Reduce advance taxes</li> <li>(e) Rationalize tax exemptions</li> <li>(f) Harmonize federal and provincial taxes (in consultation with the National Tax Council)</li> </ul> The measures will be designed to aim for revenue neutrality in the medium term.	TPO, MOF	12/2026
6.6		<b>6.6 Develop Criteria to Structure and Rationalize Rule Making Powers</b> Develop criteria to structure and rationalise rule making powers so that any SRO issued by any ministry, authority or any other governmental body including SIFC and the BOI, potentially affecting the tax policy, base, administration or enforcement, shall be submitted to the TPO for review and to the MOF for validation/approval.	MOF	06/2026
6.7		<b>6.7 Publish Annual Report on Simplification Progress and Changes in Exemption</b> Develop, notify and implement process and impact monitoring and evaluation framework and system for periodic reporting on the implementation of the tax simplification strategy, including change in	TPO	06/2026

<sup>10</sup> [https://www.finance.gov.pk/jobs/adv\\_23032025\\_1.pdf](https://www.finance.gov.pk/jobs/adv_23032025_1.pdf)

<sup>11</sup> <https://kph.org.pk/news/tax-policy-office-established-in-mof/>

		number and value of tax exemptions, and publish an annual report. Post annual report on TPO and MOF websites for public demonstrating impact.		
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**Table 14: Reform Action 6 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
6.1	TPO has been approved by the Cabinet. MOF currently recruiting key management positions.	<p><b>6.1 Operationalize TPO</b> Governance arrangements and key institutional processes will be put in place.</p> <p>The TPO’s mandate and governance clarified through dedicated legislation establishing the TPO as a statutory body, detailing its functions and institutional linkages to ensure that it provides “independent advice” competently (para. 37, p. 37).</p> <p>To ensure legislative alignment/coherence, necessary amendments enacted to distinguish TPO’s mandate from the FBR’s International Centre of Technical Excellence (ICTE) and The Policy Board (TPB) for providing tax policy relating advice and lead on setting tax treaty policy and related negotiations.</p>	MOF	06/2026
6.2		<p><b>6.2 Capacitate TPO</b></p> <p>Complete recruitment for skilled staff to ensure TPO has the necessary capacities to provide “independent advice” to the government on tax policy including analytic and drafting (legislation, documents) capacities.</p>	MOF	06/2026
6.3		<p><b>6.3 Notify TPO Protocols</b></p> <p>Develop and notify protocols for TPO to access data and collaborate with FBR (ICTE, TPB) and other stakeholders on tax policy design and implementation (Para. 37, p. 37).</p>	MOF	06/2026
6.4		<p><b>6.4 Develop TPO</b></p> <p>TPO operationalized with a multiyear institutional development plan</p>	MOP, TPO	06/2026
6.8		<b>6.8 Strengthen Tax Expenditure Statement</b>	TPO	06/2026

		<p>Strengthen Tax Expenditure Statement by including an assessment of costs and benefits of most significant tax incentives.</p> <p>Post annual report on TPO and MOF websites for public, demonstrating impact, reduction in the number and value of tax exemptions.</p> <p>A process will be put in place to review any additional exemptions.</p>		
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## 6.4 Reforms Outcomes

By separating tax policymaking and tax administration and enforcement functions, functional specialisation and operational independence is expected to bring significant improvements to tax policy governance including policy ownership, oversight, monitoring and reporting with direct accountability to the Government through the Minister of Finance and Revenue for its policy performance.

### 6.4.1 Tax Policy Autonomy and Integrity

With dual responsibility and consequent conflict of interest between policy formulation and enforcement and collection eliminated, a dedicated, specialised and independent TPO, informed by specialised capacities and tools, promises to provide competent independent advice<sup>12</sup> to the Government and other stakeholders by applying expert methodologies, developing an evidence base to evaluate, simplify, forecast and improve economic planning efficiency across all tax streams.

#### 6.4.2 Designing a Responsive, Simpler and Equitable Tax Policy

In collaboration with the Government, the FBR and other stakeholders, it is anticipated that the TPO as the gatekeeper for tax policy initiatives<sup>13</sup> will lead on delivering and maintaining a tax policy that is economically efficient, equitable, and relatively simple<sup>14</sup> for raising revenues without being conflicted by issues relating to tax administration, enforcement and collection.

### Theory of Change

An independent, dedicated and capable tax policy function, directly accountable to the Government, and

→

Capable to conduct independent research, economic and policy analyses

→

Competently advise the Government to develop a tax policy that is responsive, economically efficient, simpler and equitable resulting in raised tax revenues.

<sup>12</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 36, para. 36.

<sup>13</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 36, para. 36.

<sup>14</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 34, para. 28.

## 6.5 Connected Reforms Planned

The TPO is in the process of formulating and evaluating legislative and policy reform options to simplify tax policy focusing on rate schedules, special regimes, excessive withholding and advance taxes, rationalising tax exemptions, and to scaling back discretionary powers.

## 6.6 Measurable KPIs

### 6.6.1 Consolidating the Tax Policy Office

- Complete recruitment of managerial and technical staff
- Announce and implement MOF approved 3 years organisational strengthening and operational roadmap for TPO
- Develop and operationalise TPO website for posting performance and initiatives
- MoF notification of rules, regulations and protocols for collaboration and information/data sharing with stakeholders

### 6.6.2 Towards a Responsive, Simpler and Equitable Tax System

- Compile and publish expanded Tax Expenditure Statement<sup>15</sup>
- Formulate and announce a medium-term strategy for tax policymaking
- Formulate and announce medium-term tax simplification strategy/ies<sup>16</sup>
- Formulate and announce policy on rationalising, monitoring and issuing tax preferences<sup>17</sup>
- Reduce tax preferences (exemptions, incentives) and publish the changes
- MoF notification reducing rule-making powers and providing criteria to structure and regulate discretion for issuing SRO<sup>18</sup>
- Formulate and announce policy on harmonisation and coordination of Federal and provincial taxes

## 6.7 Supplementary Domains

To optimise TPO's policy analysis function and operations, TPO's structure and responsibilities may be amended as may be necessary with the Federal Cabinet's approval.<sup>19</sup>

The TPO has been created through an administrative instrument -a MoF notification- and further clarification of mandate may require statutory provisions. Further, to reduce overlapping mandates,<sup>20</sup>

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<sup>15</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 38, Table 3, item 4.

<sup>16</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 38, Table 3, item 2. The simplification strategies include reducing rates schedules, special regimes, excessive withholding and advance taxes.

<sup>17</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 37, para. 40.

<sup>18</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 35, para. 31.

<sup>19</sup> [https://www.finance.gov.pk/budget/circular\\_13022025.pdf](https://www.finance.gov.pk/budget/circular_13022025.pdf)

<sup>20</sup> IMF, *Pakistan – Governance and Corruption Diagnostic Assessment*, Technical Assistance Report, November 2025, p. 37, para. 37.

relevant laws will be reviewed to resolve conflicts regarding tax policy and foreign treaty-related functions, which include The Policy Board (created under s. 6, Federal Board of Revenue Act 2007 as amended 2011) and the International Centre of Technical Excellence (created under s. 230J, Income Tax Ordinance 2001). This will ensure legislative coherence and provide a more defined mandate, powers and set out information sharing and reporting obligations. MoF will notify rules, regulations and protocols for collaboration and information/data sharing with stakeholders.

To competently conduct economic analysis and related tasks, organisational capacities and budgets will be organised to ensure that TPO possesses the necessary capacities and resources to implement its mandate effectively.

## Reform Action 7: Increase Collection Efficiency, Integrity, and Performance Culture of Tax Administration

### 7.1 Fixing Vulnerabilities for Economic Growth

Effective and efficient tax governance, especially efficient, fair, accessible and facilitative tax administration is one of the necessary conditions for minimizing excess burden on economic growth. Therefore, an ongoing attention to the tax collection systems, designed and administered to register taxpayers, data analytics to deploy available resources to the most productive revenue items, data-based development of processes and performance management of tax collectors obviates governance weaknesses that increase the risk of corruption and revenue leakages, which if unaddressed impose a double jeopardy on economic activity. Revenue administration, i.e., inland revenue and customs administration, is the responsibility of FBR, and reform in this arena would allow the organization to move towards a more efficient, transparent and taxpayer-centric administration while leveraging technology and data to ensure compliance and trust.

In this regard, the following priority area of reform has been identified:

**Strengthen FBR's governance and effectiveness by improving its organizational structure to better align oversight and management with achieving core objectives, reduce the autonomy of field offices, enhance human resource practices, and enhance its ability to identify and address key risks.**

*Source: GCDA Report, IMF, 2025. Table 1*

### 7.2 Ongoing Reforms and Achievements

Tax administration has implemented a transformation plan focusing on instituting IT and data-based solutions to transform its processes and functions. FBR has put in place an automated reward system (RSS) for its personnel, which takes into account, for each officer, the two dimensions of performance and integrity. Complimenting the RSS is the Integrity Management Cell (IMC) which is a centralized complaint receipt mechanism, which also sifts and investigates these complaints. IMC is being reorganized to fulfill its function as the internal affairs arm of the FBR for enhanced accountability and streamlined operations. The Directorate General of Internal Audit, reporting to Chairman FBR, has been put in place, with presence in all major jurisdictions. A cyber security audit of Pakistan Revenue Automation (Pvt) Ltd (PRAL) has already been conducted, and the findings are under implementation. Greater autonomy but at the same time increased oversight of this critical organization has involved creating an independent board of directors of PRAL with the majority of the members from the private sector, establishment of committees of the board for specific functions, and direct funding for PRAL from the Ministry of Finance (MoF) rather than through FBR.

### 7.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the ongoing reforms recorded in the tables below. Table 15 shows the priority action items while Table 16 shows the complementary action items.

**Table 15: Reform Action 7 – Priority Action Items**

<b>Reform Action 7:</b>				
Strengthen FBR’s governance and effectiveness by improving its organizational structure to better align oversight and management with achieving core objectives, reduce the autonomy of field offices, enhance human resource practices, and enhance its ability to identify and address key risks.				
<i><b>Explanatory Note: The priority recommendation is addressed through constituent recommendations as well.</b></i>				
#	Achievements	Action items	Institution Responsible	Completion Date
Strengthen FBR’s HQ function: establish executive committees, strengthen risk management, reduce the autonomy of field offices, and ensure performance is systematically monitored and managed.				
7.5		<b>7.5 Digitize Management of Attendance and Case Monitoring</b> Digital Auditors Management System will be developed in-house to track and log attendance, case management, and improve output monitoring	FBR	06/2027
7.6		<b>7.6 Conduct Biannual System Runs to Enhance Integrity and Work Quality</b>  System will be run on a biannual basis to improve integrity and quality of work.	FBR	06/2027
Strengthen the FBR’s internal control and audit framework by establishing a truly independent internal audit function with a clear mandate to evaluate processes and governance systems.				
7.7	Directorate General of Internal Audit with the Director General reporting to the Chairman, offices in major jurisdictions looking at assessment orders, enforcement actions, etc., the findings being implemented by the related tax offices	<b>7.7 Diagnose Internal Audit Processes</b>  Conduct a diagnostic of the current processes at DG Internal Audit and determining ways and means to strengthen the organization.	DG Internal Audit	06/2027
7.8		<b>7.8 Standardize Internal Audit Certification</b>  For posting in Directorate, the auditors will be required to	FBR	12/2028



		complete standard audit certification.		
7.9		<b>7.9 Establish Performance Benchmarks and KPIs for Internal Audit Staff</b>  Performance benchmarks/ KPIs will be set for the human resource of Internal Audit Directorate.	FBR	06/2027
7.10		<b>7.10 Link Internal Audit Findings with HR Decisions</b>  The internal audit findings will be linked with HR decisions.	FBR	06/2027
7.11		<b>7.11 Grant Internal Auditors Access to Customs and IRS IT Systems</b>  The auditors of the Directorate will be granted seamless access to IT systems of both Customs and IRS.	FBR	12/2028
7.12		<b>7.12 Conduct Annual Assessments of FBR Processes and Governance Systems</b>  The Directorate General of Internal Audit will conduct yearly assessment of processes and governance systems of FBR through its own or by outsourcing and report on gains in reducing risks, increasing integrity, and strengthening the performance	FBR	12/2028
7.13		<b>7.13 Strengthen Internal Audit Independence and Effectiveness</b>  The DG internal audit will report directly to the chairman FBR.  Study of international best practices and audit planning and risk assessment with recommendations to optimize the independence, effectiveness, and regional penetration of the directorate of internal audit	FBR / Directorate General of Internal Audit	06/2026

		followed by for appropriate adoption in institutional mechanisms.		
Undertake an independent IT system's audit.				
7.14	Cyber security audit of PRAL, recommendations under implementation	<b>7.14 Conduct Independent Cybersecurity Audits of IRIS and WeBOC</b>  An independent cyber security audit of IRIS and WeBOC will be carried out.	FBR	06/2026
7.15	Ongoing audit by auditor general of Pakistan, and upcoming IT system audit by international firm	<b>7.15 Audit by SAI</b>  Annual audit, by Auditor General of Pakistan, to include IT systems audit.	FBR, Auditor General of Pakistan	06/2026
7.16		<b>7.16 Commission IT Systems Audit of PRAL and FBR Systems</b>  PRAL will recruit a global firm to conduct comprehensive process and systems audit of PRAL's IT system, and outcomes will align FBR's digital infrastructure, processes and governance mechanisms with international best practices. The TORs of the firm will include system audit of the range of critical FBR IT systems.	FBR; Auditor General of Pakistan, external firms selected for audit, PRAL	06/2027
7.17		<b>7.17 Review PRAL SLA Compliance</b>  FBR Transformation Plan Executive Committee to review compliance of SLA agreed between FBR and PRAL.	FBR / PRAL	06/2027
7.18		<b>7.18 Deploy Domain Officers</b>  FBR officers deployed as Domain Officers within PRAL to lead and oversee software development life cycle, business requirement specifications and change request forms	FBR / PRAL	12/2028

7.20		<b>7.20 Report to PRAL Board on Data Security and Compliance</b>  PRAL to prepare and submit to its Board (copy to FBR Board in council) a biannual assurance reports on data security, and secure, accountable operations aligned with legal obligations and data protection standards.	FBR / PRAL	06/2026
Establish an Internal Affairs Unit within the FBR, reporting directly to the Chairman, with a formal mandate to develop and enforce integrity and anti-corruption policies, investigate misconduct at all staff levels, and coordinate with relevant enforcement bodies as needed.				
7.23		<b>7.23 Digitize Complaint Management</b>  The use of a dedicated online platform for logging, scrutinizing, and investigating corruption related complaints will enhance procedural efficiency and ensures that all cases are handled in a standardized and traceable manner. Ensuring the IMC webpage on FBR website is optimized.	FBR	06/2027
7.24	FBR's Management Wing deals with HR functions, including implementation of Efficiency and Discipline Rules and imposition of penalties in cases of corruption and misconduct	<b>7.24 Enforce IMC Recommendations</b>  FBR will enforce inquiry recommendation of the IMC under the Efficiency and Discipline Rules and impose penalties in case of corruption. Where criminal wrongdoing is established, the matter will be referred further to relevant agency having jurisdiction, that is police, FIA, Establishment Division, and NAB.	FBR Police FIA Establishment Division NAB	06/2027
7.25		<b>7.25 Review IMC Effectiveness</b>  Performance and Integrity Management Committee to periodically review IMC's performance and provide recommendations to Chairman for continuous improvement	FBR	06/2027

Publish data on complaints, number of officials investigated for corruption, number of individuals sanctioned for corruption, number of cases passed to other enforcement agencies.				
7.26	FBR's IMC maintains centralized system for receiving, processing and monitoring complaints, comprehensive records are maintained regarding numbers of cases received, cases under investigation, cases completed, etc.	<b>7.26 Publish Complaints Receipt and Processing Data</b>  FBR will publish anonymized data on receipt and processing of complaints to prevent reputational risk for officials or the interest of the complainant. It will contain data regarding number of complaints, numbers rejected after evaluation, numbers under investigation formally, and the numbers segregated according to outcome of investigations. This would not entail the complaint contents becoming public.	FBR	06/2027
7.27	Penalties imposed as a result of disciplinary proceedings are placed on the FBR website	<b>7.27 Publish Disciplinary Penalties on the FBR Website</b> Information regarding penalties imposed as a result of disciplinary proceedings will be placed on the FBR website.	FBR	06/2027
Strengthen FBR's core functions, including CRM, registration, filing, audit, refunds, customs selection and export management.				
7.29	Establishment of larger CRM module	<b>7.29 Enlarge CRM Module</b>  Field formations will generate quarterly revenue projections for some pillars of noncompliance. A larger CRM module will be established to cover all pillars of non-compliance.	FBR	03/2026  06/2027
7.32		<b>7.32 Integrate Internal and External Datasets</b>  Integration of internal and external datasets	FBR	03/2026
7.33		<b>7.33 Deploy Advanced Analytics and Machine Learning Models</b>  Deployment of advanced analytics and machine learning models	FBR	03/2026
7.34		<b>7.34 Expand CRM for Third-Party Data Utilization</b>	FBR	12/2026

		CRM framework will be expanded to make systematic use of third-party data for compliance and enforcement purposes. To ensure coherence and a consistent approach, all CRM-related initiatives (BTB, TCMS) and data-driven compliance activities will be consolidated under a single, unified CRM framework in place within CRM wing.		
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**Table 16: Reform Action 7 – Complementary Action Items**

<b>Reform Action 7:</b>				
Strengthen FBR's governance and effectiveness by improving its organizational structure to better align oversight and management with achieving core objectives, reduce the autonomy of field offices, enhance human resource practices, and enhance its ability to identify and address key risks.				
<i><b>Explanatory Note: The priority recommendation is addressed through constituent recommendations as well.</b></i>				
#	Achievements	Action items	Institution Responsible	Timelines
Strengthen FBR's HQ function: establish executive committees, strengthen risk management, reduce the autonomy of field offices, and ensure performance is systematically monitored and managed.				
7.1		<b>7.1 Establish Executive Committees</b> The following executive committees will be established: <ul style="list-style-type: none"> <li>- <b>Tax Administration Strategy Committee (Board-in- Council):-</b>  <i>To determine organizational goals and priorities and develop medium- and long-term strategies to achieve them.</i></li> <li>- <b>FBR Transformation Plan Executive Committee:-</b>  <i>To lead FBR's transformation plan and report directly to the chairman.</i></li> <li>- <b>FBR Compliance and Institutional Risk (including CRM) Committee:</b>  <i>To lead the development of risk register identifying risks in key areas (including CRM) and developing a risk mitigation strategy.</i></li> </ul>	FBR	06/2026

		<p><b>- Performance and Integrity Management Committee:-</b>  <i>To oversee the implementation of FBR's full-spectrum HR strategy including performance and accountability mechanisms.</i></p>		
7.2		<p><b>7.2 Complete Institutional Risk Assessment and Establish Compliance and Risk Committee</b></p> <p>Complete and make available the Institutional Risk Assessment and Environmental Scanning report with a complete risk register.  An independent <b>FBR Compliance and Institutional Risk (including CRM) Committee</b> will be established with notified mandate.</p>	FBR	06/2027
7.3		<p><b>7.3 Implement OECD CRM Framework</b></p> <p>To fully implement OECD's CRM Framework 2004 for both Inland Revenue and Customs, to generate intelligence profiles/scans, compliance improvement plans, and compliance risk register.</p>	FBR; assistance and cooperation from PRAL, NADRA, SBP and other banks, provincial authorities, vehicle registration authorities, PSW	06/2027
7.4		<p><b>7.4 Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy</b></p> <p>In order to calibrate field office autonomy and improve accountability and oversight, version-controlled Procedural Manuals will be developed for key tax and customs processes on the pattern of Britain's HMRC.</p>	FBR	06/2027
Undertake an independent IT system's audit.				
7.19		<p><b>7.19 Mitigate PRAL IT Risks</b></p> <p>FBR to ensure mitigation of risks identified in the wake IT/system audit of PRAL conducted by AGP/Third Party. Development of risk register and risk mitigation</p>	FBR / PRAL / Fin Div	06/2027

		strategy in the light of third-party audit reports.		
7.21		<b>7.21 Establish and Notify Internal Audit Wing within PRAL</b>  PRAL to set up and notify an Internal Audit wing that conducts internal checks as per international standards.	FBR / PRAL	06/2026
Establish an Internal Affairs Unit within the FBR, reporting directly to the Chairman, with a formal mandate to develop and enforce integrity and anti-corruption policies, investigate misconduct at all staff levels, and coordinate with relevant enforcement bodies as needed.				
7.22	Integrity Management Cell at FBR HQ receives and processes all complaints; after scrutiny inquiries where needed are followed by proceedings under the Efficiency and Discipline Rules	<b>7.22 Strengthen Oversight and Reporting Arrangements of the IMC</b>  Performance and Integrity Management Committee shall oversee the performance of Integrity Management Cell (IMC). Integrity Management Cell will directly report to the Chairman for enhanced accountability and streamlined operations.  The scope of IMC will be revisited to deal with all complaints related to corruption and deviant behaviour.	FBR	06/2027
Strengthen FBR's risk culture including by establishing an independent risk committee and the development of a comprehensive risk register.				
7.28	Upgrading of Human Resource Management System which once completed will reinforce the risk culture Establishment of HR Cell to over-see risk-related activities pertaining to administrative and human resource functions	<b>7.28 Conduct Institutional Risk Assessment and Establish Risk Committee</b>  Institutional Risk Assessment will be carried out to identify risks and mitigation strategies. An independent Organizational Risk Committee will be established with notified mandate.	FBR	06/2027
Strengthen FBR's core functions, including CRM, registration, filing, audit, refunds, customs selection and export management.				

7.30	Core functional area recruitment like third party auditors, audit mentors, sector specialists, legal advisors will ensure specialized expertise and industry specific insights underway	<b>7.30 Recruit Core Functional Specialists</b>  Recruitment of Core functional area personnel, like third party auditors, audit mentors, sector specialists, legal advisors, will be carried out to ensure specialized expertise and industry specific insights. Internal and third-party auditors will also be deployed based on CRM-identified risk areas, ensuring that audits focus on high-risk taxpayers and transactions with greater revenue potential.	FBR	06/2027
7.31		<b>7.31 Introduce Certifications to Strengthen FBR</b>  Post graduate Diploma and certification courses for FBR officers to strengthen capacity in core functions of auditing, accounting, data analytics and use and understanding of CRM insights for case selection, etc.	FBR	06/2027

## 7.4 Reform Outcome

Reform outcomes are expected to be improved control, both in terms of FBR's HQ functions as well as the core functions of the organization, resulting in improved tax compliance and operational efficiency, as well as enhancing control over corruption. Strengthening FBR's internal controls and audit framework and side by side making public complaints-related data and consequent decision-making will improve operational transparency and governance, enhancing the public perception of tax administration leading to higher compliance rates by taxpayers. Improved and effective oversight of PRAL and independent IT systems audit will address data security and integrity issues, as well as optimizing the IT solutions. A well-functioning IMC and strengthened risk culture will reduce directly the vulnerability to corruption and prevention thereof. Together these steps will contribute to higher collections while minimizing economic costs of taxation.



## 7.5 Connected Reforms Planned

To build further on these foundations, RSS will be informed by objective and measurable key performance indicators (KPIs) by the Tax and Customs Management Digital System to quantify and assess performance and not only will the institutional role of IMC be strengthened towards integrity management but resulting information will also be shared publicly. Furthermore, FBR will fully implement the OECD Compliance Risk Management (CRM) framework 2004 for both Inland Revenue and Customs. FBR will also be establishing several committees, prominent among them the Compliance Risk and Enforcement Committee and Human Resource Performance and Integrity Governance Committee. To provide guardrails to the field offices, version controlled procedural manuals will be developed for key customs and tax processes on the pattern of Britain's HMRC. To capacitate the Directorate General of Audit early placement of additional human resource is being prioritized, along with audit certification requirements for such personnel. Such auditors will be granted seamless access to IT systems of both Customs and IRS. PRAL will recruit a global firm to conduct comprehensive process audit of PRAL's IT system, and outcomes will align FBR's digital infrastructure, processes and governance mechanisms with international best practices.

The TORs of the firm will include system audit of the range of critical FBR IT systems including IRIS. A comprehensive risk enterprise management framework and a systematic move towards adoption will be a priority of the PRAL board. IMC will be mandated and empowered with a formalized mandate to develop and enforce integrity and anti-corruption policies, with the capacity and legal instruments to investigate staff misconduct and taxpayer complaints. FBR will impose penalties in case of corruption and misconduct. IMC oversight committee will periodically review IMC performance and provide recommendations for continuous improvement. Not only will a risk register be developed but a larger CRM module will be established. Internal data sets will be integrated with external ones and advanced analytics and machine learning models will be deployed with the objective of more effective audit selection through data driven risk profiling.

## 7.6 Measurable KPIs

The set of reforms being undertaken and planned by FBR will be monitored using the following important KPIs:

- System Generated Quarterly Performance Reports
- Evidence of risk-based selection
- Procedural Manuals for field offices available
- Benchmarks / KPIs available in writing
- Number of HR related audit findings and number of findings acted upon
- List of specific best practices adopted and implemented
- Number of IT system related audit findings and number of such findings resolved.
- PRAL CEO appointed and notified

### Theory of Change

Strengthened HQ functions → increased capacity to fulfil core organizational functions and risk culture

Improved control, both in terms of FBR's HQ functions and core functions → improved tax compliance and operational efficiency and control over corruption.

Improved and effective oversight of PRAL and independent IT systems audit → data security and integrity issues

Strengthening internal controls and audit function → operational transparency and governance.

A well-functioning internal affairs mechanism and strengthened risk culture → reduced vulnerability to corruption and prevention.

Embedding and focusing on CRM → mitigation of evasion and revenue leakages.

Monitoring in terms of continuous tracking will be done to ensure adherence. Ethical behaviour and legal conformity will get integrated into core business strategy. Reduction in likelihood of financial setbacks and reputational harm and building trust in terms of stakeholder confidence and organizational integrity of the premier federal agency responsible for revenue administration continues to be the essential aim.

- Organization chart showing reporting lines for IMC
- Integrity and anti-corruption FBR policy available, along with legal instruments to enforce it
- Evidence of dissemination, for example availability on website
- Risk register established
- More comprehensive CRM module available
- Number of cases selected through data driven risk profiling

## **7.7 Supplementary Domains**

The recent creation of the TPO in the Finance Division will allow FBR to focus on tax administration and be less encumbered by matters relating to exemptions and tax policy. The functionality and analytical capacity of the TPO will be important to develop the tax policy function in the Finance Division. Access to data from third party sources will be an important area of ongoing development of systemic solutions along with development of legal safeguards to ensure privacy and confidentiality of the data. Adoption of IT solutions in businesses and economic activities across the country will create more data generating processes, potentially increasing the sources of information for tax administration.

## Reform Action 8: Enhancing Systems to Access and Use Data in Tax Administration

### 8.1 Fixing Vulnerabilities for Economic Growth

A weak audit function contributes to governance and accountability vulnerability in tax administration especially its digital infrastructure. Weak transparency and follow-up on audit findings related to PRAL can undermine economic growth through several channels, key among them being persisting large tax gaps, revenue leakages, collusion and corruption, and suboptimal collections. PRAL systems underpin core revenue-critical functions including registration, filing, assessment, audit selection, refunds, and customs clearance. Irregular follow up of audit findings and limited public disclosure of audit findings and follow ups can create risks: (a) systemic inefficiencies and control weaknesses persisting unaddressed; (b) revenue leakages and manipulation risks in automated processes; (c) erosion of taxpayer confidence due to perceived opacity in revenue administration; and, (d) reduced investor confidence, as digital governance weaknesses raise concerns about predictability and rule-based enforcement. These vulnerabilities translate into lower revenue collection efficiency, higher compliance costs, and weaker fiscal space, directly constraining sustainable economic growth.

In this regard, the following priority area of reform has been identified:

**Enhance accountability of FBR operations by publishing audit findings relating to PRAL within the next 12 months and produce the initial public report tracking FBR response to major audit findings and recommendations.**

*Source: GCDA Report 2025, Table 1*

### 8.2 Ongoing Reforms and Achievements

PRAL audits are regularly conducted by the Auditor General of Pakistan, identifying system, process, and governance gaps. FBR has initiated steps to strengthen internal audit and risk management functions, including enhanced access to IT systems and closer coordination with PRAL. Recent reforms have emphasized digitalization and automation in tax and customs administration, increasing the importance of robust IT governance and oversight. FBR is aiming to improve PRAL's governance framework, including board oversight, audit mechanisms, and system assurance. At present, audit findings and management responses remain largely internal, limiting their accountability impact.

#### Theory of Change

The proposed actions will achieve the reform outcome through three mutually reinforcing mechanisms:

##### (i) Transparency through publication

Publishing audit findings relating to PRAL introduces external scrutiny → increasing incentives for timely corrective action and reducing tolerance for unresolved weaknesses.

##### (ii) Structured accountability via response tracking

Converts audits from diagnostic tools into accountability instruments → Clarifies ownership, timelines, and status of corrective measures → Enables senior management to monitor progress.

A strengthened audit–management feedback loop and formalizing disclosure and response tracking institutionalizes a closed-loop control system. Through timely management actions audit insights translate into operational and governance improvements. Together, these actions shift audit processes from compliance-oriented exercises to performance-enhancing governance tools.

### 8.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking a set of priority action items shown in Table 17.

**Table 17: Reform Action 8 – Priority Action Item**

<b>Reform Action 8:</b>				
Enhance accountability of FBR operations by publishing audit findings relating to PRAL within the next 12 months and produce the initial public report tracking FBR response to major audit findings and recommendations.				
<b>Sr No.</b>	<b>Achievements</b>	<b>Action items</b>	<b>Institution Responsible</b>	<b>Timelines</b>
8.1		<b>8.1 Arrange Special Audit of PRAL</b>  Special audit of PRAL will be conducted on request from Revenue Division / FBR and findings will be published.	Auditor General; Revenue Division and Federal Board of Revenue will be involved	06/2027

### 8.4 Reforms Outcome

The reform will result in enhanced institutional accountability and transparency of FBR's digital and operational data manager, namely PRAL. Public visibility of key audit findings relating to PRAL systems and governance will enhance transparency and lead to timely attention. Systematic tracking of FBR's response to major audit recommendations, including timelines and responsible units will address systemic weaknesses. This will contribute to strengthened credibility of FBR's digital governance, reinforcing confidence among taxpayers, investors, and development partners. Improved corrective action and control remediation will be reducing the risk of persisting system weaknesses, affecting revenue collection. Collectively, it will support emergence of a more accountable, resilient, and trustworthy tax administration, in turn leading to revenue stability and growth-friendly fiscal consolidation.

### 8.5 Connected Reforms Planned

In parallel with this priority action, the FBR plans to pursue complementary reforms. It has a focus on strengthening PRAL's internal audit and IT control frameworks and getting them aligned with international standards. It also plans to enhance FBR-AGP coordination mechanisms for audit planning, follow-up, and risk prioritization. Another area of reform will be integrating key audit findings into FBR's internal risk management and performance review systems. This will gradually link with public reporting to report on aggregate trends and systemic issues, while safeguarding sensitive data. These reforms will reinforce sustainability beyond the initial publication cycle.

## 8.6 Measurable KPIs

Progress will be tracked through clear, time-bound indicators, including:

- Publication of PRAL-related audit findings within 12 months
- Initial public audit response tracking report issued
- Percentage of major audit findings with documented management responses
- Percentage of audit recommendations assigned responsible units and timelines
- Share of high-risk audit findings addressed within agreed timelines
- Frequency of follow-up reporting on audit implementation status.

These KPIs allow objective monitoring of both transparency and corrective action.

## 8.7 Supplementary Domains

The development and adoption of IT solutions in IRS and customs administration will be carried out. This will generate demands for data and analytics in the day-to-day performance of duties by tax collectors. A sustained demand for data will require PRAL and systems to readily respond to individual and system-based inquiries. Similarly, processing third party data for tax enforcement will increase roles and responsibilities of PRAL and its integration into tax administration will be systematically carried out.

## Reform Action 9: Streamlining Budget Process

### 9.1 Fixing Vulnerabilities for Economic Growth

A credible, predictable, and rule-based budget process lies at the heart of macroeconomic stability. As highlighted in the IMF Governance and Corruption Diagnostic Assessment, Pakistan's budget execution has historically been characterised by fragmented top-down guidance, frequent in-year reallocations, and reliance on supplementary grants without prior Parliamentary approval. This weakens fiscal discipline, disrupts planning cycles, and limits the Government's ability to signal a consistent medium-term fiscal path.

These vulnerabilities do not necessarily reflect gaps in intent; rather, they reveal structural constraints in budget coordination, timing of approvals, and mechanisms for managing unforeseen expenditure pressures. Without strengthened top-down controls, line ministries face uncertainty in budget ceilings, development plans become exposed to mid-year cuts, and the credibility of fiscal targets suffers. Introducing predictable procedures—combined with contingency buffers—reduces the need for ad-hoc adjustments and ensures that Parliamentary oversight remains intact.

Addressing these vulnerabilities is essential for supporting fiscal consolidation, enhancing public financial management (PFM), and improving investor and donor confidence in Pakistan's commitment to rule-based fiscal governance.

In this regard, the following priority area of reform has been identified:

**Improve top-down budget process and avoid in-year budget adjustments without getting the Parliament's ex-ante approval through the use of supplementary grants, while maintaining some flexibility in budget execution through introducing contingency reserve.**

*Source: GCDA Report 2025, Table 1*

### 9.2 Ongoing Reforms and Achievements

While this recommendation primarily relates to the Ministry of Finance, the Cabinet Division being the administrative arm responsible for routing major policy and fiscal approvals to the Federal Cabinet plays a facilitative role. The Cabinet Division has clarified that the substantive reforms connected to this recommendation fall outside its direct mandate. However, the Division has affirmed its commitment to supporting the reform process by ensuring:

- **Timely submission of all relevant cases to the Federal Cabinet**, particularly those requiring Cabinet concurrence prior to Parliamentary submission.

#### Theory of Change

Strengthening the top-down budget process → improved predictability of fiscal planning and strengthened expenditure discipline.

Timely Cabinet routing of budget cases → reduced delays in approval cycles → smoother execution of budget reforms requiring Federal Cabinet decision.

Limiting in-year reallocations without Parliament's prior approval → enhanced fiscal transparency → reinforced credibility of the annual budget.

Introducing a contingency reserve → reduced need for supplementary grants → better management of unforeseen expenditures.

Clearer Parliamentary oversight → improved accountability of the executive → reduced discretion and improved public trust.

Embedding these procedural improvements → stronger fiscal governance and reduced vulnerabilities to execution risks.

- **Procedural efficiency** in routing budget-related approvals.
- **Adherence to established Cabinet procedures** to prevent delays in fiscal decision-making.

This facilitative role ensures that any budget reforms requiring Cabinet endorsement will move through the approval cycle without procedural bottlenecks, supporting broader fiscal governance objectives.

### 9.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by implementing reform actions in the Table 18.

**Table 18: Reform Action 9 – Priority Action Item**

<b><u>Reform Action 9:</u></b>				
Improve top-down budget process and avoid in-year budget adjustments without getting the Parliament's ex-ante approval through the use of supplementary grants, while maintaining some flexibility in budget execution through introducing contingency reserve.				
#	Achievements	Action items	Institution Responsible	Timelines
9.1	Since September 2024, no supplementary grants have been granted without the approval of the parliament.	<b>9.1 Streamline Budgetary Grant Process</b>  Government of Pakistan will continue to maintain contingency reserve according to fiscal space.  No supplementary shall be released without the approval of the parliament.	Finance Division	06/2027

### 9.4 Reform Outcome

The expected outcome is a more coherent, predictable, and transparent budget process, with fewer ad-hoc adjustments and strengthened Parliamentary oversight. With Cabinet Division ensuring timely routing of cases, the approval pathway for budget decisions becomes more streamlined, enabling:

- Greater consistency between approved budgets and executed expenditures.
- Reduced reliance on supplementary grants.
- Clearer separation between routine budget execution and exceptional fiscal events.
- Improved confidence among development partners and investors.

Over time, this contributes to enhanced fiscal stability, improved resource allocation, and a rules-based approach to public expenditure management.

## 9.5 Connected Reforms Planned

Complementary actions across government will include:

- Strengthening the budget calendar and top-down ceiling-setting process.
- Refining mechanisms for Parliamentary review of supplementary expenditures.
- Establishing transparent criteria for triggering the contingency reserve.
- Digitising Cabinet approval workflows, ensuring traceability and timeliness.

Such measures would reinforce the long-term sustainability of this reform area.

## 9.6 Measurable KPIs

The following KPIs are attached to the reform action:

- Review report of the supplementary grants
- Approvals according to the process
- Variance in budget approved with spending
- Envelopes defined in budget circulars with budgetary allocations
- Ratio of Budget allocations with actual spending.

## 9.7 Supplementary Domains

This Action Reform links closely with wider PFM and fiscal governance reforms, including:

- Top-down budget formulation and MTFF strengthening.
- Fiscal transparency and reporting reforms.
- SOE and development budget governance.
- Expenditure controls and cash management reforms.
- Audit and Parliamentary oversight strengthening.

Together, these reforms ensure a whole-of-government approach to credible, disciplined, and transparent budget management.



## Reform Action 10: Rationalizing Development Expenditure

### 10.1 Fixing Vulnerabilities for Economic Growth

Elaborately developed and effectively managed public financial management systems minimize the vulnerability to corruption by enabling integrity, transparency and accountability. Within this rubric, management of public investments is a high-risk aspect of public finances. Weaknesses in the processes of how projects are prioritized and costed, variable protection of project funding over the implementation timeframe, and related delays and cost increases, along with weak oversight of constituency-based federally funded but locally identified investments may lead to suboptimal development outcomes as well as diminished effects of public investment.

In this regard, the following priority area of reform has been identified:

**Enhance PSDP transparency, efficiency and affordability by enforcing the 10% cap on new projects, further rationalizing the portfolio (stock) by retaining only high- priority initiatives, protecting capital spending from mid-year cuts, and integrating Parliamentarians' projects into the PSDP process.**

*Source: GCDA Report 2025, Table 1*

### 10.2 Ongoing Reforms and Achievements

National Economic Council approved a policy guideline which has been issued regarding a 10% cap on new projects, with the result that the Public Sector Development Programme for 2025-26 has allocated less than 2% for new projects. The PSDP portfolio has been rationalized to focus on high-priority initiatives and as a result 344 projects have been removed. Planning Division is working with Finance Division to ensure that there are no mid-year cuts in the development budget.

### 10.3 Planned Priority Reforms

The government will augment the actions to minimize economic vulnerabilities through reform actions given in Table 19.

#### Theory of Change

Reduction in the overhang of ongoing projects and protection of funding for priority projects → improved planning discipline and continuity in development expenditure.

Application of objective project appraisal and prioritisation criteria → better allocation of resources and reduced discretion in project selection.

Improved oversight of small and localised investments → strengthened controls and reduced scope for politically motivated or fragmented spending.

Enhanced focus on completing ongoing projects → improved project delivery, cost predictability, and development outcomes.

Streamlined development portfolio and improved fiscal space → greater capacity to finance future priority projects in a sustainable manner.

**Overall impact:** Reduced vulnerabilities to corruption, improved efficiency of public investment management, and strengthened credibility of the development planning and budgeting framework.

**Table 19: Reform Action 10 – Priority Action Items**

<b>Reform Action 10:</b> Enhance PSDP transparency, efficiency and affordability by enforcing the 10% cap on new projects, further rationalizing the portfolio (stock) by retaining only high- priority initiatives, protecting capital spending from mid-year cuts, and integrating Parliamentarians’ projects into the PSDP process.				
#	Achievements	Action items	Institution Responsible	Timelines
10.1	<p><u>10% cap on new projects</u>            A policy guideline after approval of National Economic Council was shared with all Ministries/Divisions through PSDP 2025-26 Call Circular.</p> <p>ii) Allocation to new projects in PSDP 2025-26 is less than 2% and the policy of 10% cap will be continued till such time throw forward is appropriately reduced.</p>	<p><b>10.1 Enforce 10% Cap on New PSDP Projects</b>            To reduce throw-forward liabilities to a manageable size, for the medium term, allocation to new projects in PSDP will remain under the policy of 10% cap and will be continued till such time throw forward is appropriately reduced and financing policy will be developed to optimize project completions.</p> <p>The cap will be enforced through BCC and release policy, starting with PSDP FY27</p>	Ministries/Divisions for implementing the policy/guidelines circulated.	06/2027
10.2	<p><u>Rationalizing the— portfolio (stock) by retaining only high-priority initiatives</u>            344 projects were excluded from PSDP stock through one-time review of PSDP 2024-25;            Funding for CDWP/ECNEC level projects were prioritized.            The PSDP portfolio is reviewed on quarterly basis and a policy of prioritizing the core/mega projects of national significance, foreign aided and projects near</p>	<p><b>10.2 Prioritize High-Impact PSDP Projects</b>            The quarterly and full-year review process of PSDP portfolio will be carried onto implement the policy of prioritizing the core/mega projects of national significance, foreign aided and projects near completion.</p>	Planning Division	06/2027

	completion will be continued.			
10.3	<u>Protecting capital spending from mid-year cuts</u> Finance Division to ensure there are no mid-year cut on development budget.	<b>10.3 Prevent Mid-Year Cuts to Development Expenditure</b> Finance Division to ensure there are no mid-year cut on development budget.  However, unanticipated revenue shortfalls will have to be adjusted in PSDP financing.	Finance Division	06/2027
10.4	Integrating Parliamentarians' projects into the PSDP process The Parliamentarians already identify the development projects which are prepared and processed by the relevant Economic Ministries/Divisions for approval of the competent I and then these are funded in PSDP keeping in view the budgetary provisions.	<b>10.4 Improve Feasibility and Appraisal Requirements of Local Projects</b> The relevant Economic Ministries/Divisions will carry out appraisal of the projects identified by elected representatives and follow approved guidelines of the competent I and then these are considered for funding from development budget keeping in view the budgetary provisions.	Planning Commission	06/2027
10.5		<b>10.5 Enhance Monitoring of Local Projects</b>  With regard to SDGs Achievement Programme (SAP), a robust mechanism for monitoring of the schemes will be developed to ensure their benefits at grassroots level	Planning Division	06/2027

## 10.4 Reform Outcome

Limiting the size of allocation for new projects allowing greater focus on completion of ongoing project will increase predictability and reduce cost revisions. Improved project appraisal through multi-criteria scoring tool will allow a more objective prioritization within project proposals. Improved oversight of small, local projects with the objective of increased transparency and public reporting will allow for greater accountability as well as a better overview of the development landscape. Outcome of these

efforts will reduce the scope and risk of corruption because of more effective public investment management.

## **10.5 Connected Reforms Planned**

To reduce throw-forward liabilities to a manageable size, for the medium term, allocation to new projects in PSDP will remain under the policy of 10% cap and will be continued till such time throw forward is appropriately reduced and financing of policy will be developed to optimize project completions. The cap will be enforced through BCC and release policy. The quarterly review process of PSDP portfolio will be continued to implement the policy of prioritizing the core projects of national significance, foreign aided projects and projects near completion. With regard to SDGs Achievement Programme (SAP), a robust mechanism for monitoring of the schemes will be developed to ensure their benefits at grassroots level. In addition, the ministry plans complementary reforms to sustain impact including:

- Strengthening multiyear investment planning, linking PSDP allocations with medium term fiscal constraints
- Enhancing ex ante project appraisal and ex post evaluation practices
- Improving project readiness screening before inclusion in the PSDP
- Deepening coordination with the MoF to align PSDP execution with cash management and fiscal targets
- Expanding public disclosure of project selection criteria, costs, and progress.

These reforms will embed discipline beyond annual budget cycles.

## **10.6 Measurable KPIs**

Progress will be tracked using clear and monitorable indicators, including:

- Share of new projects in PSDP limited to 10% or below
- Reduction in total number of PSDP projects year-on-year
- Increase in completion rate of ongoing projects
- Reduction in average project implementation delays
- Share of PSDP protected from mid-year cuts
- Percentage of Parliamentarians' projects processed through standard PSDP appraisal and approval procedures
- Decline in total throw-forward liabilities relative to PSDP size.

## **10.7 Supplementary Domains**

The priority recommendation is closely linked to:

- i) Public investment management (PIM) reforms and IMF C-PIMA implementation
- ii) Top-down budget and fiscal discipline
- iii) Public financial management and budget execution reforms
- iv) Transparency and parliamentary oversight of development spending
- v) Subnational PSDP coordination and alignment

Together, these reforms strengthen the credibility, efficiency, and growth impact of Pakistan's public investment framework.

## Reform Action 11: Framing a National Risk and Vulnerability Mitigation Infrastructure

### 11.1 Fixing Vulnerabilities for Economic Growth

Government departments and agencies, including the lower judiciary, are often cited in public perception indices as suffering from a negative image on account of perceived widespread corruption in these bodies. While these surveys are based on anecdotal perception, nevertheless the constant negative image of government bodies indicates low public confidence in these institutions, which of course has a spillover effect on economic activity and growth.

At the same time, it is to be acknowledged that there are corruption vulnerabilities in various departments and agencies. The adoption of a risk-based assessment approach that will determine which government bodies suffer from serious corruption vulnerabilities and which ones suffer more from negative perception, will allow the government to focus its resources on those departments where there are clear vulnerabilities, and also allow the government to have a better overall dashboard view of governance across the spectrum.

In this regard, the following priority area of reform has been identified:

**Adopt and implement a risk-based approach to addressing corruption vulnerabilities in federal agencies by: (i) Publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria; (ii) Reporting annually on implementation progress and risk.**

*Source: GCDA Report 2025, Table 1*

### 11.2 Ongoing Reforms and Achievements

Under the auspices of the FATF, Pakistan completed its first national Money-Laundering/Terrorist-Financing (ML/TF) risk assessment in 2017 which was updated in 2019. The National Risk Assessment (NRA) was repeated in 2023, updating Pakistan's risk profile for ML/TF and revising threat and vulnerability ratings. Corruption has been rated a high-risk offence for Money Laundering.

### 11.3 Planned Priority Reforms

The reform measures in the area appear in Table 20.

**Table 20: Reform Action 11 – Priority Action Items**

<b>Reform Action 11:</b> Adopt and implement a risk-based approach to addressing corruption vulnerabilities in federal agencies by: 3.8 publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1); and (ii) reporting annually on implementation progress and risk				
#	Achievements	Action items	Institution Responsible	Timelines
Publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1);				
11.1	Under the auspices of the FATF, Pakistan completed its first national Money-Laundering / Terrorist-Financing (ML/TF) risk assessment in 2017 which was updated in 2019. NRA was again done in 2023, updating Pakistan's risk profile for ML/TF and revising threat/vulnerability ratings. Corruption has been rated high-risk offense for ML.	<b>11.1 Conduct National Risk Assessment on Corruption</b>  NAB will draft a national risk assessment on corruption, and to achieve multiagency inputs bring it to National Anti-Corruption Task Force (chaired by AMLA and including NAB, FIA, AGP, ACEs, AGP, SECP, FBR, CGA, PBS, and others coopted by the task force as technical contributors). The task force will be established under the umbrella of AML/CFT Authority, as the overarching coordinating body for all "competent authorities", (as per Section 6 (1) of National AML/CFT Authority in Pakistan Act 2023), e.g. NAB, FIA and all anticorruption establishments ACEs and other relevant agencies, to finalise a centralized Corruption Risk Assessment Framework for assessing the corruption vulnerabilities in various organisations.  Such Framework to include, in addition to financial crime risk, non-financial corruption vulnerabilities (e.g. procurement irregularities, project implementation corruption, misuse in state-owned enterprises, governance of macro-critical agencies, systemic governance weaknesses such as weak oversight, lack of transparency, politicized spending, etc.).  Subject matter specialists may be hired/attached to support the task force.	NAB (Technical Lead)  AML/CFT Authority (Interagency Coordination)  Task Force NAB, FIA, ACEs,  MOF	06/2026

11.2		<b>11.2 Identify Top 10 High Risk Agencies</b>  Based on the Corruption Risk Assessment Framework, the National Anti-Corruption Task Force will identify top 10 high risk federal agencies with corruption vulnerabilities and macro-critical exposures.	AML/CFT Authority (Lead)  Task Force NAB, FIA, ACEs, MOF	06/2027
11.3		<b>11.3 Devise Risk Reduction Action Plan</b>  National Anti-Corruption Task Force will devise risk reduction action plan, with clear KPIs, and roles for each ministry/agency to undertake actions and to mitigate risks in the top ten agencies with highest corruption risks comprising of: <ul style="list-style-type: none"> <li>i. Systemic actions common to all</li> <li>ii. Agency specific actions</li> </ul> It will also align risk assessment methodology with Pakistan's National Risk Assessment (NRA) for ML/TF.	Task Force NAB, FIA, ACEs, MOF  10 identified agencies	06/2027
Reporting annually on implementation progress and risk				
11.4		<b>11.4 Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress</b>  Create an Implementation Unit (IU) inside AML/CFT Authority or Cabinet Division, in consultation with NAB, to monitor implementation of the RR Action Plan devised by the Task Force.	Cabinet Division  NAB/AML/CFT Auth  Task Force FIA, ACEs MOF	06/2027
11.5		<b>11.5 Ensure Effective Monitoring Through Reports</b>  Prepare an Annual Corruption Risk & Reform Status Report including: <ul style="list-style-type: none"> <li>• Progress on KPIs for each of the 10 agencies.</li> <li>• Updated corruption risk ratings (risk assessments to be done annually).</li> <li>• Challenges, lessons learned, and next-year priorities.</li> </ul>	AML/CFT Auth (Lead)  Task Force  NAB, FIA, ACEs Cabinet Division  MOF	06/2028

## 11.4 Reform Outcome

A proper corruption risk vulnerability assessment will allow the government to devise mitigation strategies specific to those departments and agencies that are found to be highly vulnerable. The specificity of those strategies will lead to a far more targeted approach to tackling corruption across the government.

The AML/CFT Authority has gained considerable expertise as a result of the FATF process. The creation of a National Anti-Corruption Task Force, in which all leading law enforcing agencies are members, will allow for the devising of a centralized corruption risk assessment framework.

Such a framework can be expanded to include, in addition to financial crime risk, non-financial corruption vulnerabilities (e.g. procurement irregularities, project implementation corruption, misuse in state-owned enterprises, governance of macro-critical agencies, systemic governance weaknesses such as weak oversight, lack of transparency). It will also be able to highlight those agencies at highest risk. The government will thus evolve a coherent, evidence-based National Anti-Corruption Strategy on this basis.

## 11.5 Connected Reforms Planned

Once a risk assessment framework has been implemented and properly tested at the federal level, the federal government will engage in talks with the provinces to encourage them to adopt the same framework for provincial level assessments and strategy formulation.

## 11.6 Measurable KPIs

Key performance indicators include:

- National Anti-Corruption Task Force established
- Risk Reduction Action Plan formulated
- Cabinet Division to establish a monitoring unit to monitor the implementation of the plan
- Annual corruption risk report published

## 11.7 Supplementary Domains

Over time, once the risk assessment mechanism has been developed, the government will apply it not just to those agencies deemed to be at greatest risk but will also develop individualized stress tests to evaluate all government ministries and agencies and their potential corruption vulnerabilities and to create mitigation strategies.

### Theory of Change

Risk-based corruption assessment across federal agencies → clearer visibility of high-vulnerability institutions → targeted allocation of reform and enforcement resources.

Centralised corruption risk framework led by the National Anti-Corruption Task Force → harmonised assessment standards → consistent identification of systemic governance weaknesses.

Integration of financial and non-financial corruption indicators (procurement, SOEs, macro-critical agencies) → comprehensive understanding of vulnerabilities → improved prioritisation of mitigation actions.

Publication of annual corruption risk reports → enhanced transparency and institutional accountability → strengthened public trust and investor confidence.

Implementation of agency-specific mitigation plans → reduced opportunities for corruption → improved operational efficiency and governance reliability.

Embedding a national corruption risk dashboard → continuous monitoring and early warning signals → long-term reduction in corruption vulnerabilities across the state apparatus.



## Reform Action 12: Reinforcing the Systemic Linkages and Accounting for Public Financial Resources

### 12.1 Fixing Vulnerabilities for Economic Growth

The audit function if working sub-optimally can enervate the public sector performance and its economic management roles. This reform addresses a core governance and public financial management vulnerability arising from insufficient institutional processes of the Auditor General of Pakistan, weakening external oversight of public expenditures, in turn compromising fiscal discipline and undermining economic growth. In general, where the supreme audit institution operates with operational, financial, and administrative independence as the case in Pakistan but with process frictions, further attention to detailed processes and systems can further minimize public resources facing higher risks of misuse, inefficiency, and leakages. Similarly, oversight of budget execution, SOEs, PSDP, and contingent liabilities may require application of advanced audit methodologies, high integrity HR management and focused audit reports. If audit findings and recommendations are delayed, they may lead to dilution or selective follow up and reduction of their deterrent effect. Any matters compromising investor and donor confidence if not addressed will be adversely affecting these essential market boosters, increasing financing costs and constraining fiscal space. Such systemic weaknesses translate into lower value for money in public spending, reduced accountability, and weaker growth outcomes.

In this regard, the following priority area of reform has been identified:

**Establish full institutional independence of the Auditor General of Pakistan.**

*Source: GCDA Report 2025, Table 1*

### 12.2 Ongoing Reforms and Achievements

Important elements already exist that can be built upon, for example, the Auditor General of Pakistan is constitutionally mandated under Article 169, providing a foundational legal basis for independence. In line with the legal provisions, the Auditor General is appointed on a fixed term basis and is recognised as a constitutional office. The AGP conducts regular financial, compliance, and performance audits across federal and provincial entities. Pakistan has taken steps to strengthen performance and IT audits, reflecting evolving audit needs. Engagement with Parliament, particularly the Public Accounts Committees (PACs), has improved the visibility of audit findings. However, budgetary dependence, administrative controls, and appointment-related processes continue to constrain full institutional independence.

### 12.3 Planned Priority Reforms

The process frictions mentioned above will be addressed through priority action items defined in Table 21, with complementary action items in Table 22.

**Table 21: Reform Action 12 – Priority Action Items**

<b>Reform Action 12:</b> Establish full institutional independence of the Auditor General of Pakistan.				
#	Achievements	Action items	Institution Responsible	Timelines
12.2		<b>12.2 Achieve Legal Clarity</b> A review of legal provisions will be carried out to identify conflicting provisions in the Auditor General Ordinance 2001 and the article 170(2) for statutory amendment and legislate changes.	Finance Division	06/2026
12.3		<b>12.3 Review Budgetary and Establishment Authorities for Adequate Autonomy</b> A review of budgetary authorities and establishment function with reference to the Government of Pakistan fiscal and HR frameworks to identify areas of reform and implement reforms.	Auditor General, Finance Division and Establishment Division will be involved	06/2027
12.5		<b>12.5 Submit Final Audit Reports to Parliament Observing Timelines</b> Audit reports, once prepared by the AGP, are considered final and will be submitted to the parliament according to laid down process with mandatory timelines	Auditor General; Finance and Parliamentary Affairs Division will be involved	12/2026

**Table 22: Reform Action 12 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
12.1		<b>12.1 Reduce Audit Findings Backlog</b> The Auditor General will categorise pending audit paras with reference to the nature, size, time, and relationship with public accountability and present for decisions in the PAC.	Auditor General, Public Accounts Committee	06/2026
12.4		<b>12.4 Strengthen Public and Parliamentary Oversight of the Auditor General's Establishment</b>  Options and modalities for strengthening the public oversight of the Auditor General's establishment, and public reporting of public spending watchdog under a parliamentary review.	Finance Division, Public Accounts Committee, Auditor General	12/2027

12.6		<b>12.6 Create Senior IT Posts within the Auditor General's Establishment</b>  Create information technology related posts of one director general and two of director in the AGP establishment	Auditor General; Finance Division and Establishment Division will be involved	06/2026
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## 12.4 Reform Outcome

The reform will result in a fully functional and credible supreme audit institution, delivering operational autonomy in audit planning, execution, and reporting; enhanced quality, timeliness, and coverage of public audits, including performance, IT, and forensic audits; stronger follow-up and enforcement of audit recommendations; and improved fiscal credibility and public trust in the management of public resources.

Overall, the outcome will be stronger fiscal discipline and better spending efficiency, supporting sustainable economic growth.

## 12.5 Connected Reforms Planned

Complementary reforms planned alongside this priority action include strengthening of audit quality assurance and implementation of peer review mechanisms. Similarly, by expanding performance, IT, and value-for-money audits, particularly in high-risk sectors (PSDP, SOEs, digital systems), the scope of public oversight will be increased. In order to achieve high levels of professionalism, further work is planned to enhance capacity-building and professional certification for audit staff. There will be emphasis on improving audit recommendation tracking systems and coordination with PACs. At the same time, steps will be taken to increase public accessibility of audit reports and summaries. These reforms will ensure independence translates into measurable impact, as well as improve oversight by the Public Accounts Committee.

## 12.6 Measurable KPIs

Progress toward full institutional independence and functionality will be tracked through indicators such as:

- Legal or regulatory amendments enacted to clarify AGP independence
- Share of AGP budget approved directly by Parliament
- Degree of AGP control over recruitment and HR decisions
- Timeliness of audit report publication after completion
- Increase in performance and IT audits completed annually
- Percentage of audit recommendations acted upon within defined timelines
- Peer review or INTOSAI compliance assessments completed.

These KPIs allow objective monitoring of both independence and effectiveness.

## 12.7 Supplementary Domains

This reform actions in this chapter are closely linked to broader reform areas, including public financial management and fiscal transparency. In addition, legal changes and access of data will improve SOE governance and oversight. Another important are pertains to PSDP efficiency and public investment management. PIMA reports have highlighted areas of public investment reforms. The audit function is closely linked to anti-corruption and integrity frameworks which are simultaneously receiving attention in government led reforms. The audit function is closely linked with parliamentary oversight and PAC effectiveness.

Together, these reforms reinforce a comprehensive governance architecture that supports fiscal sustainability and economic growth.

### Theory of Change

The proposed actions will achieve the reform outcome through **four interlinked reform dimensions**:

#### (i) Legal and constitutional strengthening

Clarifying and strengthening any remaining legal provisions → guarantee AGP independence in line with **INTOSAI and Lima Declaration principles** will safeguard audit autonomy.

#### (ii) Financial independence

Ensuring AGP's budget is **approved directly by Parliament** and executed without executive interference → protect audit priorities from fiscal or political pressure.

#### (iii) Administrative and Fiscal independence

Granting AGP authority over: Recruitment, promotions, and disciplinary processes and organizational structure, staffing, with optimised linkages within the government → enhance professionalism and institutional resilience.

#### (iv) Public Accounts Committee (PAC) oversight over SAI

Independent and external oversight of the SAI by public account committee through independently appointed external auditor in line with **INTOSAI and Lima Declaration principles** → higher credibility of the SAI in public audit function.

#### (v) Reporting and follow-up autonomy

Protecting AGP's right to **publish audit reports independently and in a timely manner**, without prior executive clearance → strengthens accountability and deterrence.

Together, these measures establish OAG as an effective external check on public financial management.

## Reform Action 13: Augmenting Anti-Money Laundering Enforcement Mechanisms

### 13.1 Fixing Vulnerabilities for Economic Growth

This reform targets Pakistan's vulnerability to financial crimes, particularly money laundering (ML) and corruption, which undermine economic stability and growth. Corruption in public institutions and illicit financial flows distort resource allocation, create inefficiencies in service delivery, and erode trust in the financial system. As the 2023 FATF report highlights, ongoing challenges with corruption and financial crime pose a significant risk to Pakistan's economic development, leading to reduced foreign investment, economic mismanagement, and fiscal imbalances. These issues exacerbate economic disruptions through embezzlement, bribery, and misuse of state resources, ultimately stifling growth. By enhancing financial investigation capabilities, improving enforcement mechanisms, and fostering international cooperation on asset recovery, this reform aims to restore economic integrity, attract investment, and build a more transparent and efficient financial system, ensuring a stable environment for sustainable growth.

In this regard, the following priority area of reform has been identified:

**Enhance investigation and prosecution of money laundering offenses, by removing legal ambiguity on requiring a predicate conviction, increasing quality and quantity of Suspicious Transactions Reports, strengthening law enforcement agencies capacities for financial investigation, and improving cooperation on asset recovery.**

*Source: GCDA Report 2025, Table 1*

### 13.2 Ongoing Reforms and Achievements

Pakistan has a robust Anti-Money Laundering regime under the overall supervision of National Executive Committee and the General Committee. Pakistan has established, in 2023, an AML/CFT Authority for coordinating and monitoring AML/CFT activities across relevant agencies in Pakistan, serving as a focal point for the Financial Action Task Force (FATF) and orchestrating the national strategy to combat ML and TF. Pakistan amended the Anti Money Laundering Act in 2010, enabling more efficient prosecution of money laundering offenses and allowing faster action against financial crimes. Concurrently, Pakistan is enhancing the capacity of law enforcement agencies (LEAs), such as FIA, NAB, ANF, FBR-IR, Customs, through specialized training and the creation of dedicated AML/CFT Directorates and related specialized Units in the ML designated agencies. These units focus on money laundering investigations and asset tracing, use of Financial Intelligence, improving domestic and international coordination and data acquisition and management. The FMU plays a key role in improving information-sharing mechanisms across agencies, while asset recovery units are working on tracking, freezing, and repatriating illicit assets with foreign jurisdictions. These reforms collectively ensure a more efficient, transparent financial system, in line with global best practices, reinforcing Pakistan's commitment to combating illicit financial flows.

### 13.3 Planned Priority Reforms

The government will address the economic vulnerabilities spelt out above by undertaking the following reforms, shown in Table 23 (priority action items) and Table 24 (complementary action items).

**Table 23: Reform Action 13 – Priority Action Items**

<b>Reform Action 13:</b>				
Enhance investigation and prosecution of money laundering offenses, by removing legal ambiguity on requiring a predicate conviction, increasing quality and quantity of Suspicious Transactions Reports, strengthening law enforcement agencies capacities for financial investigation, and improving cooperation on asset recovery.				
#	Achievements	Action items	Institution Responsible	Timelines
<b>Removing legal ambiguity on requiring a predicate conviction</b>				
13.1	Under the Anti-Money Laundering Act, 2010 (AMLA 2010, as amended), the offence of money-laundering does not require a prior conviction for the predicate offence. Section 4 (offence) and related provisions allow for prosecution of money-laundering independently. However some more clarity may be required	<b>13.1 Conduct Legislative Review of AMLA 2010 to Remove Ambiguities</b>  AML/ CFT Authority will form a Joint Working Group, including the relevant stake holders, to conduct a legislative review of AMLA, 2010, to remove ambiguity about the requirement of predicate conviction to prosecute ML.	AML/CFT Auth  JWG  ML designated Agencies  Anti-Corruption Agencies (NAB, FIA, ACEs)  MoLJ	06/2026
13.3		<b>13.3 Secure Approval and Notify the Amendments</b>  Amendments in AMLA2010 will be placed before the parliament and subsequently notified and disseminated for implementation.	MoLJ  Cabinet Division  AML/CFT Auth	06/2027
<b>a. Increasing quality and quantity of Suspicious Transactions Reports</b>				
13.4	i. All reporting-entities (banks, non-bank financial institutions, and designated non-financial	<b>13.4 Improve STRs by Issuing Reporting Guidelines</b>  FMU will devise and issue corruption specific reporting	FMU	06/2026

	<p>businesses/professions — DNFBPs) are legally required to file STRs when they detect suspicious transactions.</p> <p>ii. The FMU has formal rules/guidelines to receive Suspicious Transaction Reports (STRs) from regulated entities, including for predicate offences such as corruption/bribery.</p>	<p>guidelines, including red flags for enhancing the reporting quality of the corruption related STRs.</p>		
13.9		<p><b>13.9 Improve Feedback Mechanism to and from reporting entities and LEAs.</b></p> <ul style="list-style-type: none"> <li>• FMU will further strengthen the feedback mechanism, both for STRs received from reporting entities and Financial Intelligence (Fis) shared with LEAs through including, though not limited to, the following:</li> <li>• Automation and AI driven feedback submitted on disseminated Financial Intelligence (Fis).</li> <li>• Timelines defined for feedback</li> <li>• Mode of submitting feedback</li> <li>• Update of standardized feedback formats.</li> <li>• Review/seek feedback on corruption related</li> </ul>	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p> <p>Reporting entities</p>	<p>3.9 06/2026</p> <p>ii. 06/2027</p> <p>iii. 06/2027</p>

		<p>disseminations in meetings of the various forums including “Financial Intelligence Sharing and Coordination Committee” of LEAs; and “Compliance forum” for Reporting entities.</p> <ul style="list-style-type: none"> <li>• Sharing of feedback reports with the General Committee/NEC for oversight.</li> </ul>		
<b>Strengthening law enforcement agencies capacities for financial investigation</b>				
13.18		<p><b>13.18 Build Capacity of LEAs Through TNAs and Trainings</b></p> <p>All LEAs mandated to investigate and prosecute corruption and ML, will conduct a Training Needs Analysis and devise/implement annual training plan. AML/CFT Authority to monitor implementation.</p>	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p> <p>AML/CFT Authority</p>	06/2027
13.20		<p><b>13.20 Build Capacity of Judges Through Implementing Training Plans</b></p> <p>MOLJ shall ensure that Federal and Judicial Academies issue and implement annual training plans for judges based on the modules as above.</p>	<p>MoLJ</p> <p>Federal Judicial Academy</p> <p>Provincial judicial Academies</p>	06/2027
<b>Improving cooperation on asset recovery.</b>				
13.28		<p><b>13.28 Enact MLA Rules &amp; Guidelines</b></p>	<p>MOI</p> <p>MoLJ</p>	12/2028



		MOI, in consultation with MoLJ, will develop MLA Rules & guidelines for effective international cooperation and mutual legal assistance in asset recovery.	AML/CFT Auth	
13.29		<b>13.29 Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets</b>  MOI will establish a database, in its digital MLA software, of frozen, recovered, and repatriated assets and establish interface with Anti- Corruption and ML designated LEAs allowing them to feed updates.	MOI  Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2027
13.30		<b>13.30 Improve International Cooperation Through Bilateral Agreements</b>  MOI to Initiate engagements with High-Risk Jurisdictions for Cooperation in mutual legal assistance including Asset recovery.  MOI and MOFA to Negotiate bilateral agreements also.	MOI  MOFA  FMU  Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	12/2028

**Table 24: Reform Action 13 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
<b>Removing legal ambiguity on requiring a predicate conviction</b>				
13.2		<b>13.2 Strengthen ML Investigations and Prosecution Through Further Statutory Amendments for Procedural Clarity</b>	AML/CFT Auth  ML designated Agencies	06/2026

		JWG will also review AMLA,2010 to identify other amendments, e.g. in the areas of definitional clarity, clarification of processes and procedure, and investigative powers etc., needed to strengthen ML investigations and prosecutions under AMLA,2010	Anti-Corruption Agencies (NAB, FIA,ACEs)  JWG  MoLJ	
<b>Increasing quality and quantity of Suspicious Transactions Reports</b>				
13.5		<b>13.5 Update Risk Reporting Indicators</b>  FMU will update risk reporting indicators of STRs on goAML for better categorization and prioritization	FMU	06/2026
13.6		<b>13.6 Improve the Quality of STRs Through Feedback Reports</b>  Improve quality of STRs/SARs on corruption by providing quarterly “Quality of STR Feedback Reports” to reporting entities including Banks/DNFBPs: Include e.g.: <ul style="list-style-type: none"> <li>• common deficiencies (e.g., low narrative detail, missing financial patterns)</li> <li>• examples of high-quality corruption-related STRs</li> <li>• updated red flags advisory notes on new typologies.</li> </ul>	FMU  Fis  DNFBPs	06/2027
13.7	FMU “seeks quarterly feedback” from LEAs (including FIA, NAB) on disseminated corruption-related financial intelligence.	<b>13.7 Strengthen Coordination by Establishing Engagement Plans, Mode of Engagements and Focus Areas of Engagements.</b>  FMU will develop a comprehensive Inter-agency coordination mechanism jointly with relevant stakeholders, including the LEAs mandated to deal with corruption as well as with SECP, police and	FMU  Anti-Corruption Agencies( NAB,FIA,ACEs)  AML designated LEAs  AML/CFT Auth	06/2026

		<p>federal, provincial anti-corruption establishments.</p> <p>The mechanism should specify the comprehensive annual engagements plan as well as the mode of engagements and should include among others the following focused areas:</p> <ul style="list-style-type: none"> <li>• Financial Intelligence sharing protocols</li> <li>• FI utilization and feedback</li> <li>• International cooperation</li> <li>• Interagency cooperation in ML and predicate offence prosecution</li> <li>• Capacity building</li> </ul>	<p>ACEs</p> <p>SECP</p> <p>Police</p>	
13.8		<p><b>13.8 Ensure institutional strengthening through dedicated FIFC</b></p> <p>FMU to establish a dedicated “Financial Intelligence Follow-Up Cell (FIFC)” at FMU and create a unified mechanism I law enforcement and regulatory bodies, to follow up on Financial Intelligence (FI), corruption-related, sent by FMU to LEAs.</p>	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2026
13.10	FMU receives STRs and shares Fis with LEAs on digital platform called goAML	<p><b>13.10 Bring VASPs under the Reporting Framework</b></p> <p>PVARA, in coordination with FMU, will devise a framework to obligate Virtual Assets Service Providers (VASPs) for STR reporting.</p> <p>FMU, in coordination with PVARA, will devise a mechanism to register VASPs (holding NOC from PVARA), on goAML as reporting entities.</p>	<p>FMU</p> <p>AML/CFT Auth</p> <p>PVARA</p> <p>MoF</p>	06/2026
13.11		<p><b>13.11 Improve STR Reporting by DNFBPs</b></p>	<p>FMU</p> <p>DNFBPs</p> <p>AML/CFT Auth</p>	06/2027

		FMU will devise and implement a comprehensive framework for STR reporting by the DNFBPs.		
13.12		<b>13.12 Improve Access to Information for Analysis Purposes</b>  FMU will gain direct access to other databases (specially corruption related) and/or their integration with goAML.	FMU	12/2027
13.13	FMU has access to Interpol and some other data bases	<b>13.13 Share Strategic Analysis Report with LEAs</b>  FMU to conduct a Strategic Analysis on Corruption and share it with LEAs for guidance and capacity building.	FMU  Anti-corruption LEAs (NAB, FIA, ACEs)  ML designated LEAs	06/2026
13.14		<b>13.14 Improve Procedural Framework Through Typologies</b>  Develop corruption typologies /case studies related to corruption and share with the relevant stakeholders. It will align with FATF/APG typologies and Pakistan's AML/CFT enforcement priorities.	FMU  Anti-corruption LEAs (NAB, FIA, ACEs)  ML designated LEAs	06/2027
13.15	FMU maintains publicly available statistical reports — quarterly and annual — on STRs/CTRs received, showing transparency and data-collection on reporting volume	<b>13.15 Ensure Monitoring and Evaluation</b>  FMU to maintain comprehensive annual statistics and prepare Annual Report on Corruption-Related Financial Intelligence and disaggregated data demonstrating actual outcomes (enforcement, prosecution) from corruption-linked financial intelligence. Such reports to be presented to the General Committee for oversight.	FMU  Anti-corruption LEAs (NAB, FIA, ACEs)  ML designated LEAs	06/2027
<b>Strengthening law enforcement agencies capacities for financial investigation</b>				

13.16		<p><b>13.16 Conduct Institutional Review to Identify Shortcomings and Constraints; Recommend Measures to Address the Issues Identified.</b></p> <p>AML/CFT Authority to constitute a working group comprising of all ML designated agencies, Anti-corruption agencies, FMU, SECP, or any other relevant agency, to assess the prevailing practices, identify gaps and suggest actions.</p> <p>JWG to assess the institutional arrangements, including reporting lines of the relevant authorities/organizations, and institutional linkages as well as systems and capacities of the relevant agencies for implementation of the statutory obligations under AMLA,2010 as well as other statutes related to financial crimes. Based on the afore-mentioned JWG to recommend measures to strengthen the institutional Frameworks as well as agency-wise institutional capacities.</p>	<p>AML/CFT Auth (Lead),</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated Agencies,</p> <p>WG</p>	06/2026
13.17	All LEAs have SOPs to deal with corruption and other offences on their mandate. The same need review however.	<p><b>13.17 Review Investigation SOPs of the Agencies</b></p> <p>AML/CFT Authority will conduct a review of the SOPs being practiced by the LEAs mandated to investigate and prosecute Corruption and associated Money Laundering. Based on the said review, AML/CFT Authority will suggest improvements ensuring that all such SOPs cover:</p> <ul style="list-style-type: none"> <li>• Statutory provisions related to corruption and ML</li> </ul>	<p>AML/CFT Auth</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated Agencies</p>	06/2026

		<ul style="list-style-type: none"> <li>• Following the money principle</li> <li>• Beneficial ownership identification</li> <li>• Financial profiling/parallel financial investigation and asset tracing</li> <li>• Money laundering methodologies (corruption, TBML, fraud, cyber-enabled crimes, TF)</li> <li>• Effective use of financial intelligence (FMU disseminations, STR analysis)</li> <li>• Asset tracing methodologies including the digital and virtual assets</li> </ul>		
13.19		<p><b>13.19 Build Capacity of Judges Through Comprehensive Training Modules</b></p> <p>Federal and provincial judicial academies to design, in consultation with MoLJ, comprehensive training module for judges on ML/TF, financial typologies, financial evidence and confiscation etc.</p>	<p>MoLJ</p> <p>Federal and Provincial Judicial Academies</p>	06/2026
13.21		<p><b>13.21 Build Capacity Through Joint Sessions of Investigators and Judicial Officers</b></p> <p>MoLJ will issue an annual plan to organize regular sessions of financial investigators/AML investigators and judicial officers at judicial academies to improve shared understanding.</p>	<p>MoLJ</p> <p>Federal Judicial Academy</p> <p>Provincial judicial Academies</p> <p>ML designated LEAs</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs),</p>	06/2027

13.22		<b>13.22 Build Capacity Through Certifications</b>  LEAs will preferably get national and international level certifications for their investigators and prosecutors dedicated for financial investigations and prosecutions.	MOI, MOLJ, NAB, FIA, ACEs, MOF, other relevant LEAs	12/2028
13.23		<b>13.23 Strengthen Institutions and Build Capacity Through Provision of Funds</b>  Ministry of Finance to provide necessary funds to LEAs for co-optation of experts and resourcing each LEA with necessary staff required for specialized tasks.	MoF  Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2027
13.24		<b>13.24 Strengthen Prosecution Through Dedicated Investigators/Prosecutors with Fixed Tenure</b>  LEAs to designate specialized prosecutors in ML cases in key regions while ensuring fixed tenure.	Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2026
13.25		<b>13.25 Strengthen Monitoring and Evaluation Mechanism of LEAs</b>  Strengthening LEAs to develop Monitoring & Evaluation mechanisms with clear KPIs to follow-up on: <ul style="list-style-type: none"> <li>• Initiation of parallel financial investigations</li> <li>• Utilization of FI</li> <li>• Efficacy of data sharing and usage mechanisms</li> <li>• Investigation and prosecution of financial crime cases involving parallel financial investigations</li> </ul>	Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2026

		<ul style="list-style-type: none"> <li>Investigation and prosecution of complex cases of Money Laundering</li> </ul>		
<b>Improving cooperation on asset recovery.</b>				
13.26	Some ML designated LEAs have Asset Recovery Units	<b>13.26 Strengthen Institutional Mechanisms Through Dedicated Asset Recovery and Management Units</b>  All anti-corruption and AML designated agencies will establish dedicated Asset Management and Recovery Unit in their respective headquarters with its branches/cells in the respective regions/zones. Such unit to function under comprehensive SOPs.	Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2026
13.27		<b>13.27 Review MLA Act for Improved International Cooperation</b>  MOI, in consultation with MoLJ, will process amendments in Mutual Legal Assistance Act 2020, to provide for enabling provision for provisional asset freezing actions on Foreign request.	MOI  MoLJ  AML/CFT Auth	06/2027
13.31		<b>13.31 Improve Asset Recovery Through Mechanism/Framework to be Established by DNFBPs for Assisting in Asset Recovery</b>  DNFBPs to establish a mechanism to take action on asset recovery on international request.	DNFBPs  FBR  SECP	06/2026
13.32		<b>13.32 Establish BO Registry for SECP</b>  SECP shall establish updated BO registry to provide BO information on the incoming requests .	SECP	06/2026



13.33		<p><b>13.33 Strengthen SBP's Institutional Framework to Establish Incentive Mechanism to Promote Asset Recovery</b></p> <p>SBP shall devise a comprehensive mechanism for:</p> <ul style="list-style-type: none"> <li>i. Incentivizing efforts assisting in asset recovery;</li> <li>ii. Penalizing noncompliance with asset recovery protocols by Fis.</li> </ul> <p>The mechanism will cover all relevant details of rewards and penalties as well as the requisite associated systems and processes with the aim to improve the asset recovery through a system of rewards and penalties.</p>	SBP	06/2026
13.34		<p><b>13.34 Align NAB's Legislative Framework with International Standards</b></p> <p>NAB to evaluate and align its legal framework with UNCAC &amp; FATF standards</p>	NAB MoLJ	12/2028

## 13.4 Reform Outcome

The primary outcome of this reform will be a more effective and streamlined framework for investigating and prosecuting money laundering offenses as well as associated predicate offenses, particularly corruption, in Pakistan. Specifically, the reform aims to ensure that Pakistan's AML/CFT framework becomes more transparent, efficient, and accountable, leading to a higher rate of successful prosecutions and asset recovery. With the removal of the legal ambiguity surrounding the requirement for a predicate conviction, Pakistan will be able to prosecute money laundering more independently, which is expected to accelerate legal actions against financial crimes. Furthermore, by increasing the quantity and quality of STRs, improving inter-agency cooperation, and strengthening the capacity of law enforcement agencies for investigating and prosecuting financial crimes, the reform will enhance Pakistan's capacity to detect and combat money laundering and corruption more effectively.

Additionally, the reform will contribute to enhanced international cooperation, particularly in asset recovery. By ensuring that Pakistan's financial intelligence agencies meet international standards and are well-connected with foreign jurisdictions and global networks, the country will be better equipped to

recover assets located abroad and prevent the outflow of illicit funds generated from corruption or other predicate offenses. The outcome will be an improvement in Pakistan's international standing in terms of financial transparency and combating corruption, which will ultimately strengthen economic stability and investor confidence.

### 13.5 Connected Reforms Planned

In addition to the ongoing reforms, the FMU and related law enforcement agencies (LEAs), such as FIA, NAB, ANF, FBR-IR, Customs and SECP, are planning several additional reforms to enhance their capabilities in addressing money laundering and corruption. One of the key reforms involves improving the capacity of investigators by establishing specialized cadres of financial investigators within LEAs, ensuring that personnel are trained and dedicated to financial crime investigations. This initiative will improve the overall quality of investigations and ensure that complex cases involving corruption and money laundering are handled by skilled professionals with a deep understanding of financial systems.

Furthermore, the FMU plans to expand its international cooperation on asset recovery, focusing on strengthening liaison mechanisms with international financial institutions and foreign agencies. This will include bilateral agreements with high-risk jurisdictions for asset recovery and the establishment of a digital database to track frozen, recovered, and repatriated assets. These additional reforms will enhance Pakistan's capability to trace and recover illicit financial assets, thereby ensuring that the country becomes more effective in combating financial crime and reducing the economic impact of corruption.

### 13.6 Measurable KPIs

The measurable KPIs for this reform will focus on both quantity and quality in addressing money laundering and corruption. These KPIs include:

- Legal ambiguity surrounding the requirement of predicate offense for ML conviction removed.
- Number of STRs submitted by financial institutions and DNFBPs, with an emphasis on corruption-related STRs.
- Quality of STRs assessed by the FMU's quality review mechanism, including the detailed narratives, financial patterns, and corruption typologies included in the reports.
- Number of successful prosecutions related to money laundering, specifically cases where financial intelligence (from STRs or other sources) was critical to initiating legal action.
- The amount of illicit funds recovered as a result of asset recovery efforts, both domestically and internationally.
- Number of dedicated investigators and prosecutors for ML in LEAs.
- The number of successful intelligence-sharing sessions held between FMU, LEAs, and international partners for asset recovery and money laundering investigations.

#### Theory of Change

Removing legal ambiguity on predicate convictions → greater independence in prosecuting ML offenses → increased successful prosecutions and deterrence.

Strengthening STR quality and quantity → improved financial intelligence inputs → more targeted, evidence-based investigations.

Building specialised financial investigation capacity within LEAs → higher-quality case development → stronger prosecutorial outcomes and asset recovery.

Enhancing coordination between FMU, LEAs, and regulatory bodies → faster information sharing → improved detection of complex ML networks.

Improving international cooperation on asset recovery → increased repatriation of illicit assets → reduced economic losses and strengthened global credibility.

Embedding AML/CFT reforms within a unified national strategy → systematic reduction of illicit financial flows → improved financial integrity and investor confidence.

- Number of Training Needs Analyses and the number of Training Sessions conducted.
- Ensuring timeliness of reporting entities receiving feedback from FMU, improving the efficiency of financial intelligence dissemination.

These KPIs will help measure the success and effectiveness of the reforms in improving financial crime investigations and asset recovery.

### **13.7 Supplementary Domains**

Several sub-reform areas are indirectly related to this reform:

- **Public Procurement Reform:** As procurement-related corruption is a significant source of illicit financial flows, improving transparency in public procurement processes will directly support efforts to combat corruption and enhance the effectiveness of financial investigations.
- **Judicial Reforms:** The timely prosecution of financial crimes requires a well-functioning judicial system. Reforms aimed at improving the capacity of judges and speeding up the trial process for corruption cases will complement efforts to combat financial crime.
- **Digital Financial Crime:** Strengthening cybercrime laws and enhancing capacity for digital financial investigations will be crucial as virtual assets and online financial crimes become more prevalent. Ensuring that law enforcement is equipped to handle these evolving challenges is critical for improving financial intelligence and enforcement.

## Reform Action 14: Strengthening Accountability and Integrity of the Civil Servants

### 14.1 Fixing Vulnerabilities for Economic Growth

This reform addresses a governance and integrity vulnerability at the senior civil service level that undermines economic growth through weakened trust in public institutions, distorted policy decisions, and inefficient allocation of public resources. Limited transparency and verification of asset declarations for senior officials increase risks of undetected illicit enrichment and conflicts of interest, policy capture and rent seeking, reduced effectiveness of anti-corruption enforcement, and erosion of public trust and investor confidence.

In this regard, the following priority area of reform has been identified:

**Strengthen accountability and integrity among high-level Federal civil servants by initiating assets declaration in 2026, and introduce risk-based verification of assets declarations.**

Source: Pakistan GCDA Report, IMF, 2025. Table 1

### 14.2 Ongoing Reforms and Achievements

Essential building blocks for such a reform already exist: senior civil servants are required to submit asset declarations under existing legal and administrative frameworks; FBR maintains tax and wealth statement data that can support verification and cross-checking; and NAB has experience in financial investigations and unexplained wealth cases. The Establishment Division is the key agency managing personnel records and disciplinary frameworks for federal civil servants. Digitalization of tax records and third-party data has improved the analytical capacity for asset verification. However, asset declarations are not publicly accessible, and verification remains largely ad hoc and complaint-driven, limiting deterrence.

### 14.3 Planned Priority Reforms

The reform actions in the tables below signify the Government's resolve in this area. Table 25 provides the priority action items, while Table 26 provides the complementary action items.

**Table 25: Reform Action 14 – Priority Action Items**

<b>Reform Action 14:</b>				
Strengthen accountability and integrity among high-level federal civil servants by initiating the publication of asset declarations in 2026, and introduce risk-based verification of asset declarations.				
#	Achievements	Action items	Institution Responsible	Timelines
14.4		<b>14.4 Implement Verification</b> Deploy computerised system to generate risk-based cases for verification. Verification to be conducted by FBR and other relevant agencies.	Establishment Division  FBR	06/2027

14.5		<b>14.5 Implement Investigation and Systemic Learning</b>  Using the risk factor model, cases getting red flags will be reviewed by a committee of Establishment Division, FBR, FIA, and NAB to decide if the matter should be formally investigated, if so, then by what agency.  Using data and analysis corruption and integrity at the system level will be identified and used to design corruption vulnerability mitigation measures.	Establishment Division FBR NAB FIA Police	12/2027
14.6		<b>14.6 Increase Transparency</b>  A scheme of sequentially making assets available on the Establishment Division website, while observing confidentiality safeguards will be developed.	Establishment Division (FBR would also be involved)	06/2027

**Table 26: Reform Action 14 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
14.1	Civil Servants Act was amended recently (2025) to cater to public declaration of assets of civil servants in basic pay scale grade 17 to grade 22	<b>14.1 Revise Rules</b>  Revise Civil Service (Conduct) Rules to establish legal framework	Establishment Division	06/2026
14.2	An Accountability Facilitation Cell has been established, and monthly meetings of the cell are to be held	<b>14.2 Develop Risk Model and Coordination</b>  Develop Risk Factor Model, define red flags and outline Establishment Division – concerned agency- Federal Board of Revenue coordination mechanism	Establishment Division (FBR would also be involved)	06/2027
14.3		<b>14.3 Deploy Across Government</b>  Deploy digital asset declaration system across ministries	Establishment Division (FBR would also be involved)	06/2027

## 14.4 Reform Outcome

The reform will deliver a credible, transparent, and enforceable asset disclosure regime for high-level federal civil servants. This will result in public accountability through publication of asset declarations starting in 2026, and targeted, risk-based verification, focusing enforcement resources on high-risk cases rather than blanket checks. Furthermore, it will assist in the early detection and deterrence of illicit enrichment and conflicts of interest with stronger inter-agency coordination between FBR, Establishment Division, FIA, and NAB, along with potential investigations and prosecutions. The reform will enhance trust in senior public administration, supporting investment and policy credibility. Overall, the outcome will be a shift from formal compliance to substantive integrity enforcement.

## 14.5 Connected Reforms Planned

To sustain and deepen the reform, the government plans to develop a clear legal and regulatory framework for publication scope, privacy safeguards, and sanctions, and establish standardized risk criteria and red-flag indicators for verification. Steps will be taken to formalize inter-agency data-sharing protocols between FBR, Establishment Division, and NAB while also strengthening IT systems and secure databases for declaration management. These measures will ensure credibility, legal defensibility, and sustainability.

## 14.6 Measurable KPIs

Implementation progress will be tracked using clear indicators, including:

- Asset declarations of high-level federal civil servants published starting 2026
- Percentage of covered officials compliant with disclosure requirements
- Risk-based verification framework approved and operational
- Percentage of declarations screened using risk-based criteria
- Number and share of high-risk cases referred for further investigation
- Timeliness of follow-up actions and sanctions, where applicable
- Frequency of public reporting on aggregate compliance and verification outcomes.

## 14.7 Supplementary Domains

This priority recommendation is closely linked to:

- Civil service reform and merit protection
- Anti-corruption and integrity frameworks
- Public financial management and procurement oversight
- Tax administration and wealth transparency
- AML/CFT and unexplained wealth controls.

Together these reforms strengthen the integrity of senior public administration and reinforce a growth-supportive governance environment

## Theory of Change

The proposed actions achieve the reform outcome through two mutually reinforcing pillars:

### (i) Transparency through publication

Publishing asset declarations of high-level civil servants → Introduces public and peer scrutiny, increasing compliance incentives.

Align Pakistan with international good practice for senior officials → Acts as a preventive deterrent, not only an enforcement tool.

### (ii) Risk-based verification and enforcement

Introducing risk-based verification uses FBR data analytics to identify anomalies, unexplained wealth growth, and mismatch with declared income → Allows NAB to focus investigative capacity on high-risk cases → Reduces administrative burden while maximizing integrity impact.

Together, transparency and risk-based verification convert asset declarations from a formal requirement into a functional accountability mechanism.

## Reform Action 15: Merit at the Helm: Improving Appointment Processes

### 15.1 Fixing Vulnerabilities for Economic Growth

Pakistan's economic governance framework depends strongly on the credibility, predictability, and professionalism of its key oversight institutions. The Government recognises that transparent and merit-based appointment procedures for the leadership of regulatory and accountability bodies such as the Securities and Exchange Commission of Pakistan (SECP), the Competition Commission of Pakistan (CCP), and the National Accountability Bureau (NAB) play an important role in strengthening institutional effectiveness, safeguarding regulatory neutrality, and supporting investor confidence.

These considerations are not indicative of systemic shortcomings but reflect an evolving governance environment in which clarity of processes and timely decision-making further reinforce institutional performance. Pakistan has already taken considerable steps in modernising appointment frameworks, introducing codified selection procedures, strengthening legal underpinnings, and improving transparency. Reform Action 15 builds on this progress and seeks to consolidate improvements that are already underway.

By reinforcing structured, rules-based appointment systems, the Government aims to enhance long-term credibility, reduce uncertainty, and ensure continuity in leadership across oversight bodies thereby supporting regulatory stability, fair markets, and effective accountability mechanisms.

In this regard, the following priority area of reform has been identified:

**Review and enhance the legal framework governing the appointment of heads of key oversight bodies (CCP, SECP, NAB), to promote merit-based, transparent and credible selection processes.**

*Source: Pakistan GCDA Report, IMF, 2025. Table 1*

### 15.2 Ongoing Reforms and Achievements

Over recent years, significant progress has been made toward strengthening the leadership appointment frameworks for SECP, CCP, and NAB. These reforms reflect the Government's broader commitment to improving institutional governance and ensuring that regulatory bodies operate with professionalism, independence, and clarity of mandate.

#### 15.2.1 SECP Achievements

The process for appointing the SECP Chairperson has been formally codified in the draft SECP Amendment Bill, 2025, including the establishment of a structured Selection Committee responsible for identifying and recommending qualified candidates. Draft Rules to operationalise these procedures will be issued by the Federal Government, once the bill is passed. These reforms ensure clearer timelines, transparent criteria, and consistency with international good practice.

In addition, SECP has recommended improved governance through an updated Code of Conduct for Commissioners and Policy Board members, covering conflict-of-interest safeguards, confidentiality standards, and engagement principles with regulated entities. Together, these measures will reinforce institutional credibility and decision-making integrity.

### 15.2.2 CCP Achievements

CCP has undertaken major institutional strengthening efforts, including improved enforcement frameworks, data-driven monitoring, and significant progress in resolving legacy court cases. The Commission has recovered PKR 1.2 billion in penalties over the past two years and has cleared 428 court cases across multiple judicial forums.

Two specialised departments have been established to enhance analytical capability and proactive oversight:

- The Market Intelligence Unit (MIU), which employs data analytics and AI tools to identify potential anti-competitive behaviour, having reviewed over 200 cases.
- The Centre of Excellence for Sectoral Research, which has produced studies in more than 15 key sectors, informing reforms to improve competitiveness.

The Government is considering codification of the CCP Chairperson appointment process within the Competition Act, including clearer rules on timelines, procedures, and selection mechanisms. These steps would strengthen institutional continuity and alignment with global practices.

### 15.2.3 NAB Appointment Framework

The appointment of the NAB Chairman is governed by Parliamentary processes. While this framework falls outside the operational mandate of NAB itself, the Government recognises the value of ensuring that the process remains transparent, timely, and aligned with principles of neutrality. Any review of the existing system, should it be deemed necessary, would be conducted through the appropriate Parliamentary channels and in consultation with relevant stakeholders.

## 15.3 Planned Priority Reforms

The reform action pertaining to appointments of the three agency heads and connected matters are described in the tables below; Table 27 provides the priority action items, while Table 28 provides the complementary action items.

**Table 27: Reform Action 15 – Priority Action Items**

<p><b><u>Reform Action 15:</u></b></p> <p>Review and enhance the legal framework governing the appointment of heads of key oversight bodies (CCP, SECP, NAB) to promote a merit-based, transparent, and credible selection process.</p>
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#	Achievements	Action items	Institution Responsible	Timelines
15.1		<p><b>15.1 Improve Selection Outcome for Chair</b></p> <p>SECP Chairperson's (direct) appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.</p>	<p>MoF/MoL/SECP</p> <p>MoF</p>	<p>06/2027</p> <p>06/2027</p>
15.4	CCP has employed top-tier economists, lawyers, statisticians, finance professionals, and academics to facilitate its operations.	<p><b>15.4 Improve Personnel Selection Outcomes for CCP</b></p> <p>Amendment in the Competition Commission (Salary, Terms and Conditions of Chairman and Members) Rules to the following effect:</p> <p>Appointment Process be initiated at least 3 months prior to the date of the end of tenure of Chairman/Member.</p> <p><b>Amendment in the Competition Act, 2010</b></p> <p>Scope of Section 43 of Competition Act, 2010 be broadened. <b>The eligibility criteria of the Chairman CAT are narrowly defined and it needs to be broadened.</b></p> <p>A separate and dedicated process for the Chairman's appointment (independent from the appointment process for other Members) be set out in Competition Act; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.</p>	<p>MoF/MoL/CCP</p> <p>MoF</p> <p>CCP</p>	<p>06/2027</p> <p>06/2027</p> <p>06/2027</p>
15.2		<p><b>15.6 Review Appointment Process for Chairman NAB</b></p>		06/2027

		Chairman NAB appointment will be reviewed and put in front of cabinet for consideration	MoJ	
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**Table 28: Reform Action 15 – Complementary Action Items**

#	Achievements	Action items	Institution Responsible	Timelines
15.2		<b>15.2 Improve Selection Outcome for Commissioners</b>  SECP Commissioners’ appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.	SECP	06/2027
15.3		<b>15.3 Elaborate Code of Conduct for SECP</b>  A stricter Code of Conduct for Commissioners / Policy Board members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.	MoF/MoL/SECP	06/2027
15.5		<b>15.5 Elaborate Code of Conduct for CCP</b>  A stricter Code of Conduct for Members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.	CCP/MoF	06/2027

## 15.4 Reform Outcome

The reform action is expected to strengthen the predictability, clarity, and professionalism of appointment processes across key oversight bodies. Enhanced transparency, codified procedures, and well-defined criteria will support institutional performance, reinforce market confidence, and ensure continuity in regulatory and accountability mandates.

These improvements complement Pakistan’s broader governance reforms and contribute to a more stable and credible economic environment.

## 15.5 Connected Reforms Planned by Agencies

### 15.5.1. SECP

SECP will finalize and submit to MoF the revised appointment rules, following passage of the Amendment Bill. Complementary reforms including strengthened consultation processes, enhanced transparency in decision-making, and improvements to regulatory oversight will reinforce institutional stability.

### 15.5.2. CCP

CCP is developing proposals to further formalise appointment-related procedures within its statutory framework and a stricter Code of Conduct for Chairman and Members. Furthermore, it will be proposing to expand the scope of the Section 43 of the Competition Act, 2010 to broaden the eligibility criteria of the Chairman of the Competition Appellate Tribunals (CAT). The Commission will also continue investing in technical capacity, enforcement transparency, and evidence-based policymaking, aligning itself with international competition law standards.

### 15.5.3 NAB

Any enhancements to the NAB appointment framework would be considered by Parliament in accordance with constitutional procedures. The Government remains committed to ensuring that accountability institutions operate with professionalism and objectivity.

## 15.6 Measurable KPIs

- Codification and notification of updated SECP and CCP appointment rules.
- Establishment of structured Selection Committees with published mandates.
- Timely initiation of appointment processes (e.g., minimum three months before tenure completion).
- Publication of annual governance and transparency reports by oversight bodies.
- Reduction in leadership gaps due to appointment delays.
- Stakeholder confidence indicators regarding transparency and predictability of processes.

## 15.3 Supplementary Domains

The reform action links closely with broader reforms on regulatory governance, public sector appointments, conflict-of-interest management, institutional independence, and transparency in decision-making. Strengthening leadership appointment frameworks contributes directly to improved regulatory quality, enhanced accountability, and sustained economic confidence.

### Theory of Change

Clear, structured leadership appointment frameworks promote regulatory credibility and strengthen investor trust. PR15 follows a logical progression:

- Codified selection processes → Increased transparency and reduced discretion
- Transparent appointments → Enhanced institutional credibility and leadership continuity
- Strong oversight institutions → Improved regulatory quality and market competitiveness

Together, these actions reinforce Pakistan's commitment to governance excellence and rule-based institutional functioning.

## Implementation Arrangements

Governance reforms, by their nature, are complex undertakings that require careful consideration of multiple, interrelated factors. These include existing **institutional structures and practices**, human resource capacities, legacy systems, and operational constraints that have evolved over time. Beyond these technical and administrative dimensions, governance reforms are also shaped by **political economy considerations**, which influence incentives, sequencing, and the feasibility of reform implementation.

While the reform actions outlined in this PM-EGR are aimed at either **developing new systems** or **strengthening existing ones**, experience shows that achieving meaningful and sustainable outcomes requires a **comprehensive review of allied factors**. Without such an integrated approach, reforms risk being implemented in a fragmented manner, resulting in suboptimal outcomes and limited institutionalization.

The PM-EGR requires well planned implementation in several areas of the public sector. To gain optimal results, it will be designed as a **3-year Prime Minister's Economic Governance Reform's** program under an implementation arrangement with clear roles and responsibilities. The implementation of the PM-EGR will be supported through 3 Reform Committees for Economic Governance Systems, Tax Administration and Anti-Corruption/Anti-Money Laundering. **A six-monthly progress report will be presented to the Prime Minister and progress against key monitoring indicators will be made public for transparency and accountability.**

**Table 29: Implementation Arrangements**

	<b>Reform Committee for Economic Governance Systems</b>	<b>Reform Committee for Tax Administration</b>	<b>Reform Committee for Anti-Corruption/Anti Money Laundering</b>
<b>Chair</b>	Minister for Finance & Revenue	State Minister for Finance & Revenue	Minister for Law & Justice
<b>Secretary of the Committee</b>	AFS Finance	AFS Revenue Division	Director General AMLA
<b>Secretariat</b>	Finance Division	Revenue Division	Anti Money Laundering Authority
<b>Members</b>	Secretary Finance Chairman SECP Chairman CCP Managing Director PEPRA Secretary Law Secretary Planning Secretary SIFC Secretary MoITT Additional Auditor General Secretary Establishment Director General TPO	Chairman FBR CEO PRAL Secretary Finance Additional Auditor General  <i>Any co-opted member</i>	Secretary Interior Director General FMU DG FIA DG NAB Secretary MoITT Secretary Finance Chairman SECP Chairman CCP Secretary Law & Justice Member FBR DG ANF DG ACEs DG Federal Judicial Academy

	Secretary LJPC State Bank of Pakistan  <i>Any co-opted member</i>		Pakistan Virtual Asset Regulatory Authority (PVARA)  <i>Any co-opted member</i>
<b>Areas</b>	Reform Action 1, 2, 3, 4, 5, 6, 9, 10, 12, 14	Reform Action 7, 8	Reform Action 11, 13, 15
<b>Frequency</b>	Monthly (first four months); quarterly thereafter	Monthly (first four months); quarterly thereafter	Monthly (first four months); quarterly thereafter
<b>Technical Support</b>	Resources to be identified by the Technical Unit	Resources to be identified by the Technical Unit	Resources to be identified by the Technical Unit

**Measurable KPIs will form the basis of quarterly reporting.** The technical unit will support the implementing agencies in developing reporting formats and the latter will use their data generating processes to report on milestones and KPIs.

Initially, a targeted set of KPI will be prioritised for monitoring to ensure accurate reporting and a manageable workload. The action items have been reviewed, and out of the 141 action items, 59 reform action items, have been selected for progress monitoring. These KPIs are critical to measuring progress on the reforms and the reporting agencies will be tasked to produce reports against them using reliable, accurate, and timely data. The implementation committees may increase the number of KPIs over time. The following Table 30 lists the prioritised KPIs by committee.

**Table 30: KPIs for Priority Action Items**

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
<b>Reform Action 1: Advancing Competitive, Efficient, Transparent Procurement</b>				
1.1.	Approve Draft Public Procurement Rules	1. Notification of Public Procurement Rules	An evaluation study will be undertaken in 18 months will assess whether the procurement reforms have delivered cost reductions, improved transparency, and improved grievance filing. Compliance with the KPIs can be measured directly, but it will also be critical to assess the qualitative impact of meeting the KPIs, to establish that these compliances have made the process more transparent, equitable and accountable, leading to improvement in the space of public procurements. Apart from confirming these reform gains, this verification exercise will also identify areas requiring further action.	Jun-26
1.2.	Promulgate New Rules	1. Notified Rules 2. Notified Regulations	Competition and level playing field in public procurements	Jun-26
1.3.	Roll-out EPADS Across Federal Government Agencies.	1. Percentage of procuring agencies fully integrated with EPADS at the federal level 2. Percentage of procurement transactions executed through EPADS.	Reduced compliance costs of public procurement system for user departments	Jun-27
<b>Reform Action 2: Enhancing Value of Strategic Investments</b>				
2.1	Publish SIFC Annual Report	1. Draft Annual Report to be submitted in December 2026 2. Final Annual Report to be submitted in March 2027	Facilitation to investment in key areas of the economy.	Jun-27
<b>Reform Action 3: Enhancing Regulatory Predictability and Consistency for Private Sector Development</b>				

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
3.1	Create a one-stop shop for regulatory approvals	1.Setting up of a fully functional digital RCLO 2.Reduction in average compliance processing times.	Reform impact will be validated through stakeholder satisfaction surveys conducted in 24 months on regulatory accessibility, trends in the percentage increase in registered companies, and formal written feedback from OICCI and PBC, detailing how regulatory simplification has reduced time and cost burdens, improved the business environment, and strengthened investor confidence. These combined with the quantitative data related to progress on the KPIs will confirm reform effectiveness and guide further policy adjustments.	Dec-28
3.2	Establish National Regulatory Registry	1. National registry established 2. Number of businesses entities utilising the registry	End-user survey to assess: (i) achievement in ease of doing business; (ii) transparency of the processes.	Dec-28
3.7	Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices	1. No. of regulations removed 2. No. of federal regulators that have established and implemented RIA process.	Policy dialogue will assess whether the revised regulatory change review process meaningfully embeds ex-ante and ex-post Regulatory Impact Analysis as a decision-making tool rather than a procedural formality. This will be evaluated through review of selected regulatory amendments to confirm evidence-based problem definition, assessment of economic and competition impacts, documented stakeholder inputs, and reasoned justification of regulatory changes.	Jun-26
<b>Reform Action 4: Minimizing Regulatory Compliance Costs</b>				
4.1	Digitise SECP approvals	1. Number of regulatory processes digitized 2. Reduction in average processing times 3. Variance in processing time taken	A study will help in formulating a 360-degree view of an entity and assess whether digitized licensing, enforcement, and adjudication processes genuinely reduced structural vulnerabilities by improving	Dec-28

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
			predictability, limiting discretion, and lowering compliance friction. Evidence from digital-usage patterns, reduced manual submissions, and stakeholder feedback will confirm whether firms now experience faster, more reliable regulatory interactions and whether these shifts strengthen the business environment.	
4.4	Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation	1. Number of machine-readable regulations published 2. Satisfaction surveys	The Action Steps 2–6 and their corresponding KPIs should be assessed to unravel whether a business friendly, transparent, and digitally accessible regulatory ecosystem has emerged as a consequence. Focus should be on whether these measures have collectively demystified the current maze of regulatory structure and clarified compliance obligations.	Dec-28
4.6	Establish Digital National Rulebook	1. Percentage coverage of National Rulebook 2. % of digitized regulations	Reduced compliance cost of regulation	Dec-28
<b>Reform Action 5: Enhancing Predictability and Efficiency in Legal Enforcement of Economic Rights</b>				
5.1	Form A Methodology Working Group	MOLJ notification of all-stakeholder- including business community- working group, mandated to conduct a diagnostic to efficiently and effectively: (i) resolve economic disputes, (ii) monitor judicial and court performance, (iii) reduce pendency and (iv) oversee implementation of recommendations. Diagnostic section examining actual systemic and political economy factors/drivers	Strengthened economic rights	Jun-26



Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		affecting judicial-court governance and performance.		
5.4	Develop Methodology to Address the Backlog	1. Diagnostic report section/s (i) evaluating current qualitative and quantitative methodologies to monitor and evaluate court and judicial performance, time, delays and outcomes and proposed policy options or recommendations.	Pendency reduced effectively and sustainably	Jun-26
5.8	Design and Notify Data Collection Framework	1. Notification of Data Collection Framework	Reduced duration of economic dispute resolution	Jun-26
5.9	Analyse/Evaluate Data to Make Actionable Recommendations	1. Data compiled and Recommendations formulated	Increased efficiency of economic dispute resolution	Jun-27
5.10.	Publish Annual Performance Report with Recommendations	1. Published Report	Increased performance of judges	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
5.11	Devise Alternate Options for Economic and Commercial Cases	1. Diagnostic report section exploring the ADR mechanisms in practise and their relative efficacy in disposing economic/commercial cases and options to strengthen diversionary mechanisms, frameworks and strategies.	Economic rights strengthened	Jun-26
<b>Reform Action 6: Optimizing Tax Policy Function for Economic Efficiency</b>				
6.5	Simplify Tax Structures	1. Simplification strategies covering (a) to (g) setting out specific timed, monitorable actions over 3-5 years period. 2. Revised legislation enacted and policies notified as per MOF approved simplification strategies covering (a) to (g) 3. Revised tax policy and/or laws covering (a) to (g) available on TPO and MOF websites for public	Reduced economic burden of taxes with lowering of compliance costs.	Dec-26
6.6	Develop Criteria to Structure and Rationalise Rule Making Powers	1. MOF notified criteria for rationalising and structuring rule making powers. 2. SROs affecting tax policy and its implementation reviewed, restructured and/or deleted.	Rule-making discretion structured and rationalised	Jun-26
6.7	Publish Annual Report on Simplification Progress and Changes in Exemption	1. TPO approved M&E framework and system for evaluating and reporting tax simplification and their demonstrable impact. 2. Annual performance or implementation and impact status reports, including changes in the number and value of tax exemptions, posted on MOF and TPO websites	Impact on tax policy reported publicly	Jun-26

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
Reform Action 7: Increasing Efficiency, Integrity, & Performance Culture of Tax Administration				
7.1	Establish Executive Committees	1. Written decision regarding formation of committees, along with membership and terms of reference	Improved FBR governance in core functional areas	Jun-26
7.2	Complete Institutional Risk Assessment and Establish Compliance and Risk Committee	1. FBR Compliance and Institutional Risk (including CRM) Committee notified along with composition and mandate. 2. Risk register established. 3. Comprehensive risk mitigation strategy developed and overseen by organizational risk committee.	Risk culture established in tax administration.	Jun-27
7.3	Implement OECD CRM Framework	1. Evidence of risk-based selection 2. Evidence of performance monitoring	Study of adoption plan with timelines and milestones for system consolidation methods.	Jun-27
7.4	Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy	1. Key processes identified and listed. 2. Manuals available	Optimal calibration of field office autonomy with impact on revenue collection	Jun-27
7.19	Mitigate PRAL IT Risks	1. Developed risk register and mitigation strategy	Reduced PRAL IT risks	Jun-27
7.21	Establish and Notify Internal Audit Wing within PRAL	1. Annual Internal Audit Reports	Strengthened internal controls in tax administration	Jun-26
7.22	Strengthen Oversight and Reporting Arrangements of the IMC	1. Notification of revised TORs for IMC. 2. Integrity and anti-corruption FBR policy available, along with legal instruments to enforce it	Increased integrity perceptions across taxpayers	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
7.28	Conduct Institutional Risk Assessment and Establish Risk Committee	1. Risk Assessment Report made available. 2. Organizational Risk Committee notified along with composition and mandate. 3. Risk register developed. 4. Comprehensive risk mitigation strategy developed.	Higher degree of attention to institutional risks with active action regimen.	Jun-27
7.30.	Recruit Core Functional Specialists	1. Appointment and placement orders	Improved FBR performance in core functional areas.	Jun-27
7.31	Introduce Certifications to Strengthen FBR	1. Launch of PGD and certificate courses	Increase in FBR officers' capacity	Jun-27
<b>Reform Action 8: Enhancing Systems to Access and Use Data in Tax Administration</b>				
8.1	Arrange Special Audit of PRAL	1. Audit Report	Improved performance of PRAL	Jun-27
<b>Reform Action 9: Streamlining Budget Process</b>				
9.1	Streamline Budgetary Grant Process	1. Review report of the supplementary grants 2. Approvals according to the process 3. Variance in budget approved with spending 4. Envelopes defined in budget circulars with budgetary allocations 5. Ratio of Budget allocations with actual spending.	Reduced variance in budgetary allocations and expenditures	Jun-27
<b>Reform Action 10: Rationalizing Development Expenditure</b>				
10.1	Enforce 10% Cap on New PSDP Projects	1. Change in throw forward liability, percentage, year-on-year. 2. Decrease in backlog of projects 3. Reduction in delay of	1. Composition of portfolio and financial management efficiency. 2. Project completion ratios, cost overruns, cost-revisions, and cost	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		completion of projects. 4. The BCC cap year-on-year	predictability (completion cost/original cost)	
10.2	Prioritize High-Impact PSDP Projects	1. Quarterly & Annual (full year) review reports	Alignment of project portfolio composition with economic policy objectives	Jun-27
10.3	Prevent Mid-Year Cuts to Development Expenditure	1. Release/Allocation by quarter	Financing modalities of public infrastructure	Jun-27
10.4	Improve Feasibility and Appraisal Requirements of Local Projects	1. Minutes of the approval fora	Cost efficient development spending	Jun-27
10.5	Enhance Monitoring of Local Projects	1. Monitoring reports from the specific mechanism. 2. Percentage of Parliamentary projects approved	Mechanism to link constituency demands with resource allocation	Jun-27
<b>Reform Action 11: Framing a National Risk and Vulnerability Mitigation Infrastructure</b>				
11.1	Conduct National Risk Assessment on Corruption	1. Formation of the National Anti-Corruption Task Force within 3 months. 2. Framework completion within 6 months	Interagency consensus on risk assessment framework	Jun-26
11.2	Identify Top 10 High Risk Agencies	1. Top 10 agencies with high corruption risks identified	Higher attention to corruption associated risks in ministry/agency management	Jun-27
11.3	Devise Risk Reduction Action Plan	1. Action plan completed within 3 months	Higher alignment of institutional resources to corruption risk reduction.	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
11.4	Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress	1. Formation of an Implementation Unit (IU) within 3 months 2. Progress reports by ministries/agencies on implementation of the RRP	Higher visibility of progress made against agency plans	Jun-27
11.5	Ensure Effective Monitoring Through Reports	1. Publication of annual reports and publication of the identified 10 highest risk agencies and report on demonstrated reduction of risks.	Reduced incidence of corruption established through administrative data and objective perception surveys based on agency personnel as well as public at large	Jun-28
<b>Reform Action 12: Reinforcing the Systemic Linkages and Accounting for Public Financial Resources</b>				
12.2	Achieve Legal Clarity	1. Study Report 2. Legislated Provisions	Operational effectiveness enhanced	Jun-26
12.3	Review Budgetary and Establishment Authorities for Adequate Autonomy	1. Review Report 2. Reduction in time taken to carry out reappropriations 3. Reduction in time taken to fill sanctioned positions	Increased institutional autonomy to perform the audit function	Jun-27
12.5	Submit Final Audit Reports to Parliament Observing Timelines	1. Clarified submission process	Increased accountability and incidence of sanctions	Dec-26
<b>Reform Action 13: Augmenting Anti-Money Laundering Enforcement Mechanisms</b>				
13.1	Conduct Legislative Review of AMLA 2010 to Remove Ambiguities	1. WG and its TORs notified. 2. Finalization and submission of amended Anti-Money Laundering Act (AMLA) within 3-6 months for review by Parliament	Increased conviction rates in money laundering offenses	Jun-26
13.3	Secure Approval and Notify the Amendments	1. Amendments to be notified and enacted within 12 months.	Increased conviction rates in money laundering offenses	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
13.4	Improve STRs by Issuing Reporting Guidelines	1. Reporting Guidelines issued for the reporting entities	Increased investigations and case outcomes based on improved STRs	Jun-26
13.9	Improve Feedback Mechanism using Automation and AI	1. Feedback mechanism devised and implemented 2. Automated/ AI-driven Feedback Formats developed and implemented 3. Feedback reports shared with GC annually	Continuous systemic gains from system learning	i. 06/2026 ii. 06/2027 iii. 06/2027
13.18	Build Capacity of LEAs Through TNAs and Trainings	1. Number of TNAs conducted. 2. Number of training plans issued	Improved quality of investigation and prosecution leading to higher conviction rates	Jun-27
13.20.	Build Capacity of Judges Through Implementing Training Plans	1. Annual plan issued and implemented	Improved quality of judgements	Jun-27
13.28	Enact MLA Rules & Guidelines	1. MLA Rules & subsequent guidelines notified	Increased number of MLAs successfully concluded	Dec-28
13.29	Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets	1. Digital database established and relevant agencies linked with the database	Improved accounting and security for frozen, recovered, and repatriated assets.	Jun-27
13.30.	Improve International Cooperation Through Bilateral Agreements	1. Number of bilateral agreements executed	Increased number of bilateral agreements	Dec-28
<b>Reform Action 14: Strengthening Accountability and Integrity of the Civil Servants</b>				
14.4	Implement Verification	1. Verification taken place 2. Percentage of cases verified	Increased transparency and integrity of the civil service	Jun-27

Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
14.5	Implement Investigation and Systemic Learning	1. Percentage of cases reviewed by the committee 2. Number of systemic areas identified for vulnerability mitigation	Increased identification of foci of vulnerability	Dec-27
14.6	Increase Transparency	1. Publication with confidentiality safeguards	Increased integrity of the civil service	Jun-27
<b>Reform Action 15: Merit at the Helm: Improving Appointment Processes</b>				
15.1	Improve Selection Outcome for Chair	1. Notification of SECP rules, that codify the entire process of appointment of Chairman/Commissioners/Policy Board Members. 2. Timely initiation of appointment processes (minimum 3 months before tenure completion). 3. Publication of annual governance and transparency report approved by SECP Policy Board.	Improved oversight and reduced leadership gaps leading to enhanced regulatory stability, decision-making consistency, and investor confidence.	Jun-27
15.4	Improve Personnel Selection Outcomes for CCP	1. Amendment in the Competition Act 2010 will be required to give effect for the separate and independent for the appointment of the chairperson. 2. Notification of CCP rules, that codify the entire process of appointment of Chairman/Members. 3. Timely initiation of appointment processes (minimum 3 months before tenure completion). 4. Publication of annual governance and transparency	Enhanced effectiveness in ensuring competitive markets including commodities.	Jun-27



Priority Reform Action & Action				
Sr No.	Items	Measurable KPIs	Outcome/Policy Dialogue	Timelines
		report approved by the Commission.		
15.6	Review Appointment Process for Chairman NAB	1. Conclusion of the formal review process, and action there against, if required	Increased public credibility of NAB as an anti-corruption agency	Jun-27

**As a monitoring mechanism, structured policy dialogues are planned.** Periodic policy dialogue will serve as a key mechanism for guiding the implementation of reform actions that require further analysis, coordination, or policy-level decisions. These dialogues will be convened at 6-month, 12-month, and 24-month intervals to review progress, assess emerging challenges, and determine any course corrections needed to maintain reform momentum. The policy dialogue platform will enable structured engagement among relevant government agencies, senior decision-makers, and technical stakeholders to ensure that complex or cross-cutting actions receive timely attention at the appropriate level. Where linkages with the IMF Extended Fund Facility (EFF) exist, IMF participation in the policy dialogue will be the preferred review modality, supporting alignment with EFF commitments and reinforcing credibility, transparency, and continuity in reform oversight.

It is recognized that while specific reform actions may be formally assigned to individual ministries, divisions, or agencies, many reforms by their nature require a **whole-of-government approach**. Even where a single agency is designated as responsible, successful implementation often depends on coordination, commitment, and support from multiple institutions across government.

Accordingly, the Government's commitment to the PM-EGR will be reinforced through senior-level engagement across relevant agencies.

**Technical Unit:**

A **technical unit** will facilitate this process by ensuring that reform actions receive appropriate attention, are elevated to relevant decision-making levels where required, and are sufficiently recognized within and across government institutions. This approach is intended to strengthen ownership, enhance inter-agency coordination, and ensure that reforms are embedded effectively within government systems.

- A team of technical experts/specialists will be organized to support implementation
- The team will comprise of subject specific sub-teams
- The unit will work with the MoF and provide technical support to each of the 3 Committees
- The unit will prepare reports on the reform implementation progress and document evidence on milestones and KPIs and will organize policy dialogue
- The technical unit will be housed in the Ministry of Finance.
- It will organized periodic data analysis and studies to evaluate the impact of the reforms.

The TU will ensure outcome and implementation coherence and timeliness by providing technical assistance to the effective functioning of all three committees and implementation of the programme. Similarly, it shall compile the progress or monitoring reports quarterly, and in cases where issues need to be escalated upwards, the matter will be routed through the TU and the Ministry of Finance to the Prime Minister's office. The TU operationally will report to the secretary and will be headed by a Joint Secretary level-officer of the Ministry of Finance, especially so in the interest of institutional memory and continuity. The second tier of the TU personnel will be technical and staff supported by REMIT and coopted from relevant agencies.

**Collaboration:**

The implementation will organize collaboration with development partners including IMF in specific areas of reform and any existing reform support programs

## Annex I: Reform Action Matrix

Please note, in all the tables in the annexes, the grey highlighted rows in the table signify priority action items while the non-highlighted rows signify complementary action items.

### REFORM ACTION 1: ADVANCING COMPETITIVE, EFFICIENT, TRANSPARENT PROCUREMENT

<b>1. Reform Action 1:</b> Improve the performance of the public procurement system by eliminating preferences for State-Owned Enterprises, including provisions allowing for direct contracting and mandating the use of the e-Government Procurement system for all procurement transactions within 12 months.				
#	Achievements	Action items	Institution Responsible	Timelines
1.1	<ul style="list-style-type: none"> <li>• <b>Public Procurement Rules 2025</b> prepared in line with international best practice and being processed for cabinet approval.</li> <li>• <b>Explicit removal of SOE preference:</b> The new draft Rules 2025 contain no preferential treatment for State-Owned Enterprises.</li> </ul>	<b>1.1. Approve Draft Public Procurement Rules</b>  Approval of Draft Public Procurement Rules 2025 - already prepared in line with international best practice.	PPRA	06/2026
1.2		<b>1.2. Promulgate New Rules</b>  Upon approval, new rules will be promulgated, and all existing regulations will be updated and notified.	PPRA	06/2026
1.3		<b>1.3. Roll-out EPADS Across Federal Government Agencies.</b>  Roll-out of EPADS system across federal government  Complete integration of EPADS with all the PSEs and government departments and other discrete data sets (tax, NADRA, Audit) at federal government	PPRA/Govt Depts/Ministries	06/2027

1.4		<b>1.4. Roll-out EPADS Across Provincial Governments.</b> Roll-out of EPADS system across all Provincial Governments. Complete integration of EPADS with provincial governments	PPRA/PSEs/ Provincial	12/2028
1.5	<b>Major transparency and accountability reforms included in draft Rules 2025:</b> <ul style="list-style-type: none"> <li>– Mandatory Third-Party Evaluation for procurements above Rs. 2 billion.</li> <li>– Third-Party Validation for procurements from Rs. 500 million to Rs. 2 billion.</li> <li>– Formation of independent Grievance Redressal and Inspection Committees.</li> <li>– Independent pre-shipment inspections of goods.</li> <li>– PPRA to maintain a panel of independent experts to assist procuring agencies in bid evaluation, validation, inspection and grievance redressal.</li> <li>– Clear delineation of roles &amp; responsibilities of procuring officials for accountability.</li> </ul>	<b>1.5. Introduce Public Procurement Quarterly Monitoring Reports</b>  Introduction of Quarterly Monitoring Reports of public procurement for development and non-development expense.	PPRA	06/2026
1.6	<b>Standard Bidding Documents</b> being revised in line with global best practices.	<b>1.6. Revise Standard Bidding Documents</b>  Following the notification of the new procurement rules, revised standard Bidding Documents.	PPRA	06/2026
1.7	iii. On the advice of PPRA, dedicated Procurement Cells (PCs) are being established across Federal Government procuring agencies. So far 122 procuring agencies have established PCs. iv. To ensure professionalization in public procurement, government officials are required to acquire relevant certification to become eligible for placement in PCs In accordance with PPRA Competency Framework developed with the technical assistance of World Bank, different procurement training courses have been introduced including Certificate in Procurement and Four-month diploma in Procurement and Contract Management. 2,205	<b>1.7. Revise Competency Framework Periodically</b>  The periodic revisions of competency framework will be informed by the lessons learnt and embedded in HR evaluations	PPRA	12/2028

	individuals have been trained on PPRA regulatory framework and EPADS since July 2024.			
1.8	<p>For effective complaint resolution, procedures for grievance redressal have been devised by PPRA through “Redressal of Grievance Regulations 2021”. The reports/orders for all grievances decided by PPRA will be published on the PPRA website.</p> <ul style="list-style-type: none"> <li>• <b>Complaint-handling</b> function strengthened: M&amp;E Wing receives complaints, calls for procurement data, conducts investigations, prepares findings and issues advisories or corrective measures.</li> </ul>	<p><b>1.8. Report on Compliance Percentage</b></p> <p>Report on Compliance %age and data on violations, methods of procurement, grievances, etc.</p>	PPRA	06/2026

## REFORM ACTION 2: ENHANCING VALUE OF STRATEGIC INVESTMENTS

<b>2. Reform Action 2:</b>  Enhance transparency regarding strategic investments by producing and making public the first annual report of the Special Investment Facilitation Council, including information on all investments that it has facilitated, including concessions provided (tax, policy/regulatory, or legislative) along with detailed rationale of concessions, and the estimated value of the concessions, and publishing the information on the implementation of the Bol (Amendment) Act, Article 10F (Power to relax or exempt from regulatory compliance).				
#	Achievements	Action items	Institution Responsible	Timelines
2.1		<b>2.1 Publish SIFC Annual Report</b>  Publication of SIFC's annual report, as a recommended action by IMF's subject Diagnostic Assessment has a timeline of medium term. Following Action Plan by SIFC is submitted. <ul style="list-style-type: none"> <li>i. Draft Annual Report to be submitted in December 2026</li> <li>ii. Final Annual Report to be submitted in March 2027</li> </ul>	SIFC	06/2027

## REFORM ACTION 3: ENHANCING REGULATORY PREDICTABILITY AND CONSISTENCY FOR PRIVATE SECTOR DEVELOPMENT

<b>3. Reform Action 3:</b>  Under the leadership of the Securities and Exchange Commission of Pakistan, enhance regulatory consistency within 18 months by: (1) establishing a comprehensive database of all federal business regulations, (2) eliminating unnecessary regulations based on structured systematic review, (3) creating a review process based on international good practice for all new regulatory proposals.				
#	Achievements	Action items	Institution Responsible	Timelines
3.1	<p><b>Asaan Karobaar Act</b> passed by Senate in Nov '25; under Section 16 of which, 'Pakistan Business Portal' would be established within two years of commencement of the Act.</p> <p>Through a series of workstreams in consultation with Bol, the Companies Act, 2017 has been reviewed for amendments in four major areas:</p> <ul style="list-style-type: none"> <li>a. Digitization</li> <li>b. Ease of doing business</li> <li>c. Decriminalization of non-compliances</li> <li>d. SECP's role in regulating listed and unlisted companies.</li> </ul> <p>Additionally, with respect to the insolvency/bankruptcy framework, draft bills have been submitted before CCoRR for further approval, proposing amendments in the following laws:</p> <ul style="list-style-type: none"> <li>i. Corporate Rehabilitation Act, 2018, to ensure effective rehabilitation of companies</li> <li>ii. Corporate Restructuring Companies Act, 2016, focusing on operationalisation of the Corporate Restructuring Board</li> </ul>	<p><b>3.1 Create a one-stop shop for regulatory approvals</b></p> <p>Pakistan Business Portal will be operationalized and maintained by Bol to provide facilities to enable submission / processing of applications for registrations, licenses, certificates, permits, approvals, and permissions, at one place. It should be the country's exclusive one-window portal (RCLO);</p> <p>For the Bol to manage this successfully, it will require ongoing support from SECP (given its domain knowledge of registrations and licensing) as well as the MoITT (given its ability to convert manual operations into digital ones) on a full-time basis; additionally - the support of all other regulators and agencies would also be critical in making this a success.</p>	BOI/SECP/MoITT	12/2028

	iii. Sections 41B & 42A of the SECP Act, to reinforce the legal sanctity of the regulatory functions of SECP, shield regulated entities from arbitrary or coercive actions by LEAs, and create a more secure environment for both domestic and foreign investors.			
3.2	Law has already been enacted under the name of Ashaan Karobaar Act, which mandated the establishment of a regulatory registry; federal registry has been established.	<b>3.3 Establish National Regulatory Registry</b> Enhance federal registry already established and transform it to national registry by including subnational business regulations.	BOI	12/2028
3.4	Under the Pakistan Regulatory Modernization Initiative (PRMI), to reduce compliance burden of businesses and improving the effectiveness of regulatory regime, Bol has coordinated SECP's integration with numerous federal and provincial departments, including Intellectual Property Organization of Pakistan (IPO), Financial Monitoring Unit (FMU), Pakistan Single Window (PSW), Pakistan Software Export Board (PSEB), Pakistan Telecommunication Authority (PTA), Special Technology Zones Authority (STZA), Pakistan Engineering Council (PEC), Board of Investment (BoI), Employees' Old-Age Benefits Institution (EOBI), Federal Board of Revenue (FBR), MNP Database (Guarantee) Limited, Employees Social Security Institutions, Labour & Human Resource Departments, Excise & Taxation Departments in provinces	<b>3.5 Integrate Regulatory Bodies and Government Departments on the Basis of API</b>  Integration of DRAP, SNGPL, PEMRA, IESCO, BRA, KPRA, and KPBOIT with SECP Registry will be completed.  BoI along with SECP and all regulatory bodies will develop connectivity through APIs, with all such counterparties based on their specific needs and ensuring the legal basis, so that all the agencies/bodies needing information from SECP, can digitally access it directly.	SECP/Partner agencies & Depts	06/2027
3.6		<b>3.7 Ensure Independent Adjudication</b> Section 33 of the SECP Act 1997 be amended and the Appellate Bench consisting sitting Commissioners be replaced with an Independent Tribunal constituted by Federal Government for hearing appeals against orders of SECP to ensure transparency, independence and impartiality.	MoF/MoL/SECP	12/2027



3.8	<p>5. SECP in light of FATF's standards has implemented risk-based approach for effective implementation of AML/CFT regulatory framework, as well as a guideline to help regulated persons (RP) in this regard.</p> <p>6. RPs are required to submit data on above factors every year by April 30, to carry Annual Risk Assessment, which is then used in the risk-based supervisory enforcement actions of SECP.</p> <p>7. A risk-based supervisory methodology now underpins ongoing compliance oversight and ensures effective monitoring of BO-related obligations.</p> <p>8. SECP applies a risk-based approach to classify Legal Persons into four Beneficial Ownership (BO) risk categories, each with a corresponding supervisory coverage level.</p>	<p><b>3.9 Codify Enforcement Actions for Transparency and Objectivity</b></p> <p>Risk-Based Enforcement Policy will be formulated and implemented and the same will be made publicly available.</p>	SECP	06/2027
3.10		<p><b>3.11 Develop High Priority MR Regulatory Database</b></p> <p>Convert priority Regulations, SROs, notifications into MR formats, and form part of the digitized database of regulations.</p>	MoITT/MoL/ Regulators/Govt Dept	06/2026
3.12	SECP engages in meaningful and extensive public/stakeholders' consultation. It has in place, a Policy Manual for Regulatory Impact Analysis.	<p><b>3.13 Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices</b></p> <p>In addition, the Government will form 3 Committees (Finance, Energy &amp; Power and Others), headed by private sector professionals, but having membership of various business associations and regulatory bodies, that will formally solicit proposals from leading business associations, chambers and trade bodies details about redundant and unviable regulatory / business regulations that need to be eliminated / curtailed. The committee will then deliberate and</p>	SECP/Other Regulators	06/2026

		<p>decide on these regulations' fate and recommend the elimination /amendment of the ones that are no longer needed or do not add any value.</p> <p>Alternatively, the Asaan Karobaar Technical Unit, as mandated by the legislation, can be operationalised at the earliest to carry out such consultation.</p> <p>To conduct Prefact and Postfact <b>Regulatory Impact Analysis (RIA)</b>, the existing manual will be improved in line with international best practices to further enhance the transparency and inclusivity of the process.</p> <p>Additionally, the consultation process will be <b>fully digitized</b> to improve accessibility and efficiency</p>		
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## REFORM ACTION 4: MINIMIZING REGULATORY COMPLIANCE COSTS

<b>4    <u>Reform Action 4:</u></b>				
Increase transparency and enhance efficiency by systematically digitizing the process of complying with regulations. Within 15 months, establish the list of regulatory processes to be digitized, and demonstrate progress in introducing digitized compliance procedures.				
#	Achievements	Action items	Institution Responsible	Timelines
4.1	<p>SECP has led a comprehensive digital transformation under its LEAP program, significantly enhancing regulatory efficiency and transparency. The transformation covers key functional domains, including the company registry, where filing and compliance processes, regulatory approvals, conversions and closures of companies, group registrations, mergers, winding up, and the Ultimate Beneficial Ownership register have all been digitized. In licensing, SECP now digitally manages insurance entities, Section 42 companies, non-banking financial companies, modarabas, and capital market entities.</p> <p>The supervision function has also been strengthened to cover listed companies, capital market participants, NBFCs, the insurance sector, unlisted companies, and all onsite inspections, enquiries, and investigations of regulated entities.</p> <p>Enforcement has similarly been modernized, with adjudication and litigation processes for all entity types being managed digitally.</p>	<p><b>4.1    Digitise SECP approvals</b></p> <p>All processes will be digitized under the 'LEAP' program of SECP.</p> <p>This will be carried out in a phased manner; whereby licensing and regulatory approvals will be completed within 18 months; enforcement and adjudication will be completed within 36 months.</p>	SECP	12/2028
4.2	<p>SECP has also developed the Data Integration Layer, a secured data-exchange framework designed to standardize, connect, and streamline information flows across SECP's internal systems, including the Company Registry (e-services), the Financial Institutions Portal, and the Electronic Mortgage Register, as well as with</p>	<p><b>4.2 Expand Data Integration Layer for Real-Time Interoperability Across Banks and Regulators</b></p> <p>SECP's Data Integration Layer will be further expanded to banks for same-day account opening and to other regulatory bodies to enable seamless, real-time data exchange across platforms.</p>	SECP/Banks	06/2027

	external organizations such as NADRA, FBR, CDC, and SBOSS.			
4.3	SECP has also established the Data Sciences & Research Department to manage data warehousing and enhance efficiency and transparency across processes. This department supports structured and standardized reporting of data from all sectors regulated by SECP.	<b>4.3 Unify All SECP Regulatory Data</b> Integrate all dataset, including all data relating to administered laws regulated by SECP, into a single enterprise data platform/lake to obtain a unified and centralised dataset.	SECP	12/2028
4.4		<b>4.4 Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation</b> Full Federal Coverage & Integration with Gazette & Rulebook, building on Machine Readable (MR) Legislation –(Development of National Schema) and conversion of priority Regulations, SROs, notifications into MR formats, becoming an evolving, real time updated and referable database	MoITT/SECP/MoL/PCP/ Regulators/Govt Departments	12/2028
4.5		<b>4.5 Deploy E-Gazette Platform</b> E-Gazette platform deployment & Retirement of Manual Gazette Processes	MoITT/SECP/MoL/ Regulators/Govt Departments/ Provincial Regulators	12/2028
4.6		<b>4.6 Establish Digital National Rulebook</b> Consolidate all Federal Regulatory Obligations into a structured searchable digital National Rulebook across all regulators	MoITT/SECP/MoL/ Regulators/Govt Departments/ Provincial Regulators	12/2028
4.7		<b>4.7 Enforce Comprehensive Dataset Updates</b>	MoITT/SECP/MoL/ Regulators/Govt	12/2028

		Enforce Quarterly Dataset Updates Across Federal Regulators	Departments / Provincial Regulators	
4.8		<b>4.8 Implement Standardised Financial Report</b> SECP will implement XBRL format financial reporting by its regulated entities in a phased and organized manner, starting with the most critical-yet-practical at the outset:  4. Completion of Taxonomy Development 5. Deployment for Listed Companies; integration with FBR 6. Deployment for unlisted companies	SECP   SECP   SECP	12/2028

## REFORM ACTION 5: ENHANCING PREDICTABILITY AND EFFICIENCY IN LEGAL ENFORCEMENT OF ECONOMIC RIGHTS

<b>5 Reform Action 5:</b> Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)				
#	Achievements	Action items	Institution Responsible	Timelines
Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)				
5.1	The judicial sector does produce periodic “judicial statistics / performance data”: for example, the LJCP recently published a report titled “Judicial Statistics 2024,” which “provides an insight to the performance of courts, human resource, budget allocation, statistics of cases etc.	<b>5.1 Form A Methodology Working Group</b> Constitute an Inter-Departmental Working Group (Law & Justice Division, Law & Justice Commission of Pakistan, judiciary representatives, economist/statistician, Federal Judicial Academy or any other relevant agency/department/representative) Organise technical resources to carry out reviews, evaluations, consultations, and proposal development.	Ministry of Law and Justice (MOLJ) High Courts Federal Judicial Academy Working Group	06/2026
5.2		<b>5.2 Examine Systemic Strengthens and Weaknesses</b> WG to examine systemic strengthens and weaknesses of the adversarial judicial-court system and the monitoring frameworks in practice with focus on economic dispute resolution to formulate reform options.	Ministry of Law and Justice (MOLJ) High Courts Federal Judicial Academy Working Group	06/2026

5.3		<b>5.3 Examine Systemic Causes/ Drivers for Pendency</b> WG to examine key systemic causes/drivers for increasing litigation, delays and substantial pendency to formulate reform options.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.4		<b>5.4 Develop Methodology to Address the Backlog</b> Based on the Diagnostic report findings and reform options presented, develop a draft qualitative and quantitative methodology to:  iii. Monitor institutions, disposals, backlog, appeals, delays and time iv. Strategies for active case management  Set backlog reduction targets and KPIs	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.5		<b>5.5 Devise Performance Assessment &amp; Reporting Frameworks</b> Based on the Diagnostic report findings and reform options presented, devise a comprehensive performance assessment criteria and framework for evaluating court and judicial governance and performance including diversionary/ADR mechanisms with analytic and predictive capacities to implement active case management.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026

5.6		<b>5.6 Review International Best Practices in Judicial and Court Governance</b> Review of international best practices and methodologies for evaluating judicial and court governance, performance and outcomes; strategies for case management, and diversionary means (such as mandatory/voluntary ADR).	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.7		<b>5.7 Validate and Publish Diagnostic Findings and Reform Methodology</b> Conduct stakeholder consultations to review diagnostic report findings and recommendations to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges including diversionary/ADR means.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2027
5.8		<b>5.8 Design and Notify Data Collection Framework</b> Based on the agreed performance evaluation methodology, design and notify data collection framework for all Administrative Tribunals and Special Courts performance disaggregated by court/tribunal, type of case/application, type of litigant, whether injunction granted, duration of injunction, no. of adjournments, process time (calculated in terms of calendar days case pending in court/tribunal, actual days spent on hearing), case value (financial), pendency, budgets, human resources etc. to formulate actionable recommendations to enhance the efficiency and effectiveness of the judicial process.	MOLJ, LJCP	06/2026



5.9		<b>5.9 Analyse/Evaluate Data to Make Actionable Recommendations</b> Compile and analyse/evaluate disaggregated performance related data for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to make actionable recommendations and implement strategy to reduce pendency and enhance efficiency and effectiveness of judicial process.	MOLJ, LJCP	06/2027
5.10		<b>5.10 Publish Annual Performance Report with Recommendations</b> Publish the annual performance monitoring and evaluation report with actionable recommendations for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to reduce pendency and enhance efficiency and effectiveness of judicial process.	MOLJ, LJCP	06/2027
5.11		<b>5.11 Devise Alternate Options for Economic and Commercial Cases</b> Applying diversionary options including promoting mandatory Alternative Dispute Resolution (ADR) and out-of-court settlement mechanisms, especially for commercial disputes — to reduce load on courts while ensuring timely, enforceable outcomes.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026

## REFORM ACTION 6: OPTIMIZING TAX POLICY FUNCTION FOR ECONOMIC EFFICIENCY

<b>6 Reform Action 6:</b> Publish a tax simplification strategy by May 2026 that reduces rate schedules, special regimes, excessive withholding and advance taxes, rationalizes tax exemptions and scales back rulemaking power, and annually report on implementation progress. Demonstrate reduction in the number and value of tax exemptions that have been granted.				
#	Achievements	Action items	Institution Responsible	Timelines
6.1	TPO has been approved by the Cabinet. MOF currently recruiting key management positions.	<b>6.1 Operationalise TPO</b> Governance arrangements and key institutional processes will be put in place.  The TPO's mandate and governance clarified through dedicated legislation establishing the TPO as a statutory body, detailing its functions and institutional linkages to ensure that it provides "independent advice" competently (para. 37, p. 37).  To ensure legislative alignment/coherence, necessary amendments enacted to distinguish TPO's mandate from the FBR's International Centre of Technical Excellence (ICTE) and The Policy Board (TPB) for providing tax policy relating advice and lead on setting tax treaty policy and related negotiations.	MOF	06/2026
6.2		<b>2 Capacitate TPO</b> Complete recruitment for skilled staff to ensure TPO has the necessary capacities to provide "independent advice" to the government on tax policy including analytic and drafting (legislation, documents) capacities.	MOF	06/2026
6.3		<b>3 Notify TPO Protocols</b> Develop and notify protocols for TPO to access data and collaborate with FBR (ICTE, TPB) and other stakeholders on tax policy design and implementation (Para. 37, p. 37).	MOF	06/2026
6.4		<b>4 Develop TPO</b> TPO operationalised with a multiyear institutional development plan	MOP, TPO	06/2026
6.5		<b>5 Simplify Tax Structures</b> Formulate time-bound monitorable simplification strategy with draft tax policy provisions to: <ul style="list-style-type: none"> <li>(g) Reduce rate schedules</li> <li>(h) Reduce special regimes</li> </ul>	TPO, MOF	12/2026

		<ul style="list-style-type: none"> <li>(i) Reduce excessive withholding</li> <li>(j) Reduce advance taxes</li> <li>(k) Rationalise tax exemptions</li> <li>(l) Harmonise federal and provincial taxes (in consultation with the National Tax Council)</li> </ul> <p>The measures will be designed to aim for revenue neutrality in the medium term.</p>		
6.6		<p><b>6 Develop Criteria to Structure and Rationalise Rule Making Powers</b></p> <p>Develop criteria to structure and rationalise rule making powers so that any SRO issued by any ministry, authority or any other governmental body including SIFC and the BOI, potentially affecting the tax policy, base, administration or enforcement, shall be submitted to the TPO for review and to the MOF for validation/approval.</p>	MOF	06/2026
6.7		<p><b>7 Publish Annual Report on Simplification Progress and Changes in Exemption</b></p> <p>Develop, notify and implement process and impact monitoring and evaluation framework and system for periodic reporting on the implementation of the tax simplification strategy, including change in number and value of tax exemptions, and publish an annual report.</p> <p>Post annual report on TPO and MOF websites for public demonstrating impact.</p>	TPO	06/2026
6.8		<p><b>8 Strengthen Tax Expenditure Statement</b></p> <p>Strengthen Tax Expenditure Statement by including an assessment of costs and benefits of most significant tax incentives.</p> <p>Post annual report on TPO and MOF websites for public, demonstrating impact, reduction in the number and value of tax exemptions.</p> <p>A process will be put in place to review any additional exemptions.</p>	TPO	06/2026

## REFORM ACTION 7: INCREASING EFFICIENCY, INTEGRITY, & PERFORMANCE CULTURE OF TAX ADMINISTRATION

<b>7 GCD Report Reform Action 7:</b>				
Strengthen FBR's governance and effectiveness by improving its organizational structure to better align oversight and management with achieving core objectives, reduce the autonomy of field offices, enhance human resource practices, and enhance its ability to identify and address key risks.				
<i><b>Explanatory Note: The priority recommendation is addressed through constituent recommendations as well.</b></i>				
#	Achievements	Action items	Institution Responsible	Timelines
Strengthen FBR's HQ function: establish executive committees, strengthen risk management, reduce the autonomy of field offices, and ensure performance is systematically monitored and managed.				
7.1		<b>7.1 Establish Executive Committees</b> The following executive committees will be established: - <b>Tax Administration Strategy Committee (Board-in-Council):-</b> <i>To determine organizational goals and priorities and develop medium- and long-term strategies to achieve them.</i> - <b>FBR Transformation Plan Executive Committee:-</b> <i><u>To lead FBR's transformation plan and report directly to the chairman.</u></i> - <b>FBR Compliance and Institutional Risk (including CRM) Committee:</b> <i>To lead the development of risk register identifying risks in key areas (including CRM) and developing a risk mitigation strategy.</i> - <b>Performance and Integrity Management Committee:-</b> <i>To oversee the implementation of FBR's full-spectrum HR strategy including performance and accountability mechanisms.</i>	FBR	06/2026
7.2		<b>7.2 Complete Institutional Risk Assessment and Establish Compliance and Risk Committee</b> Complete and make available the Institutional Risk Assessment and Environmental Scanning report with a complete risk register.	FBR	06/2027

		An independent <b>FBR Compliance and Institutional Risk (including CRM) Committee</b> will be established with notified mandate.		
7.3		<b>7.3 Implement OECD CRM Framework</b> To fully implement OECD's CRM Framework 2004 for both Inland Revenue and Customs, to generate intelligence profiles/scans, compliance improvement plans, and compliance risk register.	FBR; assistance and cooperation from PRAL, NADRA, SBP and other banks, provincial authorities, vehicle registration authorities, PSW	06/2027
7.4		<b>7.4 Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy</b> In order to calibrate field office autonomy and improve accountability and oversight, version-controlled Procedural Manuals will be developed for key tax and customs processes on the pattern of Britain's HMRC.	FBR	06/2027
7.5		<b>7.5 Digitise Management of Attendance and Case Monitoring</b> Digital Auditors Management System will be developed in-house to track and log attendance, case management, and improve output monitoring	FBR	06/2027
7.6		<b>7.6 Conduct Biannual System Runs to Enhance Integrity and Work Quality</b> System will be run on a biannual basis to improve integrity and quality of work.	FBR	06/2027
Strengthen the FBR's internal control and audit framework by establishing a truly independent internal audit function with a clear mandate to evaluate processes and governance systems.				

7.7	Directorate General of Internal Audit with the Director General reporting to the Chairman, offices in major jurisdictions looking at assessment orders, enforcement actions, etc., the findings being implemented by the related tax offices	<b>7.7 Diagnose Internal Audit Processes</b> Conduct a diagnostic of the current processes at DG Internal Audit and determining ways and means to strengthen the organization.	DG Internal Audit	06/2027
7.8		<b>7.8 Standardise Internal Audit Certification</b> For posting in Directorate, the auditors will be required to complete standard audit certification.	FBR	12/2028
7.9		<b>7.9 Establish Performance Benchmarks and KPIs for Internal Audit Staff</b> Performance benchmarks/ KPIs will be set for the human resource of Internal Audit Directorate.	FBR	06/2027
7.10		<b>7.10 Link Internal Audit Findings with HR Decisions</b> The internal audit findings will be linked with HR decisions.	FBR	06/2027
7.11		<b>7.11 Grant Internal Auditors Access to Customs and IRS IT Systems</b> The auditors of the Directorate will be granted seamless access to IT systems of both Customs and IRS.	FBR	12/2028
7.12		<b>7.12 Conduct Annual Assessments of FBR Processes and Governance Systems</b> The Directorate General of Internal Audit will conduct yearly assessment of processes and governance systems of FBR through its own or by outsourcing and report on gains in reducing risks, increasing integrity, and strengthening the performance	FBR	12/2028

7.13		<p><b>7.13 Strengthen Internal Audit Independence and Effectiveness</b></p> <p>The DG internal audit will report directly to the chairman FBR.</p> <p>Study of international best practices and audit planning and risk assessment with recommendations to optimise the independence, effectiveness, and regional penetration of the directorate of internal audit followed by for appropriate adoption in institutional mechanisms.</p>	FBR / Directorate General of Internal Audit	06/2026
Undertake an independent IT system's audit.				
7.14	Cyber security audit of PRAL, recommendations under implementation	<p><b>7.14 Conduct Independent Cybersecurity Audits of IRIS and WeBOC</b></p> <p>An independent cyber security audit of IRIS and WeBOC will be carried out.</p>	FBR	06/2026
7.15	Ongoing audit by auditor general of Pakistan, and upcoming IT system audit by international firm	<p><b>7.15 Audit by SAI</b></p> <p>Annual audit, by Auditor General of Pakistan, to include IT systems audit.</p>	FBR, Auditor General of Pakistan	06/2026
7.16		<p><b>7.16 Commission IT Systems Audit of PRAL and FBR Systems</b></p> <p>PRAL will recruit a global firm to conduct comprehensive process and systems audit of PRAL's IT system, and outcomes will align FBR's digital infrastructure, processes and governance mechanisms with international best practices.</p> <p>The TORs of the firm will include system audit of the range of critical FBR IT systems.</p>	FBR; Auditor General of Pakistan, external firms selected for audit, PRAL	06/2027

7.17		<b>7.17 Review PRAL SLA Compliance</b> FBR Transformation Plan Executive Committee to review compliance of SLA agreed between FBR and PRAL.	FBR / PRAL	06/2027
7.18		<b>7.18 Deploy Domain Officers</b> FBR officers deployed as Domain Officers within PRAL to lead and oversee software development life cycle, business requirement specifications and change request forms	FBR / PRAL	12/2028
7.19		<b>7.19 Mitigate PRAL IT Risks</b> FBR to ensure mitigation of risks identified in the wake IT/system audit of PRAL conducted by AGP/Third Party. Development of risk register and risk mitigation strategy in the light of third-party audit reports.	FBR / PRAL / Fin Div	06/2027
7.20		<b>7.20 Report to PRAL Board on Data Security and Compliance</b> PRAL to prepare and submit to its Board (copy to FBR Board in council) a biannual assurance reports on data security, and secure, accountable operations aligned with legal obligations and data protection standards.	FBR / PRAL	06/2026
7.21		<b>7.21 Establish and Notify Internal Audit Wing within PRAL</b> PRAL to set up and notify an Internal Audit wing that conducts internal checks as per international standards.	FBR / PRAL	06/2026
Establish an Internal Affairs Unit within the FBR, reporting directly to the Chairman, with a formal mandate to develop and enforce integrity and anti-corruption policies, investigate misconduct at all staff levels, and coordinate with relevant enforcement bodies as needed.				
7.22	Integrity Management Cell at FBR HQ receives and processes all complaints; after scrutiny inquiries where needed are followed by proceedings under the Efficiency and Discipline Rules	<b>7.22 Strengthen Oversight and Reporting Arrangements of the IMC</b> Performance and Integrity Management Committee shall oversee the performance of Integrity Management Cell (IMC).  Integrity Management Cell will directly report to the Chairman for enhanced accountability and streamlined operations.	FBR	06/2027



		The scope of IMC will be revisited to deal with all complaints related to corruption and deviant behaviour.		
7.23		<b>7.23 Digitise Complaint Management</b> The use of a dedicated online platform for logging, scrutinizing, and investigating corruption related complaints will enhance procedural efficiency and ensures that all cases are handled in a standardized and traceable manner. Ensuring the IMC webpage on FBR website is optimized.	FBR	06/2027
7.24	FBR's Management Wing deals with HR functions, including implementation of Efficiency and Discipline Rules and imposition of penalties in cases of corruption and misconduct	<b>7.24 Enforce IMC Recommendations</b> FBR will enforce inquiry recommendation of the IMC under the Efficiency and Discipline Rules and impose penalties in case of corruption.  Where criminal wrongdoing is established, the matter will be referred further to relevant agency having jurisdiction, that is police, FIA, Establishment Division, and NAB.	FBR Police FIA Establishment Division NAB	06/2027
7.25		<b>7.25 Review IMC Effectiveness</b> Performance and Integrity Management Committee to periodically review IMC's performance and provide recommendations to Chairman for continuous improvement	FBR	06/2027
Publish data on complaints, number of officials investigated for corruption, number of individuals sanctioned for corruption, number of cases passed to other enforcement agencies.				
7.26	FBR's IMC maintains centralized system for receiving, processing and monitoring complaints, comprehensive records are maintained regarding numbers of cases received, cases under investigation, cases completed, etc.	<b>7.26 Publish Complaints Receipt and Processing Data</b> FBR will publish anonymized data on receipt and processing of complaints to prevent reputational risk for officials or the interest of the complainant.  It will contain data regarding number of complaints, numbers rejected after evaluation, numbers under	FBR	06/2027

		<p>investigation formally, and the numbers segregated according to outcome of investigations.</p> <p>This would not entail the complaint contents becoming public.</p>		
7.27	Penalties imposed as a result of disciplinary proceedings are placed on the FBR website	<p><b>7.27 Publish Disciplinary Penalties on the FBR Website</b></p> <p>Information regarding penalties imposed as a result of disciplinary proceedings will be placed on the FBR website.</p>	FBR	06/2027
Strengthen FBR's risk culture including by establishing an independent risk committee and the development of a comprehensive risk register.				
7.28	<p>Upgrading of Human Resource Management System which once completed will reinforce the risk culture</p> <p>Establishment of HR Cell to over-see risk-related activities pertaining to administrative and human resource functions</p>	<p><b>7.28 Conduct Institutional Risk Assessment and Establish Risk Committee</b></p> <p>Institutional Risk Assessment will be carried out to identify risks and mitigation strategies.</p> <p>An independent Organizational Risk Committee will be established with notified mandate.</p>	FBR	06/2027
Strengthen FBR's core functions, including CRM, registration, filing, audit, refunds, customs selection and export management.				
7.29	Establishment of larger CRM module	<p><b>7.29 Enlarge CRM Module</b></p> <p>Field formations will generate quarterly revenue projections for some pillars of noncompliance.</p> <p>A larger CRM module will be established to cover all pillars of non-compliance.</p>	FBR	<p>03/2026</p> <p>06/2027</p>
7.30	Core functional area recruitment like third party auditors, audit mentors, sector specialists, legal advisors will ensure specialized expertise and industry specific insights underway	<p><b>7.30 Recruit Core Functional Specialists</b></p> <p>Recruitment of Core functional area personnel, like third party auditors, audit mentors, sector specialists, legal advisors, will be carried out to ensure specialized expertise and industry specific insights. Internal and third-party auditors will also be deployed based on CRM-identified risk areas, ensuring that audits focus on high-risk taxpayers and transactions with greater revenue potential.</p>	FBR	06/2027
7.31		<p><b>7.31 Introduce Certifications to Strengthen FBR</b></p> <p>Post graduate Diploma and certification courses for FBR officers to strengthen capacity in core functions of auditing,</p>	FBR	06/2027

		accounting, data analytics and use and understanding of CRM insights for case selection, etc.		
7.32		<b>7.32 Integrate Internal and External Datasets</b> Integration of internal and external datasets	FBR	03/2026
7.33		<b>7.33 Deploy Advanced Analytics and Machine Learning Models</b> Deployment of advanced analytics and machine learning models	FBR	03/2026
7.34		<b>7.34 Expand CRM for Third-Party Data Utilization</b> CRM framework will be expanded to make systematic use of third-party data for compliance and enforcement purposes. To ensure coherence and a consistent approach, all CRM-related initiatives (BTB, TCMS) and data-driven compliance activities will be consolidated under a single, unified CRM framework in place within CRM wing.	FBR	12/2026

## REFORM ACTION 8: ENHANCING SYSTEMS TO ACCESS AND USE DATA IN TAX ADMINISTRATION

### 8 GCD Report Reform Action 8:

Enhance accountability of FBR operations by publishing audit findings relating to PRAL within the next 12 months and produce the initial public report tracking FBR response to major audit findings and recommendations.

Sr No.	Achievements	Action items	Institution Responsible	Completion Date
8.1		<b>8.1 Arrange Special Audit of PRAL</b> Special audit of PRAL will be conducted on request from Revenue Division / FBR and findings will be published.	Auditor General; Revenue Division and Federal Board of Revenue will be involved	06/2027

## REFORM ACTION 9: STREAMLINING BUDGET PROCESS

<b>9 Reform Action 9:</b> Improve top-down budget process and avoid in-year budget adjustments without getting the Parliament's ex-ante approval through the use of supplementary grants, while maintaining some flexibility in budget execution through introducing contingency reserve.				
#	Achievements	Action items	Institution Responsible	Completion Date
9.1	Since September 2024, we have not made any supplementary grant without the approval of the parliament.	<b>9.1 Streamline Budgetary Grant Process</b>  Government of Pakistan will continue to maintain contingency reserve according to fiscal space.  No supplementary shall be released without the approval of the parliament.	Finance Division	06/2027

## REFORM ACTION 10: RATIONALIZING DEVELOPMENT EXPENDITURE

<b>10 GCD Report- Reform Action 10:</b> Enhance PSDP transparency, efficiency and affordability by enforcing the 10% cap on new projects, further rationalizing the portfolio (stock) by retaining only high- priority initiatives, protecting capital spending from mid-year cuts, and integrating Parliamentarians' projects into the PSDP process.				
#	Achievements	Action items	Institution Responsible	Completion Date
10.1	<u>10% cap on new projects</u> A policy guideline after approval of National Economic Council was shared with all Ministries/Divisions through PSDP 2025-26 Call Circular.  ii) Allocation to new projects in PSDP 2025- 26 is less than 2% and the policy of 10% cap will be continued till such time throw forward is appropriately reduced.	<b>10.1 Enforce 10% Cap on New PSDP Projects</b> To reduce throw-forward liabilities to a manageable size, for the medium term, allocation to new projects in PSDP will remain under the policy of 10% cap and will be continued till such time throw forward is appropriately reduced and financing policy will be developed to optimize project completions.  The cap will be enforced through BCC and release policy, starting with PSDP FY27	Ministries/Divisions for implementing the policy/guidelines circulated.	06/2027
10.2	<u>Rationalizing the portfolio (stock) by retaining only high- priority initiatives</u> 344 projects were excluded from PSDP stock through one-time review of PSDP 2024-25; Funding for CDWP/ECNEC level projects were prioritized. The PSDP portfolio is reviewed on quarterly basis and a policy of prioritizing the core/mega projects of national significance, foreign aided and projects near completion will be continued.	<b>10.2 Prioritize High-Impact PSDP Projects</b> The quarterly and full-year review process of PSDP portfolio will be carried onto implement the policy of prioritizing the core/mega projects of national significance, foreign aided and projects near completion.	Planning Division	06/2027
10.3	<u>Protecting capital spending from mid-year cuts</u> Finance Division to ensure there are no mid-year cut on development budget.	<b>10.3 Prevent Mid-Year Cuts to Development Expenditure</b> Finance Division to ensure there are no mid-year cut on development budget.	Finance Division	06/2027

		However, unanticipated revenue shortfalls will have to be adjusted in PSDP financing.		
10.4	<p>Integrating Parliamentarians' projects into the PSDP process</p> <p>The Parliamentarians already identify the development projects which are prepared and processed by the relevant Economic Ministries/Divisions for approval of the competent fora and then these are funded in PSDP keeping in view the budgetary provisions.</p>	<p><b>10.4 Improve Feasibility and Appraisal Requirements of Local Projects</b></p> <p>The relevant Economic Ministries/Divisions will carry out appraisal of the projects identified by elected representatives and follow approved guidelines of the competent fora and then these are considered for funding from development budget keeping in view the budgetary provisions.</p>	Planning Commission	06/2027
10.5		<p><b>10.5 Enhance Monitoring of Local Projects</b></p> <p>With regard to SDGs Achievement Programme (SAP), a robust mechanism for monitoring of the schemes will be developed to ensure their benefits at grassroots level</p>	Planning Division	06/2027

## REFORM ACTION 11: FRAMING A NATIONAL RISK AND VULNERABILITY MITIGATION INFRASTRUCTURE

<b>11 Reform Action 11:</b>  Adopt and implement a risk-based approach to addressing corruption vulnerabilities in federal agencies by:  (i) publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1); and  (ii) reporting annually on implementation progress and risk				
#	Achievements	Action items	Institution Responsible	Timelines
<b>a. Publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1);</b>				
11.1	Under the auspices of the FATF, Pakistan completed its first national Money-Laundering / Terrorist-Financing (ML/TF) risk assessment in 2017 which was updated in 2019. NRA was again done in 2023, updating Pakistan's risk profile for ML/TF and revising threat/vulnerability ratings. Corruption has been rated high-risk offense for ML.	<b>11.1 Conduct National Risk Assessment on Corruption</b>  NAB will draft a national risk assessment on corruption, and to achieve multiagency inputs bring it to National Anti-Corruption Task Force (chaired by AMLA and including NAB, FIA, AGP, ACEs, AGP, SECP, FBR, CGA, PBS, and others coopted by the task force as technical contributors). The task force will be established under the umbrella of AML/CFT Authority, as the overarching coordinating body for all "competent authorities", (as per Section 6 (1) of National AML/CFT Authority in Pakistan Act 2023), e.g. NAB, FIA and all anticorruption establishments ACEs and other relevant agencies, to finalise a centralized Corruption Risk Assessment Framework for assessing the corruption vulnerabilities in various organisations.  Such Framework to include, in addition to financial crime risk, non-financial corruption vulnerabilities (e.g. procurement irregularities, project implementation corruption, misuse in state-owned enterprises, governance of macro-critical agencies, systemic governance weaknesses such as weak oversight, lack of transparency, politicized spending, etc.).  Subject matter specialists may be hired/attached to support the task force.	NAB (Technical Lead)  AML/CFT Authority (Interagency Coordination)  Task Force NAB, FIA, ACEs,  MOF	06/2026



11.2		<p><b>11.2 Identify Top 10 High Risk Agencies</b></p> <p>Based on the Corruption Risk Assessment Framework, the National Anti-Corruption Task Force will identify top 10 high risk federal agencies with corruption vulnerabilities and macro-critical exposures.</p>	<p>AML/CFT Authority (Lead)</p> <p>Task Force NAB, FIA, ACEs, MOF</p>	06/2027
11.3		<p><b>11.3 Devise Risk Reduction Action Plan</b></p> <p>National Anti-Corruption Task Force will devise risk reduction action plan, with clear KPIs, and roles for each ministry/agency to undertake actions and to mitigate risks in the top ten agencies with highest corruption risks comprising of:</p> <ul style="list-style-type: none"> <li>iii. Systemic actions common to all</li> <li>iv. Agency specific actions</li> </ul> <p>It will also align risk assessment methodology with Pakistan's National Risk Assessment (NRA) for ML/TF.</p>	<p>Task Force NAB, FIA, ACEs, MOF</p> <p>10 identified agencies</p>	06/2027
<b>b. Reporting annually on implementation progress and risk</b>				
11.4		<p><b>11.4 Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress</b></p> <p>Create an Implementation Unit (IU) inside AML/CFT Authority or Cabinet Division, in consultation with NAB, to monitor implementation of the RR Action Plan devised by the Task Force.</p>	<p>Cabinet Division</p> <p>NAB/ AML/CFT Auth</p> <p>Task Force FIA, ACEs MOF</p>	06/2027
11.5		<p><b>11.5 Ensure Effective Monitoring Through Reports</b></p> <p>Prepare an Annual Corruption Risk &amp; Reform Status Report including:</p>	<p>AML/CFT Auth (Lead)</p> <p>Task Force NAB, FIA, ACEs Cabinet Division</p>	06/2028

		<ul style="list-style-type: none"> <li>• Progress on KPIs for each of the 10 agencies.</li> <li>• Updated corruption risk ratings (risk assessments to be done annually).</li> <li>• Challenges, lessons learned, and next-year priorities.</li> </ul>	MOF	
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## REFORM ACTION 12: REINFORCING THE SYSTEMIC LINKAGES AND ACCOUNTING FOR PUBLIC FINANCIAL RESOURCES

<b>12 Reform Action 12:</b>				
Establish full institutional independence of the Auditor General of Pakistan.				
#	Achievements	Action items	Institution Responsible	Timelines
12.1		<b>12.1 Reduce Audit Findings Backlog</b> The Auditor General will categorise pending audit paras with reference to the nature, size, time, and relationship with public accountability and present for decisions in the PAC.	Auditor General, Public Accounts Committee	06/2026
12.2		<b>12.2 Achieve Legal Clarity</b> A review of legal provisions will be carried out to identify conflicting provisions in the Auditor General Ordinance 2001 and the article 170(2) for statutory amendment and legislate changes.	Finance Division	06/2026
12.3		<b>12.3 Review Budgetary and Establishment Authorities for Adequate Autonomy</b> A review of budgetary authorities and establishment function with reference to the Government of Pakistan fiscal and HR frameworks to identify areas of reform and implement reforms.	Auditor General, Finance Division and Establishment Division will be involved	06/2027
12.4		<b>12.4 Strengthen Public and Parliamentary Oversight of the Auditor General's Establishment</b> Options and modalities for strengthening the public oversight of the Auditor General's establishment, and public reporting of public spending watchdog under a parliamentary review.	Finance Division, Public Accounts Committee, Auditor General	12/2027
12.5		<b>12.5 Submit Final Audit Reports to Parliament Observing Timelines</b> Audit reports, once prepared by the AGP, are considered final and will be submitted to the parliament according to laid down process with mandatory timelines	Auditor General; Finance and Parliamentary Affairs Division will be involved	12/2026
12.6		<b>12.6 Create Senior IT Posts within the Auditor General's Establishment</b> Create information technology related posts of one director general and two of director in the AGP establishment	Auditor General; Finance Division and Establishment Division will be involved	06/2026

## REFORM ACTION 13: AUGMENTING ANTI-MONEY LAUNDERING ENFORCEMENT MECHANISMS

<b>13 Reform Action 13:</b>				
Enhance investigation and prosecution of money laundering offenses, by removing legal ambiguity on requiring a predicate conviction, increasing quality and quantity of Suspicious Transactions Reports, strengthening law enforcement agencies capacities for financial investigation, and improving cooperation on asset recovery.				
#	Achievements	Action items	Institution Responsible	Timelines
<b>a. Removing legal ambiguity on requiring a predicate conviction</b>				
13.1	Under the Anti-Money Laundering Act, 2010 (AMLA 2010, as amended), the offence of money-laundering does not require a prior conviction for the predicate offence. Section 4 (offence) and related provisions allow for prosecution of money-laundering independently. However some more clarity may be required	<b>13.1 Conduct Legislative Review of AMLA 2010 to Remove Ambiguities</b>  AML/ CFT Authority will form a Joint Working Group, including the relevant stake holders, to conduct a legislative review of AMLA, 2010, to remove ambiguity about the requirement of predicate conviction to prosecute ML.	AML/CFT Auth  JWG  ML designated Agencies  Anti-Corruption Agencies (NAB, FIA,ACEs)  MoLJ	06/2026
13.2		<b>13.2 Strengthen ML Investigations and Prosecution Through Further Statutory Amendments for Procedural Clarity</b>  JWG will also review AMLA,2010 to identify other amendments, e.g. in the areas of definitional clarity, clarification of processes and procedure, and investigative powers etc., needed to strengthen ML investigations and prosecutions under AMLA,2010	AML/CFT Auth  ML designated Agencies  Anti-Corruption Agencies (NAB, FIA,ACEs)  JWG  MoLJ	06/2026

13.3		<b>13.3 Secure Approval and Notify the Amendments</b> Amendments in AMLA2010 will be placed before the parliament and subsequently notified and disseminated for implementation.	MoLJ Cabinet Division AML/CFT Auth	06/2027
<b>b. Increasing quality and quantity of Suspicious Transactions Reports</b>				
13.4	i. All reporting-entities (banks, non-bank financial institutions, and designated non-financial businesses/professions — DNFBPs) are legally required to file STRs when they detect suspicious transactions.  ii. The FMU has formal rules/guidelines to receive Suspicious Transaction Reports (STRs) from regulated entities, including for predicate offences such as corruption/bribery.	<b>13.4 Improve STRs by Issuing Reporting Guidelines</b> FMU will devise and issue corruption specific reporting guidelines, including red flags for enhancing the reporting quality of the corruption related STRs.	FMU	06/2026
13.5		<b>13.5 Update Risk Reporting Indicators</b>  FMU will update risk reporting indicators of STRs on goAML for better categorization and prioritization	FMU	06/2026
13.6		<b>13.6 Improve the Quality of STRs Through Feedback Reports</b> Improve quality of STRs/SARs on corruption by providing quarterly “Quality of STR Feedback Reports” to reporting entities including Banks/DNFBPs: Include e.g.: <ul style="list-style-type: none"> <li>• common deficiencies (e.g., low narrative detail, missing financial patterns)</li> <li>• examples of high-quality corruption-related STRs</li> <li>• updated red flags advisory notes on new typologies.</li> </ul>	FMU FIs DNFBPs	06/2027

13.7	FMU “seeks quarterly feedback” from LEAs (including FIA, NAB) on disseminated corruption-related financial intelligence.	<p><b>13.7 Strengthen Coordination by Establishing Engagement Plans, Mode of Engagements and Focus Areas of Engagements.</b></p> <p>FMU will develop a comprehensive Inter-agency coordination mechanism jointly with relevant stakeholders, including the LEAs mandated to deal with corruption as well as with SECP, police and federal, provincial anti-corruption establishments.</p> <p>The mechanism should specify the comprehensive annual engagements plan as well as the mode of engagements and should include among others the following focused areas:</p> <ul style="list-style-type: none"> <li>• Financial Intelligence sharing protocols</li> <li>• FI utilization and feedback</li> <li>• International cooperation</li> <li>• Interagency cooperation in ML and predicate offence prosecution</li> <li>• Capacity building</li> </ul>	<p>FMU</p> <p>Anti-Corruption Agencies( NAB,FIA,ACEs)</p> <p>AML designated LEAs</p> <p>AML/CFT Auth</p> <p>ACEs</p> <p>SECP</p> <p>Police</p>	06/2026
13.8		<p><b>13.8 Ensure institutional strengthening through dedicated FIFC</b></p> <p>FMU to establish a dedicated “Financial Intelligence Follow-Up Cell (FIFC)” at FMU and create a unified mechanism vis-a-vis law enforcement and regulatory bodies, to follow up on Financial Intelligence (FI), corruption-related, sent by FMU to LEAs.</p>	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2026
13.9		<p><b>13.9 Improve Feedback Mechanism to and from reporting entities and LEAs.</b></p> <ul style="list-style-type: none"> <li>• FMU will further strengthen the feedback mechanism, both for STRs received from reporting entities and Financial Intelligence (FIs) shared with LEAs through including, though not limited to, the following:</li> <li>• Automation and AI driven feedback submitted on disseminated Financial Intelligence (FIs).</li> <li>• Timelines defined for feedback</li> <li>• Mode of submitting feedback</li> </ul>	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p> <p>Reporting entities</p>	<p>i. 06/2026</p> <p>ii. 06/2027</p> <p>iii. 06/2027</p>

		<ul style="list-style-type: none"> <li>• Update of standardized feedback formats.</li> <li>• Review/seek feedback on corruption related disseminations in meetings of the various forums including “Financial Intelligence Sharing and Coordination Committee” of LEAs; and “Compliance forum” for Reporting entities.</li> <li>• Sharing of feedback reports with the General Committee/NEC for oversight.</li> </ul>		
13.10	FMU receives STRs and shares FIs with LEAs on digital platform called goAML	<p><b>13.10 Bring VASPs under the Reporting Framework</b></p> <p>PVARA, in coordination with FMU, will devise a framework to obligate Virtual Assets Service Providers (VASPs) for STR reporting.</p> <p>FMU, in coordination with PVARA, will devise a mechanism to register VASPs (holding NOC from PVARA), on goAML as reporting entities.</p>	<p>FMU</p> <p>AML/CFT Auth</p> <p>PVARA</p> <p>MoF</p>	06/2026
13.11		<p><b>13.11 Improve STR Reporting by DNFBPs</b></p> <p>FMU will devise and implement a comprehensive framework for STR reporting by the DNFBPs.</p>	<p>FMU</p> <p>DNFBPs</p> <p>AML/CFT Auth</p>	06/2027
13.12		<p><b>13.12 Improve Access to Information for Analysis Purposes</b></p> <p>FMU will gain direct access to other databases (specially corruption related) and/or their integration with goAML.</p>	<p>FMU</p>	12/2027
13.13	FMU has access to Interpol and some other data bases	<p><b>13.13 Share Strategic Analysis Report with LEAs</b></p> <p>FMU to conduct a Strategic Analysis on Corruption and share it with LEAs for guidance and capacity building.</p>	<p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2026

13.14		<p><b>13.14 Improve Procedural Framework Through Typologies</b></p> <p>Develop corruption typologies /case studies related to corruption and share with the relevant stakeholders. It will align with FATF/APG typologies and Pakistan's AML/CFT enforcement priorities.</p>	<p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2027
13.15	FMU maintains publicly available statistical reports — quarterly and annual — on STRs/CTRs received, showing transparency and data-collection on reporting volume	<p><b>13.15 Ensure Monitoring and Evaluation</b></p> <p>FMU to maintain comprehensive annual statistics and prepare Annual Report on Corruption-Related Financial Intelligence and disaggregated data demonstrating actual outcomes (enforcement, prosecution) from corruption-linked financial intelligence. Such reports to be presented to the General Committee for oversight.</p>	<p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2027
<b>c. Strengthening law enforcement agencies capacities for financial investigation</b>				
13.16		<p><b>13.16 Conduct Institutional Review to Identify Shortcomings and Constraints; Recommend Measures to Address the Issues Identified.</b></p> <p>AML/CFT Authority to constitute a working group comprising of all ML designated agencies, Anti-corruption agencies, FMU, SECP, or any other relevant agency, to assess the prevailing practices, identify gaps and suggest actions.</p> <p>JWG to assess the institutional arrangements, including reporting lines of the relevant authorities/organizations, and institutional linkages as well as systems and capacities of the relevant agencies for implementation of the statutory obligations under AMLA,2010 as well as other statutes related to financial crimes. Based on the aforementioned JWG to recommend measures to strengthen the institutional Frameworks as well as agency-wise institutional capacities.</p>	<p>AML/CFT Auth (Lead),</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated Agencies,</p> <p>WG</p>	06/2026
13.17	All LEAs have SOPs to deal with corruption and other offences on their mandate. The same need review however.	<p><b>13.17 Review Investigation SOPs of the Agencies</b></p> <p>AML/CFT Authority will conduct a review of the SOPs being practiced by the LEAs mandated to investigate and prosecute Corruption and associated Money Laundering. Based on the said review, AML/CFT</p>	<p>AML/CFT Auth</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p>	06/2026



		<p>Authority will suggest improvements ensuring that all such SOPs cover:</p> <ul style="list-style-type: none"> <li>• Statutory provisions related to corruption and ML</li> <li>• Following the money principle</li> <li>• Beneficial ownership identification</li> <li>• Financial profiling/parallel financial investigation and asset tracing</li> <li>• Money laundering methodologies (corruption, TBML, fraud, cyber-enabled crimes, TF)</li> <li>• Effective use of financial intelligence (FMU disseminations, STR analysis)</li> <li>• Asset tracing methodologies including the digital and virtual assets</li> </ul>	ML designated Agencies	
13.18		<p><b>13.18 Build Capacity of LEAs Through TNAs and Trainings</b></p> <p>All LEAs mandated to investigate and prosecute corruption and ML, will conduct a Training Needs Analysis and devise/implement annual training plan. AML/CFT Authority to monitor implementation.</p>	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p> <p>AML/CFT Authority</p>	06/2027
13.19		<p><b>13.19 Build Capacity of Judges Through Comprehensive Training Modules</b></p> <p>Federal and provincial judicial academies to design, in consultation with MoLJ, comprehensive training module for judges on ML/TF, financial typologies, financial evidence and confiscation etc.</p>	<p>MoLJ</p> <p>Federal and Provincial Judicial Academies</p>	06/2026
13.20		<p><b>13.20 Build Capacity of Judges Through Implementing Training Plans</b></p> <p>MoLJ shall ensure that Federal and Judicial Academies issue and implement annual training plans for judges based on the modules as above.</p>	<p>MoLJ</p> <p>Federal Judicial Academy</p> <p>Provincial judicial Academies</p>	06/2027

13.21		<p><b>13.21 Build Capacity Through Joint Sessions of Investigators and Judicial Officers</b></p> <p>MoJ will issue an annual plan to organize regular sessions of financial investigators/AML investigators and judicial officers at judicial academies to improve shared understanding.</p>	<p>MoJ</p> <p>Federal Judicial Academy</p> <p>Provincial judicial Academies</p> <p>ML designated LEAs</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs),</p>	06/2027
13.22		<p><b>13.22 Build Capacity Through Certifications</b></p> <p>LEAs will preferably get national and international level certifications for their investigators and prosecutors dedicated for financial investigations and prosecutions.</p>	<p>MOI, MOLJ, NAB, FIA, ACEs, MOF, other relevant LEAs</p>	12/2028
13.23		<p><b>13.23 Strengthen Institutions and Build Capacity Through Provision of Funds</b></p> <p>Ministry of Finance to provide necessary funds to LEAs for co-option of experts and resourcing each LEA with necessary staff required for specialized tasks.</p>	<p>MoF</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2027
13.24		<p><b>13.24 Strengthen Prosecution Through Dedicated Investigators/Prosecutors with Fixed Tenure</b></p> <p>LEAs to designate specialized prosecutors in ML cases in key regions while ensuring fixed tenure.</p>	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2026
13.25		<p><b>13.25 Strengthen Monitoring and Evaluation Mechanism of LEAs</b></p> <p>Strengthening LEAs to develop Monitoring &amp; Evaluation mechanisms with clear KPIs to follow-up on:</p>	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p>	06/2026

		<ul style="list-style-type: none"> <li>Initiation of parallel financial investigations</li> <li>Utilization of FI</li> <li>Efficacy of data sharing and usage mechanisms</li> <li>Investigation and prosecution of financial crime cases involving parallel financial investigations</li> <li>Investigation and prosecution of complex cases of Money Laundering</li> </ul>	ML designated Agencies	
<b>d. Improving cooperation on asset recovery.</b>				
13.26	Some ML designated LEAs have Asset Recovery Units	<p><b>13.26 Strengthen Institutional Mechanisms Through Dedicated Asset Recovery and Management Units</b></p> <p>All anti-corruption and AML designated agencies will establish dedicated Asset Management and Recovery Unit in their respective headquarters with its branches/cells in the respective regions/zones. Such unit to function under comprehensive SOPs.</p>	Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2026
13.27		<p><b>13.27 Review MLA Act for Improved International Cooperation</b></p> <p>MOI, in consultation with MoLJ, will process amendments in Mutual Legal Assistance Act 2020, to provide for enabling provision for provisional asset freezing actions on Foreign request.</p>	MOI  MoLJ  AML/CFT Auth	06/2027
13.28		<p><b>13.28 Enact MLA Rules &amp; Guidelines</b></p> <p>MOI, in consultation with MoLJ, will develop MLA Rules &amp; guidelines for effective international cooperation and mutual legal assistance in asset recovery.</p>	MOI  MoLJ  AML/CFT Auth	12/2028
13.29		<p><b>13.29 Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets</b></p> <p>MOI will establish a database, in its digital MLA software, of frozen, recovered, and repatriated assets and establish interface with Anti-Corruption and ML designated LEAs allowing them to feed updates.</p>	MOI  Anti-corruption LEAs (NAB, FIA, ACEs),	06/2027

			ML designated Agencies	
13.30		<p><b>13.30 Improve International Cooperation Through Bilateral Agreements</b></p> <p>MOI to Initiate engagements with High-Risk Jurisdictions for Cooperation in mutual legal assistance including Asset recovery.</p> <p>MOI and MOFA to Negotiate bilateral agreements also.</p>	<p>MOI</p> <p>MOFA</p> <p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	12/2028
13.31		<p><b>13.31 Improve Asset Recovery Through Mechanism/Framework to be Established by DNFBPs for Assisting in Asset Recovery</b></p> <p>DNFBPs to establish a mechanism to take action on asset recovery on international request.</p>	<p>DNFBPs</p> <p>FBR</p> <p>SECP</p>	06/2026
13.32		<p><b>13.32 Establish BO Registry for SECP</b></p> <p>SECP shall establish updated BO registry to provide BO information on the incoming requests .</p>	SECP	06/2026
13.33		<p><b>13.33 Strengthen SBP's Institutional Framework to Establish Incentive Mechanism to Promote Asset Recovery</b></p> <p>SBP shall devise a comprehensive mechanism for:</p> <ul style="list-style-type: none"> <li>iii. Incentivizing efforts assisting in asset recovery;</li> <li>iv. Penalizing noncompliance with asset recovery protocols by FIs.</li> </ul>	SBP	06/2026

		The mechanism will cover all relevant details of rewards and penalties as well as the requisite associated systems and processes with the aim to improve the asset recovery through a system of rewards and penalties.		
13.34		<p><b>13.34      Align NAB's Legislative Framework with International Standards</b></p> <p>NAB to evaluate and align its legal framework with UNCAC &amp; FATF standards</p>	<p>NAB</p> <p>MoJ</p>	12/2028

## REFORM ACTION 14: STRENGTHENING ACCOUNTABILITY AND INTEGRITY OF THE CIVIL SERVANTS

<b>14 Reform Action 14:</b>				
Strengthen accountability and integrity among high-level federal civil servants by initiating the publication of asset declarations in 2026, and introduce risk-based verification of asset declarations.				
#	Achievements	Action items	Institution Responsible	Completion Date
14.1	Civil Servants Act was amended recently (2025) to cater to public declaration of assets of civil servants in basic pay scale grade 17 to grade 22	<b>14.1 Revise Rules</b>  Revise Civil Service (Conduct) Rules to establish legal framework	Establishment Division	06/2026
14.2	An Accountability Facilitation Cell has been established, and monthly meetings of the cell are to be held	<b>14.2 Develop Risk Model and Coordination</b>  Develop Risk Factor Model, define red flags and outline Establishment Division - concerned agency- Federal Board of Revenue coordination mechanism	Establishment Division (FBR would also be involved)	06/2027
14.3		<b>14.3 Deploy Across Government</b>  Deploy digital asset declaration system across ministries	Establishment Division (FBR would also be involved)	06/2027
14.4		<b>14.4 Implement Verification</b>  Deploy computerised system to generate risk-based cases for verification. Verification to be conducted by FBR and other relevant agencies.	Establishment Division  FBR	06/2027
14.5		<b>14.5 Implement Investigation and Systemic Learning</b>  Using the risk factor model, cases getting red flags will be reviewed by a committee of Establishment Division, FBR, FIA, and NAB to decide if the matter should be formally investigated, if so, then by what agency.  Using data and analysis corruption and integrity at the system level will be identified and used to design corruption vulnerability mitigation measures.	Establishment Division  FBR NAB FIA Police	12/2027

14.6		<b>14.6 Increase Transparency</b>  A scheme of sequentially making assets available on the Establishment Division website, while observing confidentiality safeguards will be developed.	Establishment Division (FBR would also be involved)	06/2027
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## REFORM ACTION 15: MERIT AT THE HELM: IMPROVING APPOINTMENT PROCESSES

<b>15 Reform Action 15:</b>				
Review and enhance the legal framework governing the appointment of heads of key oversight bodies (CCP, SECP, NAB) to promote a merit-based, transparent, and credible selection process.				
#	Achievements	Action items	Institution Responsible	Timelines
15.1		<b>15.1 Improve Selection Outcome for Chair</b>  SECP Chairperson's (direct) appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.	MoF/MoL/SECP          MoF	06/2027          06/2027
15.2		<b>15.2 Improve Selection Outcome for Commissioners</b>  SECP Commissioners' appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.	SECP	06/2027
15.3		<b>15.3 Elaborate Code of Conduct for SECP</b>  A stricter Code of Conduct for Commissioners / Policy Board members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.	MoF/MoL/SECP	06/2027



15.4	CCP has employed top-tier economists, lawyers, statisticians, finance professionals, and academics to facilitate its operations.	<p><b>15.4 Improve Personnel Selection Outcomes for CCP</b></p> <p>Amendment in the Competition Commission (Salary, Terms and Conditions of Chairman and Members) Rules to the following effect:</p> <p>Appointment Process be initiated at least 3 months prior to the date of the end of tenure of Chairman/Member.</p> <p><b>Amendment in the Competition Act, 2010</b></p> <p>Scope of Section 43 of Competition Act, 2010 be broadened. <b>The eligibility criteria of the Chairman CAT are narrowly defined and it needs to be broadened.</b></p> <p>A separate and dedicated process for the Chairman's appointment (independent from the appointment process for other Members) be set out in Competition Act; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.</p>	MoF/MoL/CCP  MoF  CCP	06/2027  06/2027  06/2027
15.5		<p><b>15.5 Elaborate Code of Conduct for CCP</b></p> <p>A stricter Code of Conduct for Members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.</p>	CCP/MoF	06/2027
15.6		<p><b>15.6 Review Appointment Process for Chairman NAB</b></p> <p>Chairman NAB appointment will be reviewed and put in front of cabinet for consideration</p>	MoLJ	06/2027

## Annex 2: Tracking Outcomes Matrix

Please note, in all the tables in the annexes, the grey highlighted rows in the table signify priority action items while the non-highlighted rows signify complementary action items.

### REFORM ACTION 1: ADVANCING COMPETITIVE, EFFICIENT, TRANSPARENT PROCUREMENT

<b>1. Reform Action 1:</b> Improve the performance of the public procurement system by eliminating preferences for State-Owned Enterprises, including provisions allowing for direct contracting and mandating the use of the e-Government Procurement system for all procurement transactions within 12 months.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
1.1	<b>1.1. Approve Draft Public Procurement Rules</b>  Approval of Draft Public Procurement Rules 2025 - already prepared in line with international best practice.	<ul style="list-style-type: none"> <li>Notification of Public Procurement Rules</li> </ul>	An evaluation study will be undertaken in 18 months will assess whether the procurement reforms have delivered cost reductions, improved transparency, and improved grievance filing. Compliance with the KPIs can be measured directly, but it will also be critical to assess the qualitative impact of meeting the KPIs, to establish that these compliances have made the process more transparent, equitable and accountable, leading to improvement in the space of public procurements. Apart from confirming these reform gains, this verification exercise will also identify areas requiring further action.	PPRA	06/2026
1.2	<b>1.2. Promulgate New Rules</b>  Upon approval, new rules will be promulgated, and all existing regulations will be updated and notified.	<ul style="list-style-type: none"> <li>Notified Rules</li> <li>Notified Regulations</li> </ul>	Competition and level playing field in public procurements	PPRA	06/2026

1.3	<b>1.3. Roll-out EPADS Across Federal Government Agencies.</b>  Roll-out of EPADS system across federal government  Complete integration of EPADS with all the PSEs and government departments and other discrete data sets (tax, NADRA, Audit) at federal government	<ul style="list-style-type: none"> <li>• Percentage of procuring agencies fully integrated with EPADS at the federal level</li> <li>• Percentage of procurement transactions executed through EPADS.</li> </ul>	Reduced compliance costs of public procurement system for user departments	PPRA/Govt Depts/Ministries	06/2027
1.4	<b>1.4. Roll-out EPADS Across Provincial Governments.</b>  Roll-out of EPADS system across all Provincial Governments. Complete integration of EPADS with provincial governments	<ul style="list-style-type: none"> <li>• Percentage of procuring agencies fully integrated with EPADS at the provincial level</li> <li>• Percentage of procurement transactions executed through EPADS.</li> </ul>		PPRA/PSEs/Provincial	12/2028
1.5	<b>1.5. Introduce Public Procurement Quarterly Monitoring Reports</b>  Introduction of Quarterly Monitoring Reports of public procurement for development and non-development expense.	<ul style="list-style-type: none"> <li>• Publication frequency and quality with increasing scope and coverage of monitoring reports.</li> </ul>	Improved transparency and fairness of public procurement	PPRA	06/2026
1.6	<b>1.6. Revise Standard Bidding Documents</b>  Following the notification of the new procurement rules, revised standard Bidding Documents.	Notification of the standard bidding documents.		PPRA	06/2026

1.7	<b>1.7. Revise Competency Framework Periodically</b>  The periodic revisions of competency framework will be informed by the lessons learnt and embedded in HR evaluations	Number of trained procurement professionals.		PPRA	12/2028
1.8	<b>1.8. Report on Compliance Percentage</b>  Report on Compliance %age and data on violations, methods of procurement, grievances, etc.	<ul style="list-style-type: none"> <li>• Number of complaints received and resolved by outcome</li> <li>• Average time to resolution QMRs published</li> </ul>		PPRA	06/2026

## REFORM ACTION 2: ENHANCING VALUE OF STRATEGIC INVESTMENTS

<b>2. Reform Action 2:</b>  Enhance transparency regarding strategic investments by producing and making public the first annual report of the Special Investment Facilitation Council, including information on all investments that it has facilitated, including concessions provided (tax, policy/regulatory, or legislative) along with detailed rationale of concessions, and the estimated value of the concessions, and publishing the information on the implementation of the Bol (Amendment) Act, Article 10F (Power to relax or exempt from regulatory compliance).					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
2.1	<b>2.1 Publish SIFC Annual Report</b>  Publication of SIFC's annual report, as a recommended action by IMF's subject Diagnostic Assessment has a timeline of medium term. Following Action Plan by SIFC is submitted.  iii. Draft Annual Report to be submitted in December 2026  iv. Final Annual Report to be submitted in March 2027	-Draft Annual Report to be submitted in December 2026  - Final Annual Report to be submitted in March 2027	Facilitation to investment in key areas of the economy.	SIFC	06/2027

## REFORM ACTION 3: ENHANCING REGULATORY PREDICTABILITY AND CONSISTENCY FOR PRIVATE SECTOR DEVELOPMENT

<b>3. Reform Action 3:</b>  Under the leadership of the Securities and Exchange Commission of Pakistan, enhance regulatory consistency within 18 months by: (1) establishing a comprehensive database of all federal business regulations, (2) eliminating unnecessary regulations based on structured systematic review, (3) creating a review process based on international good practice for all new regulatory proposals.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
3.1.	<p><b>3.1 Create a one-stop shop for regulatory approvals</b></p> <p>Pakistan Business Portal will be operationalized and maintained by BoI to provide facilities to enable submission / processing of applications for registrations, licenses, certificates, permits, approvals, and permissions, at one place. It should be the country's exclusive one-window portal (RCLO);</p> <p>For the BoI to manage this successfully, it will require ongoing support from SECP (given its domain knowledge of registrations and licensing) as well as the MoITT (given its ability to convert manual operations into digital ones) on a full-time basis; additionally - the support of all other regulators and agencies would also be critical in making this a success.</p>	<ul style="list-style-type: none"> <li>• Setting up of a fully functional digital RCLO</li> <li>• Reduction in average compliance processing times.</li> </ul>	Reform impact will be validated through <b>stakeholder satisfaction surveys</b> conducted in 24 months on regulatory accessibility, trends in the <b>percentage increase in registered companies</b> , and formal written feedback from <b>OICCI and PBC</b> , detailing how regulatory simplification has reduced time and cost burdens, improved the business environment, and strengthened investor confidence. These combined with the quantitative data related to progress on the KPIs will confirm reform effectiveness and guide further policy adjustments.	BOI/SECP/MoITT	12/2028

3.2.	<b>3.2 Establish National Regulatory Registry</b>  Enhance federal registry already established and transform it to national registry by including subnational business regulations.	National registry established  Number of businesses entities utilising the registry	End-user survey to assess: (i) achievement in ease of doing business; (ii) transparency of the processes.	BOI	12/2028
3.3.	<b>3.3 Integrate Regulatory Bodies and Government Departments on the Basis of API</b>  Integration of DRAP, SNGPL, PEMRA, IESCO, BRA, KPRA, and KPBOIT with SECP Registry will be completed.  BoI along with SECP and all regulatory bodies will develop connectivity through APIs, with all such counterparties based on their specific needs and ensuring the legal basis, so that all the agencies/bodies needing information from SECP, can digitally access it directly.	<ul style="list-style-type: none"> <li>• The number of agencies/ regulators linked up with the RCLO</li> <li>• Number of redundant regulations eliminated through systematic review.</li> </ul>	Effectiveness will be evaluated through process mapping, stakeholder consultations, and evidence of end-to-end digital workflows and assessing whether regulatory interactions have been simplified, duplication of approvals reduced, and reliance on manual information requests eliminated, thereby addressing structural complications related to business entry as well as continuity.	SECP/Partner agencies & Depts	06/2027
3.4.	<b>3.4 Ensure Independent Adjudication</b>  Section 33 of the SECP Act 1997 be amended and the Appellate Bench consisting sitting Commissioners be replaced with an Independent Tribunal constituted by Federal Government for hearing appeals against orders of SECP to ensure transparency, independence and impartiality.	Notification of establishment of the tribunal.	The <b>operational independence</b> of the Tribunal, clarity of its mandate, and neutrality of appointment procedures will have to be examined. Case-level evidence—such as consistency in decisions, absence of conflicts of interest, timely disposal, and improved stakeholder confidence—will have to be assessed to determine whether appeals against adjudicatory functions have genuinely become independent.	MoF/MoL/SECP	12/2027

3.5.	<b>3.5 Codify Enforcement Actions for Transparency and Objectivity</b>  Risk-Based Enforcement Policy will be formulated and implemented and the same will be made publicly available.	Public availability of the policy	The process will entail establishing whether enforcement actions are prioritised based on risk, consistently applied across sectors, and free from discretionary variation. These measures have improved regulatory accountability, stakeholder confidence, will help in verification, thereof and the credibility of SECP's enforcement regime.	SECP	06/2027
3.6.	<b>3.6 Develop High Priority MR Regulatory Database</b>  Convert priority Regulations, SROs, notifications into MR formats, and form part of the digitized database of regulations.	<ul style="list-style-type: none"> <li>• Percentage of federal +provincial regulatory bodies' regulations digitized and published in the national registry.</li> <li>• Number of federal + provincial regulators integrated with the national regulatory registry.</li> </ul>	Satisfaction levels of businesses with reduced cost of compliance	MoITT/MoL/ Regulators/Go vt Dept	06/2026
3.7.	<b>3.7 Remove Unnecessary Regulations and Embed Regulatory Change Review Process to Align with International Best Practices</b>  In addition, the Government will form 3 Committees (Finance, Energy & Power and Others), headed by private sector professionals, but having membership of	<ul style="list-style-type: none"> <li>• No. of regulations removed</li> <li>• No. of federal regulators that have established and implemented RIA process.</li> </ul>	Policy dialogue will assess whether the revised regulatory change review process meaningfully embeds ex-ante and ex-post Regulatory Impact Analysis as a decision-making tool rather than a procedural formality. This will be evaluated through review of selected regulatory amendments to confirm evidence-based problem definition, assessment of economic and competition impacts, documented stakeholder inputs, and reasoned justification of regulatory changes.	SECP/Other Regulators	06/2026



<p>various business associations and regulatory bodies, that will formally solicit proposals from leading business associations, chambers and trade bodies details about redundant and unviable regulatory / business regulations that need to be eliminated / curtailed. The committee will then deliberate and decide on these regulations' fate and recommend the elimination /amendment of the ones that are no longer needed or do not add any value.</p> <p>Alternatively, the Asaan Karobaar Technical Unit, as mandated by the legislation, can be operationalised at the earliest to carry out such consultation.</p> <p>To conduct Prefact and Postfact <b>Regulatory Impact Analysis (RIA)</b>, the existing manual will be improved in line with international best practices to further enhance the transparency and inclusivity of the process.</p> <p>Additionally, the consultation process will be <b>fully digitized</b> to improve accessibility and efficiency</p>				
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## REFORM ACTION 4: MINIMIZING REGULATORY COMPLIANCE COSTS

<b>4. Reform Action 4:</b>  Increase transparency and enhance efficiency by systematically digitizing the process of complying with regulations. Within 15 months, establish the list of regulatory processes to be digitized, and demonstrate progress in introducing digitized compliance procedures.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
4.1.	<b>4.1 Digitise SECP approvals</b>  All processes will be digitized under the 'LEAP' program of SECP.  This will be carried out in a phased manner; whereby licensing and regulatory approvals will be completed within 18 months; enforcement and adjudication will be completed within 36 months.	<ul style="list-style-type: none"> <li>• Number of regulatory processes digitized</li> <li>• Reduction in average processing times</li> <li>• Variance in processing time taken</li> </ul>	A study will help in formulating a 360-degree view of an entity and assess whether digitized licensing, enforcement, and adjudication processes genuinely reduced structural vulnerabilities by improving predictability, limiting discretion, and lowering compliance friction. Evidence from digital-usage patterns, reduced manual submissions, and stakeholder feedback will confirm whether firms now experience faster, more reliable regulatory interactions and whether these shifts strengthen the business environment.	SECP	12/2028
4.2.	<b>4.2 Expand Data Integration Layer for Real-Time Interoperability Across Banks and Regulators</b>  SECP's Data Integration Layer will be further expanded to banks for same-day account opening and to other regulatory bodies to enable seamless, real-time data exchange across platforms.	<ul style="list-style-type: none"> <li>• Number of regulators integrated through APIs</li> <li>• Usage data for digital compliance portals</li> <li>• Reduction in manual submissions</li> </ul>	A study will assess whether expansion of SECP's Data Integration Layer has enabled secure, real-time data exchange that reduces manual submissions and regulatory duplication. This will be evaluated through system architecture reviews, live API testing, and examination of end-to-end digital compliance workflows between SECP, banks, and other regulators/agencies. Stakeholder feedback and evidence of	SECP/Banks	06/2027

			sustained use of digital portals will be also be assessed		
4.3.	<b>4.3 Unify All SECP Regulatory Data</b> Integrate all dataset, including all data relating to administered laws regulated by SECP, into a single enterprise data platform/lake to obtain a unified and centralised dataset.	The number of datasets integrated  Degree of Optimisation of utilisation of all datasets	A study to analyse the effects of structured and standardised reporting of the data across all sectors regulated by SECP	SECP	12/2028
4.4.	<b>4.4 Achieve Full Federal Coverage through Gazette and Rulebook Integration Using Machine-Readable Legislation</b>  Full Federal Coverage & Integration with Gazette & Rulebook, building on Machine Readable (MR) Legislation – (Development of National Schema) and conversion of priority Regulations, SROs, notifications into MR formats, becoming an evolving, real time updated and referable database	<ul style="list-style-type: none"> <li>• Number of machine-readable regulations published</li> <li>• Satisfaction surveys</li> </ul>	The Action Steps 2–6 and their corresponding KPIs should be assessed to unravel whether a business friendly, transparent, and digitally accessible regulatory ecosystem has emerged as a consequence. Focus should be on whether these measures have collectively demystified the current maze of regulatory structure and clarified compliance obligations.	MoITT/SECP/MoL/PCP/ Regulators/Govt Departments	12/2028
4.5.	<b>4.5 Deploy E-Gazette Platform</b> E-Gazette platform deployment & Retirement of Manual Gazette Processes	<ul style="list-style-type: none"> <li>• Number of processes deployed/made available on the E-Gazette platform.</li> <li>• Number of processes retired</li> </ul>		MoITT/SECP/MoL/ Regulators/Govt Departments/ Provincial Regulators	12/2028

4.6.	<b>4.6 Establish Digital National Rulebook</b> Consolidate all Federal Regulatory Obligations into a structured searchable digital National Rulebook across all regulators	<ul style="list-style-type: none"> <li>Percentage coverage of National Rulebook</li> <li>% of digitized regulations</li> </ul>	Reduced compliance cost of regulation	MoITT/SECP/MoL/ Regulators/Govt  Departments/ Provincial Regulators	12/2028
4.7.	<b>4.7 Enforce Comprehensive Dataset Updates</b>  Enforce Quarterly Dataset Updates Across Federal Regulators	% of total Federal Regulators that update and publish their key data every three months	A study will assess whether the published quarterly updates improve transparency and reduce information gaps, evidenced by timely and complete data, better analytical usability, and stronger stakeholder trust	MoITT/SECP/MoL/ Regulators/Govt  Departments / Provincial Regulators	12/2028
4.8.	<b>4.8 Implement Standardised Financial Report</b> SECP will implement XBRL format financial reporting by its regulated entities in a phased and organized manner, starting with the most critical-yet-practical at the outset:  7. Completion of Taxonomy Development 8. Deployment for Listed Companies; integration with FBR 9. Deployment for unlisted companies	1. Finalisation of Taxonomy  2. Hiring of a consultant for preparation of a phased implementation of the XBRL  3. Commence implementation in a staggered manner, starting with a smaller category of regulated entities and then graduate towards other sectors/entities	An assessment of whether phased XBRL deployment/ rollout to a particular sector has strengthened SECP's analytical capability and helped it with data consistency, supervisory insights, reduced reporting friction, and stakeholder feedback on usability. Long-term effectiveness will be judged by data-based decision-making, better risk detection, more timely regulatory responses, and improved market transparency.	SECP  SECP  SECP	12/2028

## REFORM ACTION 5: ENHANCING PREDICTABILITY AND EFFICIENCY IN LEGAL ENFORCEMENT OF ECONOMIC RIGHTS

<b>5. Reform Action 5:</b>  Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
Initiate actions to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges (Year 1), and publish the first performance report covering all Administrative Tribunals and Special Courts involved in economic and commercial matters (Year 2)					
5.1.	<b>5.1 Form A Methodology Working Group</b>  Constitute an Inter-Departmental Working Group (Law & Justice Division, Law & Justice Commission of Pakistan, judiciary representatives, economist/statistician, Federal Judicial Academy or any other relevant agency/department/representative)  Organise technical resources to carry out reviews, evaluations, consultations, and proposal development.	MOLJ notification of all-stakeholder- including business community-working group, mandated to conduct a diagnostic to efficiently and effectively: (i) resolve economic disputes, (ii) monitor judicial and court performance, (iii) reduce pendency and (iv) oversee implementation of recommendations.	Strengthened economic rights	Ministry of Law and Justice (MOLJ)  High Courts  Federal Judicial Academy  Working Group	06/2026
5.2.	<b>5.2 Examine Systemic Strengthens and Weaknesses</b>  WG to examine systemic strengthens and weaknesses of the adversarial judicial-court system and the monitoring frameworks in practice with focus on economic dispute resolution to formulate reform options.	Diagnostic section examining actual systemic and political economy factors/drivers affecting judicial-court governance and performance.	Pendency reduced effectively and sustainably	Ministry of Law and Justice (MOLJ)  High Courts  Federal Judicial Academy  Working Group	06/2026

5.3.	<b>5.3 Examine Systemic Causes/ Drivers for Pendency</b> WG to examine key systemic causes/drivers for increasing litigation, delays and substantial pendency to formulate reform options.	Diagnostic section examining actual systemic and political economy factors/drivers causing increasing litigation, delays and pendency.	Pendency reduced effectively and sustainably	Ministry of Law and Justice (MOLJ) High Courts Working Group Federal Judicial Academy	06/2026
5.4.	<b>5.4 Develop Methodology to Address the Backlog</b> Based on the Diagnostic report findings and reform options presented, develop a draft qualitative and quantitative methodology to: v. Monitor institutions, disposals, backlog, appeals, delays and time vi. Strategies for active case management Set backlog reduction targets and KPIs	Diagnostic report section/s (i) evaluating current qualitative and quantitative methodologies to monitor and evaluate court and judicial performance, time, delays and outcomes and proposed policy options or recommendations.	Pendency reduced effectively and sustainably	Ministry of Law and Justice (MOLJ) High Courts Working Group Federal Judicial Academy	06/2026
5.5.	<b>5.5 Devise Performance Assessment &amp; Reporting Frameworks</b> Based on the Diagnostic report findings and reform options presented, devise a comprehensive performance assessment criteria and framework for evaluating court and judicial governance and performance including diversionary/ADR mechanisms with analytic and predictive capacities to implement active case management.	Diagnostic report section: (i) Evaluating existing monitoring and reporting <u>systems/mechanisms</u> including administrative ministry/department, High Court Monitoring & Inspection Teams (MIT), proposing suitable options for effective monitoring and inspections systems with analytic and predictive	Pendency reduced effectively and sustainably	Ministry of Law and Justice (MOLJ) High Courts Working Group Federal Judicial Academy	06/2026

		capacities to implement active case management.  (ii) Define reporting obligation and framework with disaggregated statistics for each judge			
5.6.	<b>5.6 Review International Best Practices in Judicial and Court Governance</b>  Review of international best practices and methodologies for evaluating judicial and court governance, performance and outcomes; strategies for case management, and diversionary means (such as mandatory/voluntary ADR).	Diagnostic report section on international best practices and methodologies for evaluating court governance, judicial performance, case management and diversionary mechanisms (ie ADR) and assessing their applicability to Pakistan.	Caseloads managed effectively and pendency reduced effectively and sustainably	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026
5.7.	<b>5.7 Validate and Publish Diagnostic Findings and Reform Methodology</b>  Conduct stakeholder consultations to review diagnostic report findings and recommendations to reduce backlog of economic disputes by developing and publishing the methodology to be used to assess performance of courts and judges including diversionary/ADR means.	Stakeholder consultation/s report/s reviewing diagnostic report findings and recommendations/policy options.	Economic rights strengthened.	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2027
5.8.	<b>5.8 Design and Notify Data Collection Framework</b>  Based on the agreed performance evaluation methodology, design and notify data collection framework for all Administrative Tribunals and Special	Notification of Data Collection Framework	Reduced duration of economic dispute resolution	MOLJ, LJCP	06/2026

	Courts performance disaggregated by court/tribunal, type of case/application, type of litigant, whether injunction granted, duration of injunction, no. of adjournments, process time (calculated in terms of calendar days case pending in court/tribunal, actual days spent on hearing), case value (financial), pendency, budgets, human resources etc. to formulate actionable recommendations to enhance the efficiency and effectiveness of the judicial process.				
5.9.	<b>5.9 Analyse/Evaluate Data to Make Actionable Recommendations</b> Compile and analyse/evaluate disaggregated performance related data for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to make actionable recommendations and implement strategy to reduce pendency and enhance efficiency and effectiveness of judicial process.	Data compiled and Recommendations formulated	Increased efficiency of economic dispute resolution	MOLJ, LJCP	06/2027
5.10.	<b>5.10 Publish Annual Performance Report with Recommendations</b> Publish the annual performance monitoring and evaluation report with actionable recommendations for all Administrative Tribunals and Special Courts involved in economic, commercial and property matters to reduce	Published Report	Increased performance of judges	MOLJ, LJCP	06/2027



	pendency and enhance efficiency and effectiveness of judicial process.				
5.11	<b>5.11 Devise Alternate Options for Economic and Commercial Cases</b> Applying diversionary options including promoting mandatory Alternative Dispute Resolution (ADR) and out-of-court settlement mechanisms, especially for commercial disputes — to reduce load on courts while ensuring timely, enforceable outcomes.	Diagnostic report section exploring the ADR mechanisms in practise and their relative efficacy in disposing economic/commercial cases and options to strengthen diversionary mechanisms, frameworks and strategies.	Economic rights strengthened	Ministry of Law and Justice (MOLJ)  High Courts  Working Group  Federal Judicial Academy	06/2026

## REFORM ACTION 6: OPTIMIZING TAX POLICY FUNCTION FOR ECONOMIC EFFICIENCY

<b>6. Reform Action 6:</b> Publish a tax simplification strategy by May 2026 that reduces rate schedules, special regimes, excessive withholding and advance taxes, rationalizes tax exemptions and scales back rulemaking power, and annually report on implementation progress. Demonstrate reduction in the number and value of tax exemptions that have been granted.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
6.1.	<b>6.1 Operationalise TPO</b> Governance arrangements and key institutional processes will be put in place.  The TPO's mandate and governance clarified through dedicated legislation establishing the TPO as a statutory body, detailing its functions and institutional linkages to ensure that it provides "independent advice" competently (para. 37, p. 37).  To ensure legislative alignment/coherence, necessary amendments enacted to distinguish TPO's mandate from the FBR's International Centre of Technical Excellence (ICTE) and The Policy Board (TPB) for providing tax policy relating advice and lead on setting tax treaty policy and related negotiations.	Amend s.6, FBR Act 2007 to delete The Policy Board policymaking related provisions  Amend s. 230J, Income Tax Ordinance 2001 to delete FBR's International Centre of Technical Excellence's policymaking related provisions  Law enacted to give TPO statutory effect setting out its mandate, transparency standards and periodic reporting system and framework  TPO rules and/or regulations notified	Independent tax policy formulated	MOF	06/2026
6.2.	<b>6.2 Capacitate TPO</b> Complete recruitment for skilled staff to ensure TPO has the necessary capacities to provide "independent advice" to the government on tax policy including analytic and drafting (legislation, documents) capacities.	MOF approved TPO organogram  Capacity needs assessment conducted  MOF certified TPO organogram with detailed job descriptions	TPO resourced to implement its mandate effectively	MOF	06/2026

		MOF to certify all TPO positions filled (as per approved organogram)			
6.3.	<b>6.3 Notify TPO Protocols</b> Develop and notify protocols for TPO to access data and collaborate with FBR (ICTE, TPB) and other stakeholders on tax policy design and implementation (Para. 37, p. 37).	MOF notified protocols for collaboration data/info. sharing between TPO, FBR (ICTE, TPB) and other stakeholders	TPO collaborating and sharing data with stakeholders	MOF	06/2026
6.4.	<b>6.4 Develop TPO</b> TPO operationalised with a multiyear institutional development plan	MOF approved two-year TPO budgeted monitorable action plan.  TPO website operationalised (as per reporting obligations)  Periodic TPO performance reports published	TPO operationalised effectively	MOP, TPO	06/2026
6.5.	<b>6.5 Simplify Tax Structures</b> Formulate time-bound monitorable simplification strategy with draft tax policy provisions to: (m) Reduce rate schedules (n) Reduce special regimes (o) Reduce excessive withholding (p) Reduce advance taxes (q) Rationalise tax exemptions (r) Harmonise federal and provincial taxes (in consultation with the National Tax Council) The measures will be designed to aim for revenue neutrality in the medium term.	Simplification strategies covering (a) to (g) setting out specific timed, monitorable actions over 3-5 years period.  Revised legislation enacted and policies notified as per MOF approved simplification strategies covering (a) to (g)  Revised tax policy and/or laws covering (a) to (g) available on TPO and MOF websites for public	Reduced economic burden of taxes with lowering of compliance costs.	TPO, MOF	12/2026
6.6.	<b>6.6 Develop Criteria to Structure and Rationalise Rule Making Powers</b> Develop criteria to structure and rationalise rule making powers so that any SRO issued by any ministry, authority or	MOF notified criteria for rationalising and structuring rule making powers.	Rule-making discretion structured and rationalised	MOF	06/2026

	any other governmental body including SIFC and the BOI, potentially affecting the tax policy, base, administration or enforcement, shall be submitted to the TPO for review and to the MOF for validation/approval.	SROs affecting tax policy and its implementation reviewed, restructured and/or deleted.			
6.7.	<p><b>6.7 Publish Annual Report on Simplification Progress and Changes in Exemption</b></p> <p>Develop, notify and implement process and impact monitoring and evaluation framework and system for periodic reporting on the implementation of the tax simplification strategy, including change in number and value of tax exemptions, and publish an annual report.</p> <p>Post annual report on TPO and MOF websites for public demonstrating impact.</p>	<p>TPO approved M&amp;E framework and system for evaluating and reporting tax simplification and their demonstrable impact.</p> <p>Annual performance or implementation and impact status reports, including changes in the number and value of tax exemptions, posted on MOF and TPO websites</p>	Impact on tax policy reported publicly	TPO	06/2026
6.8.	<p><b>6.8 Strengthen Tax Expenditure Statement</b></p> <p>Strengthen Tax Expenditure Statement by including an assessment of costs and benefits of most significant tax incentives.</p> <p>Post annual report on TPO and MOF websites for public, demonstrating impact, reduction in the number and value of tax exemptions.</p> <p>A process will be put in place to review any additional exemptions.</p>	<p>TPO approved methodology <u>and</u> process for Expanded Tax Expenditure Statement including cost-benefit for evaluating tax incentives posted on MOF and TPO websites.</p> <p>TPO review of tax preferences, incentives and exemptions</p> <p>TPO review of tax related SROs</p> <p>Annual report on incentives and exemptions reviewed posted on TPO and MOF websites demonstrating impact, reduction in the number and value of tax exemptions.</p>	Rationalised tax policy implementation	TPO	06/2026

		Annual report on FBR SROs reviewed posted on TPO and MOF websites demonstrating impact, reduction in the number and value.			
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## REFORM ACTION 7: INCREASING EFFICIENCY, INTEGRITY, & PERFORMANCE CULTURE OF TAX ADMINISTRATION

### 7. GCD Report Reform Action 7:

Strengthen FBR's governance and effectiveness by improving its organizational structure to better align oversight and management with achieving core objectives, reduce the autonomy of field offices, enhance human resource practices, and enhance its ability to identify and address key risks.

*Explanatory Note: The priority recommendation is addressed through constituent recommendations as well.*

#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
Strengthen FBR's HQ function: establish executive committees, strengthen risk management, reduce the autonomy of field offices, and ensure performance is systematically monitored and managed.					
7.1.	<b>7.1 Establish Executive Committees</b> The following executive committees will be established: - <b>Tax Administration Strategy Committee (Board-in- Council):-</b> <i>To determine organizational goals and priorities and develop medium- and long-term strategies to achieve them.</i> - <b>FBR Transformation Plan Executive Committee:-</b> <i>To lead FBR's transformation plan and report directly to the chairman.</i> - <b>FBR Compliance and Institutional Risk (including CRM) Committee:</b> <i>To lead the development of risk register identifying risks in key areas (including CRM) and developing a risk mitigation strategy.</i> - <b>Performance and Integrity Management Committee:-</b> <i>To oversee the implementation of FBR's full-spectrum HR strategy including performance and accountability mechanisms.</i>	Written decision regarding formation of committees, along with membership and terms of reference	Improved FBR governance in core functional areas	FBR	06/2026

7.2.	<p><b>7.2 Complete Institutional Risk Assessment and Establish Compliance and Risk Committee</b></p> <p>Complete and make available the Institutional Risk Assessment and Environmental Scanning report with a complete risk register.</p> <p>An independent <b>FBR Compliance and Institutional Risk (including CRM) Committee</b> will be established with notified mandate.</p>	<p>FBR Compliance and Institutional Risk (including CRM) Committee notified along with composition and mandate.</p> <p>Risk register established.</p> <p>Comprehensive risk mitigation strategy developed and overseen by organizational risk committee.</p>	Risk culture established in tax administration.	FBR	06/2027
7.3.	<p><b>7.3 Implement OECD CRM Framework</b></p> <p>To fully implement OECD's CRM Framework 2004 for both Inland Revenue and Customs, to generate intelligence profiles/scans, compliance improvement plans, and compliance risk register.</p>	<p>Evidence of risk-based selection</p> <p>Evidence of performance monitoring</p>	Study of adoption plan with timelines and milestones for system consolidation methods.	FBR; assistance and cooperation from PRAL, NADRA, SBP and other banks, provincial authorities, vehicle registration authorities, PSW	06/2027
7.4.	<p><b>7.4 Develop Version-Controlled Procedural Manuals to Calibrate Field Office Autonomy</b></p> <p>In order to calibrate field office autonomy and improve accountability and oversight, version-controlled Procedural Manuals will be developed for key tax and customs processes on the pattern of Britain's HMRC.</p>	<p>Key processes identified and listed.</p> <p>Manuals available</p>	Optimal calibration of field office autonomy with impact on revenue collection	FBR	06/2027

7.5.	<b>7.5 Digitise Management of Attendance and Case Monitoring</b> Digital Auditors Management System will be developed in-house to track and log attendance, case management, and improve output monitoring	System developed and deployed.	Quantitative and Qualitative improvements in Audits.	FBR	06/2027
7.6.	<b>7.6 Conduct Biannual System Runs to Enhance Integrity and Work Quality</b> System will be run on a biannual basis to improve integrity and quality of work.	Biannual disbursement of rewards	Qualitative check by examining the parameters used for assessing performance, and the peer rating for integrity.	FBR	06/2027
Strengthen the FBR's internal control and audit framework by establishing a truly independent internal audit function with a clear mandate to evaluate processes and governance systems.					
7.7.	<b>7.7 Diagnose Internal Audit Processes</b> Conduct a diagnostic of the current processes at DG Internal Audit and determining ways and means to strengthen the organization.	Evidence of reduction in vacant positions	The internal controls of tax administration and their effectiveness.	DG Internal Audit	06/2027
7.8.	<b>7.8 Standardise Internal Audit Certification</b> For posting in Directorate, the auditors will be required to complete standard audit certification.	Rolling audit certification training underway		FBR	12/2028



7.9.	<p><b>7.9 Establish Performance Benchmarks and KPIs for Internal Audit Staff</b></p> <p>Performance benchmarks/ KPIs will be set for the human resource of Internal Audit Directorate.</p>	Benchmarks / KPIs available in writing		FBR	06/2027
7.10.	<p><b>7.10 Link Internal Audit Findings with HR Decisions</b></p> <p>The internal audit findings will be linked with HR decisions.</p>	<p>Number of HR related audit findings</p> <p>Number of findings acted upon</p>		FBR	06/2027
7.11.	<p><b>7.11 Grant Internal Auditors Access to Customs and IRS IT Systems</b></p> <p>The auditors of the Directorate will be granted seamless access to IT systems of both Customs and IRS.</p>	Directorate expressing satisfactory access		FBR	12/2028
7.12.	<p><b>7.12 Conduct Annual Assessments of FBR Processes and Governance Systems</b></p> <p>The Directorate General of Internal Audit will conduct yearly assessment of processes and governance systems of FBR through its own or by outsourcing and report on gains in reducing risks, increasing integrity, and strengthening the performance</p>	Availability of yearly assessment	Percentage change in reducing risks, increasing integrity, and revenue collection and tax facilitation.	FBR	12/2028
7.13.	<p><b>7.13 Strengthen Internal Audit Independence and Effectiveness</b></p> <p>The DG internal audit will report directly to the chairman FBR.</p>	List of specific best practices adopted and implemented	Staffing policy commensurate with the autonomy of the directorate	FBR / Directorate General of Internal Audit	06/2026

	Study of international best practices and audit planning and risk assessment with recommendations to optimise the independence, effectiveness, and regional penetration of the directorate of internal audit followed by for appropriate adoption in institutional mechanisms.				
Undertake an independent IT system's audit.					
7.14.	<b>7.14 Conduct Independent Cybersecurity Audits of IRIS and WeBOC</b> An independent cyber security audit of IRIS and WeBOC will be carried out.	Audit report availability	Periodic audit of IT systems	FBR	06/2026
7.15.	<b>7.15 Audit by SAI</b> Annual audit, by Auditor General of Pakistan, to include IT systems audit.	Number of IT system related audit findings  Number of such findings resolved.		FBR, Auditor General of Pakistan	06/2026
7.16.	<b>7.16 Commission IT Systems Audit of PRAL and FBR Systems</b>  PRAL will recruit a global firm to conduct comprehensive process and systems audit of PRAL's IT system, and outcomes will align FBR's digital infrastructure, processes and governance mechanisms with international best practices.  The TORs of the firm will include system audit of the range of critical FBR IT systems.	Availability of audit report  Terms of Reference specifying amongst other things the range of IT systems to be audited	Periodic audit of IT systems	FBR; Auditor General of Pakistan, external firms selected for audit, PRAL	06/2027
Strengthen FBR's oversight of PRAL by establishing a robust risk management framework with real-time monitoring, a risk register, regular assurance reporting, and an internal audit function to ensure secure, accountable operations aligned with legal obligations and data protection standards.					

7.17.	<b>7.17 Review PRAL SLA Compliance</b> FBR Transformation Plan Executive Committee to review compliance of SLA agreed between FBR and PRAL.	Notification of Committee along with ToRs	Way forward for continuous oversight	FBR / PRAL	06/2027
7.18.	<b>7.18 Deploy Domain Officers</b> FBR officers deployed as Domain Officers within PRAL to lead and oversee software development life cycle, business requirement specifications and change request forms	Notification of domain officers	Way forward for continuous oversight	FBR / PRAL	12/2028
7.19.	<b>7.19 Mitigate PRAL IT Risks</b> FBR to ensure mitigation of risks identified in the wake IT/system audit of PRAL conducted by AGP/Third Party. Development of risk register and risk mitigation strategy in the light of third-party audit reports.	Developed risk register and mitigation strategy	Reduced PRAL IT risks	FBR / PRAL / Fin Div	06/2027
7.20.	<b>7.20 Report to PRAL Board on Data Security and Compliance</b> PRAL to prepare and submit to its Board (copy to FBR Board in council) a biannual assurance reports on data security, and secure, accountable operations aligned with legal obligations and data protection standards.	Biannual Assurance Reports	Way forward for continuous oversight	FBR / PRAL	06/2026
7.21.	<b>7.21 Establish and Notify Internal Audit Wing within PRAL</b> PRAL to set up and notify an Internal Audit wing that conducts internal checks as per international standards.	Annual Internal Audit Reports	Strengthened internal controls in tax administration	FBR / PRAL	06/2026
Establish an Internal Affairs Unit within the FBR, reporting directly to the Chairman, with a formal mandate to develop and enforce integrity and anti-corruption policies, investigate misconduct at all staff levels, and coordinate with relevant enforcement bodies as needed.					

7.22.	<p><b>7.22 Strengthen Oversight and Reporting Arrangements of the IMC</b></p> <p>Performance and Integrity Management Committee shall oversee the performance of Integrity Management Cell (IMC).</p> <p>Integrity Management Cell will directly report to the Chairman for enhanced accountability and streamlined operations.</p> <p>The scope of IMC will be revisited to deal with all complaints related to corruption and deviant behaviour.</p>	<p>Notification of revised TORs for IMC.</p> <p>Integrity and anti-corruption FBR policy available, along with legal instruments to enforce it</p>	Increased integrity perceptions across taxpayers	FBR	06/2027
7.23.	<p><b>7.23 Digitise Complaint Management</b></p> <p>The use of a dedicated online platform for logging, scrutinizing, and investigating corruption related complaints will enhance procedural efficiency and ensures that all cases are handled in a standardized and traceable manner. Ensuring the IMC webpage on FBR website is optimized.</p>	<p>Developed and deployed digital system.</p> <p>IMC Webpage optimization on FBR website.</p>	Effectiveness of the integrity management system.	FBR	06/2027
7.24.	<p><b>7.24 Enforce IMC Recommendations</b></p> <p>FBR will enforce inquiry recommendation of the IMC under the Efficiency and Discipline Rules and impose penalties in case of corruption.</p> <p>Where criminal wrongdoing is established, the matter will be referred further to relevant agency having jurisdiction, that is police, FIA, Establishment Division, and NAB.</p>	<p>Aggregated statistics on nature of public complaints, along with the of action taken will be made available on the FBR website.</p>	Effectiveness of the integrity management system.	FBR Police FIA Establishment Division NAB	06/2027

7.25.	<b>7.25 Review IMC Effectiveness</b> Performance and Integrity Management Committee to periodically review IMC's performance and provide recommendations to Chairman for continuous improvement	Written orders regarding composition and mandate of committee  Frequency and minutes of meetings	Effectiveness of the integrity management system.	FBR	06/2027
Publish data on complaints, number of officials investigated for corruption, number of individuals sanctioned for corruption, number of cases passed to other enforcement agencies.					
7.26.	<b>7.26 Publish Complaints Receipt and Processing Data</b> FBR will publish anonymized data on receipt and processing of complaints to prevent reputational risk for officials or the interest of the complainant.  It will contain data regarding number of complaints, numbers rejected after evaluation, numbers under investigation formally, and the numbers segregated according to outcome of investigations.  This would not entail the complaint contents becoming public.	Evidence of dissemination, for example availability on FBR website  Website showing latest information regarding performance of IMC	Effectiveness of the integrity management system.	FBR	06/2027
7.27.	<b>7.27 Publish Disciplinary Penalties on the FBR Website</b> Information regarding penalties imposed as a result of disciplinary proceedings will be placed on the FBR website.	Orders of cases in which penalties imposed published on FBR website	Effectiveness of the integrity management system.	FBR	06/2027
Strengthen FBR's risk culture including by establishing an independent risk committee and the development of a comprehensive risk register.					
7.28.	<b>7.28 Conduct Institutional Risk Assessment and Establish Risk Committee</b> Institutional Risk Assessment will be carried out to identify risks and mitigation strategies.  An independent Organizational Risk Committee will be established with notified mandate.	Risk Assessment Report made available.  Organizational Risk Committee notified along with composition and mandate.  Risk register developed.	Higher degree of attention to institutional risks with active action regimen.	FBR	06/2027

		Comprehensive risk mitigation strategy developed.			
Strengthen FBR's core functions, including CRM, registration, filing, audit, refunds, customs selection and export management.					
7.29.	<b>7.29 Enlarge CRM Module</b> Field formations will generate quarterly revenue projections for some pillars of noncompliance.  A larger CRM module will be established to cover all pillars of non-compliance.	More comprehensive CRM module available		FBR	03/2026  06/2027
7.30.	<b>7.30 Recruit Core Functional Specialists</b> Recruitment of Core functional area personnel, like third party auditors, audit mentors, sector specialists, legal advisors, will be carried out to ensure specialized expertise and industry specific insights. Internal and third-party auditors will also be deployed based on CRM-identified risk areas, ensuring that audits focus on high-risk taxpayers and transactions with greater revenue potential.	Appointment and placement orders	Improved FBR performance in core functional areas.	FBR	06/2027
7.31.	<b>7.31 Introduce Certifications to Strengthen FBR</b> Post graduate Diploma and certification courses for FBR officers to strengthen capacity in core functions of auditing, accounting, data analytics and use and understanding of CRM insights for case selection, etc.	Launch of PGD and certificate courses	Increase in FBR officers' capacity	FBR	06/2027
7.32.	<b>7.32 Integrate Internal and External Datasets</b> Integration of internal and external datasets	System Review		FBR	03/2026
7.33.	<b>7.33 Deploy Advanced Analytics and Machine Learning Models</b> Deployment of advanced analytics and machine learning models	System Review		FBR	03/2026

7.34.	<b>7.34 Expand CRM for Third-Party Data Utilization</b> CRM framework will be expanded to make systematic use of third-party data for compliance and enforcement purposes. To ensure coherence and a consistent approach, all CRM-related initiatives (BTB, TCMS) and data-driven compliance activities will be consolidated under a single, unified CRM framework in place within CRM wing.	System Review		FBR	12/2026
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## REFORM ACTION 8: ENHANCING SYSTEMS TO ACCESS AND USE DATA IN TAX ADMINISTRATION

<b>8. GCD Report Reform Action 8:</b>  Enhance accountability of FBR operations by publishing audit findings relating to PRAL within the next 12 months and produce the initial public report tracking FBR response to major audit findings and recommendations.					
Sr No.	Action items	KPI	Outcome/Policy Dialogue	Institution Responsible	Timelines
8.1.	<b>8.1 Arrange Special Audit of PRAL</b> Special audit of PRAL will be conducted on request from Revenue Division / FBR and findings will be published.	Audit Report	Improved performance of PRAL	Auditor General; Revenue Division and Federal Board of Revenue will be involved	06/2027



## REFORM ACTION 9: STREAMLINING BUDGET PROCESS

<b>9. Reform Action 9:</b> Improve top-down budget process and avoid in-year budget adjustments without getting the Parliament's ex-ante approval through the use of supplementary grants, while maintaining some flexibility in budget execution through introducing contingency reserve.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
9.1.	<b>9.1 Streamline Budgetary Grant Process</b>  Government of Pakistan will continue to maintain contingency reserve according to fiscal space.  No supplementary shall be released without the approval of the parliament.	Review report of the supplementary grants  Approvals according to the process  Variance in budget approved with spending  Envelopes defined in budget circulars with budgetary allocations  Ratio of Budget allocations with actual spending.	Reduced variance in budgetary allocations and expenditures	Finance Division	06/2027

## REFORM ACTION 10: RATIONALIZING DEVELOPMENT EXPENDITURE

<b>10. GCD Report- Reform Action 10:</b> Enhance PSDP transparency, efficiency and affordability by enforcing the 10% cap on new projects, further rationalizing the portfolio (stock) by retaining only high- priority initiatives, protecting capital spending from mid-year cuts, and integrating Parliamentarians' projects into the PSDP process.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
10.1.	<b>10.1 Enforce 10% Cap on New PSDP Projects</b> To reduce throw-forward liabilities to a manageable size, for the medium term, allocation to new projects in PSDP will remain under the policy of 10% cap and will be continued till such time throw forward is appropriately reduced and financing policy will be developed to optimize project completions.  The cap will be enforced through BCC and release policy, starting with PSDP FY27	Change in throw forward liability, percentage, year-on-year.  Decrease in backlog of projects  Reduction in delay of completion of projects.  The BCC cap year-on-year	Composition of portfolio and financial management efficiency.   Project completion ratios cost overruns, cost-revisions, and cost predictability (completion cost ÷ original cost)	Ministries/Divisions for implementing the policy/guidelines circulated.	06/2027
10.2.	<b>10.2 Prioritize High-Impact PSDP Projects</b> The quarterly and full-year review process of PSDP portfolio will be carried onto implement the policy of prioritizing the core/mega projects of national significance, foreign aided and projects near completion.	Quarterly & Annual (full year) review reports	Alignment of project portfolio composition with economic policy objectives	Planning Division	06/2027

10.3.	<b>10.3 Prevent Mid-Year Cuts to Development Expenditure</b> Finance Division to ensure there are no mid-year cut on development budget.  However, unanticipated revenue shortfalls will have to be adjusted in PSDP financing.	Release ÷ Allocation by quarter	Financing modalities of public infrastructure	Finance Division	06/2027
10.4.	<b>10.4 Improve Feasibility and Appraisal Requirements of Local Projects</b> The relevant Economic Ministries/Divisions will carry out appraisal of the projects identified by elected representatives and follow approved guidelines of the competent fora and then these are considered for funding from development budget keeping in view the budgetary provisions.	Minutes of the approval fora	Cost efficient development spending	Planning Commission	06/2027
10.5.	<b>10.5 Enhance Monitoring of Local Projects</b> With regard to SDGs Achievement Programme (SAP), a robust mechanism for monitoring of the schemes will be developed to ensure their benefits at grassroots level	Monitoring reports from the specific mechanism.  Percentage of Parliamentary projects approved	Mechanism to link constituency demands with resource allocation	Planning Division	06/2027

## REFORM ACTION 11: FRAMING A NATIONAL RISK AND VULNERABILITY MITIGATION INFRASTRUCTURE

<b>11. Reform Action 11:</b>  Adopt and implement a risk-based approach to addressing corruption vulnerabilities in federal agencies by:  (i) publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1); and  (ii) reporting annually on implementation progress and risk					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
<b>a. Publishing an action plan to mitigate risks in the top ten agencies with highest corruption risks and macro-critical exposures based on a centralized assessment using pre-established and public criteria (year 1);</b>					
11.1.	<b>11.1 Conduct National Risk Assessment on Corruption</b>  NAB will draft a national risk assessment on corruption, and to achieve multiagency inputs bring it to National Anti-Corruption Task Force (chaired by AMLA and including NAB, FIA, AGP, ACEs, AGP, SECP, FBR, CGA, PBS, and others coopted by the task force as technical contributors). The task force will be established under the umbrella of AML/CFT Authority, as the overarching coordinating body for all “competent authorities”, (as per Section 6 (1) of National AML/CFT Authority in Pakistan Act 2023), e.g. NAB, FIA and all anticorruption establishments ACEs and other relevant agencies, to finalise a centralized Corruption Risk Assessment Framework for assessing the corruption vulnerabilities in various organisations.  Such Framework to include, in addition to financial crime risk, non-financial corruption	i. Formation of the National Anti-Corruption Task Force within 3 months.  ii. Framework completion within 6 months	Interagency consensus on risk assessment framework	NAB (Technical Lead)  AML/CFT Authority (Interagency Coordination)  Task Force NAB, FIA, ACEs,  MOF	06/2026

	<p>vulnerabilities (e.g. procurement irregularities, project implementation corruption, misuse in state-owned enterprises, governance of macro-critical agencies, systemic governance weaknesses such as weak oversight, lack of transparency, politicized spending, etc.).</p> <p>Subject matter specialists may be hired/attached to support the task force.</p>				
11.2.	<p><b>11.2 Identify Top 10 High Risk Agencies</b></p> <p>Based on the Corruption Risk Assessment Framework, the National Anti-Corruption Task Force will identify top 10 high risk federal agencies with corruption vulnerabilities and macro-critical exposures.</p>	Top 10 agencies with high corruption risks identified	Higher attention to corruption associated risks in ministry/agency management	<p>AML/CFT Authority (Lead)</p> <p>Task Force NAB, FIA, ACEs, MOF</p>	06/2027
11.3.	<p><b>11.3 Devise Risk Reduction Action Plan</b></p> <p>National Anti-Corruption Task Force will devise risk reduction action plan, with clear KPIs, and roles for each ministry/agency to undertake actions and to mitigate risks in the top ten agencies with highest corruption risks comprising of:</p> <ul style="list-style-type: none"> <li>v. Systemic actions common to all</li> <li>vi. Agency specific actions</li> </ul> <p>It will also align risk assessment methodology with Pakistan's National Risk Assessment (NRA) for ML/TF.</p>	Action plan completed within 3 months	Higher alignment of institutional resources to corruption risk reduction.	<p>Task Force NAB, FIA, ACEs, MOF</p> <p>10 identified agencies</p>	06/2027
<b>b. Reporting annually on implementation progress and risk</b>					

11.4.	<b>11.4 Strengthen Institutional Capacity to Supervise Implementation and Monitor Progress</b>  Create an Implementation Unit (IU) inside AML/CFT Authority or Cabinet Division, in consultation with NAB, to monitor implementation of the RR Action Plan devised by the Task Force.	Formation of an Implementation Unit (IU) within 3 months  Progress reports by ministries/agencies on implementation of the RRP.	Higher visibility of progress made against agency plans	Cabinet Division NAB/ AML/CFT Auth Task Force FIA, ACEs MOF	06/2027
11.5.	<b>11.5 Ensure Effective Monitoring Through Reports</b>  Prepare an Annual Corruption Risk & Reform Status Report including: <ul style="list-style-type: none"> <li>• Progress on KPIs for each of the 10 agencies.</li> <li>• Updated corruption risk ratings (risk assessments to be done annually).</li> <li>• Challenges, lessons learned, and next-year priorities.</li> </ul>	Publication of annual reports and publication of the identified 10 highest risk agencies and report on demonstrated reduction of risks.	Reduced incidence of corruption established through administrative data and objective perception surveys based on agency personnel as well as public at large	AML/CFT Auth (Lead) Task Force NAB, FIA, ACEs Cabinet Division MOF	06/2028

## REFORM ACTION 12: REINFORCING THE SYSTEMIC LINKAGES AND ACCOUNTING FOR PUBLIC FINANCIAL RESOURCES

12. <b>Reform Action 12:</b>					
Establish full institutional independence of the Auditor General of Pakistan.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
12.1.	<b>12.1 Reduce Audit Findings Backlog</b> The Auditor General will categorise pending audit paras with reference to the nature, size, time, and relationship with public accountability and present for decisions in the PAC.	Audit findings recommended to PAC for settlement  Number of audit findings considered settled by the PAC  Percentage of repeat observations  Percentage of recommendations acted upon (and the value obtained by remedial actions)		Auditor General, Public Accounts Committee	06/2026
12.2.	<b>12.2 Achieve Legal Clarity</b> A review of legal provisions will be carried out to identify conflicting provisions in the Auditor General Ordinance 2001 and the article 170(2) for statutory amendment and legislate changes.	Study Report  Legislated Provisions	Operational effectiveness enhanced	Finance Division	06/2026
12.3.	<b>12.3 Review Budgetary and Establishment Authorities for Adequate Autonomy</b> A review of budgetary authorities and establishment function with reference to the Government of Pakistan fiscal and HR frameworks to identify areas of reform and implement reforms.	Review Report  Reduction in time taken to carry out reappropriations  Reduction in time taken to fill sanctioned positions	Increased institutional autonomy to perform the audit function	Auditor General, Finance Division and Establishment Division will be involved	06/2027

12.4.	<b>12.4 Strengthen Public and Parliamentary Oversight of the Auditor General's Establishment</b>  Options and modalities for strengthening the public oversight of the Auditor General's establishment, and public reporting of public spending watchdog under a parliamentary review.	Option and modalities report		Finance Division, Public Accounts Committee, Auditor General	12/2027
12.5.	<b>12.5 Submit Final Audit Reports to Parliament Observing Timelines</b>  Audit reports, once prepared by the AGP, are considered final and will be submitted to the parliament according to laid down process with mandatory timelines	Clarified submission process	Increased accountability and incidence of sanctions	Auditor General; Finance and Parliamentary Affairs Division will be involved	12/2026
12.6.	<b>12.6 Create Senior IT Posts within the Auditor General's Establishment</b>  Create information technology related posts of one director general and two of director in the AGP establishment	Position created  Positions filled		Auditor General; Finance Division and Establishment Division will be involved	06/2026



## REFORM ACTION 13: AUGMENTING ANTI-MONEY LAUNDERING ENFORCEMENT MECHANISMS

<b>13. Reform Action 13:</b> Enhance investigation and prosecution of money laundering offenses, by removing legal ambiguity on requiring a predicate conviction, increasing quality and quantity of Suspicious Transactions Reports, strengthening law enforcement agencies capacities for financial investigation, and improving cooperation on asset recovery.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
<b>e. Removing legal ambiguity on requiring a predicate conviction</b>					
13.1.	<b>13.1 Conduct Legislative Review of AMLA 2010 to Remove Ambiguities</b> AML/ CFT Authority will form a Joint Working Group, including the relevant stake holders, to conduct a legislative review of AMLA, 2010, to remove ambiguity about the requirement of predicate conviction to prosecute ML.	i. WG and its TORs notified.  ii. Finalization and submission of amended Anti-Money Laundering Act (AMLA) within 3-6 months for review by Parliament	Increased conviction rates in money laundering offenses	AML/CFT Auth  JWG  ML designated Agencies  Anti-Corruption Agencies (NAB, FIA,ACEs)  MoLJ	06/2026
13.2.	<b>13.2 Strengthen ML Investigations and Prosecution Through Further Statutory Amendments for Procedural Clarity</b> JWG will also review AMLA,2010 to identify other amendments, e.g. in the areas of definitional clarity, clarification of processes and procedure, and investigative powers etc., needed to strengthen ML investigations and prosecutions under AMLA,2010	All additional amendments identified within 3-6 months.	Legislative review to strengthen ML prosecutions involving proceeds of crime emanating from predicate offences including corruption.	AML/CFT Auth  ML designated Agencies  Anti-Corruption Agencies (NAB, FIA,ACEs)  JWG  MoLJ	06/2026

13.3.	<b>13.3 Secure Approval and Notify the Amendments</b> Amendments in AMLA2010 will be placed before the parliament and subsequently notified and disseminated for implementation.	Amendments to be notified and enacted within 12 months.	Increased conviction rates in money laundering offenses	MoJ Cabinet Division AML/CFT Auth	06/2027
13.4.	<b>13.4 Improve STRs by Issuing Reporting Guidelines</b> FMU will devise and issue corruption specific reporting guidelines, including red flags for enhancing the reporting quality of the corruption related STRs.	Reporting Guidelines issued for the reporting entities	Increased investigations and case outcomes based on improved STRs	FMU	06/2026
13.5.	<b>13.5 Update Risk Reporting Indicators</b>  FMU will update risk reporting indicators of STRs on goAML for better categorization and prioritization	Risk reporting indicators updated	Improving the quality and quantity of STRs on corruption through risk-based reporting.	FMU	06/2026
13.6.	<b>13.6 Improve the Quality of STRs Through Feedback Reports</b> Improve quality of STRs/SARs on corruption by providing quarterly “Quality of STR Feedback Reports” to reporting entities including Banks/DNFBPs: Include e.g.: <ul style="list-style-type: none"> <li>• common deficiencies (e.g., low narrative detail, missing financial patterns)</li> <li>• examples of high-quality corruption-related STRs</li> <li>• updated red flags advisory notes on new typologies.</li> </ul>	Number of quarterly Quality of STR Feedback Reports shared with Banks/DNFBPs	Strengthening the monitoring and feedback mechanism for improving the quality and quantity of STRs on corruption through provision of feedback reports.	FMU FIs DNFBPs	06/2027
13.7.	<b>13.7 Strengthen Coordination by Establishing Engagement Plans, Mode of Engagements and Focus Areas of Engagements.</b> FMU will develop a comprehensive Inter-agency coordination mechanism jointly with relevant stakeholders, including the LEAs mandated to deal with corruption as	i. Inter-agency coordination & cooperation mechanism notified by the competent authority	Strengthening inter-agency coordination and cooperation to improve STR/FI sharing (on corruption in particular and other financial crimes	FMU Anti-Corruption Agencies( NAB,FIA,ACEs)	06/2026

	<p>well as with SECP, police and federal, provincial anti-corruption establishments.</p> <p>The mechanism should specify the comprehensive annual engagements plan as well as the mode of engagements and should include among others the following focused areas:</p> <ul style="list-style-type: none"> <li>• Financial Intelligence sharing protocols</li> <li>• FI utilization and feedback</li> <li>• International cooperation</li> <li>• Interagency cooperation in ML and predicate offence prosecution</li> <li>• Capacity building</li> </ul>	ii. Annual engagement plans issued and implemented.	in general) and their efficient utilization.	<p>AML designated LEAs</p> <p>AML/CFT Auth</p> <p>ACEs</p> <p>SECP</p> <p>Police</p>	
13.8.	<p><b>13.8 Ensure institutional strengthening through dedicated FIFC</b></p> <p>FMU to establish a dedicated “Financial Intelligence Follow-Up Cell (FIFC)” at FMU and create a unified mechanism vis-a-vis law enforcement and regulatory bodies, to follow up on Financial Intelligence (FI), corruption-related, sent by FMU to LEAs.</p>	<p>i. FIFC established and notified.</p> <p>ii. Follow-up/feedback mechanism notified and implemented.</p>	Institutional strengthening through dedicated cell to follow up on corruption related FIs disseminated to the concerned LEAs	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2026
13.9.	<p><b>13.9 Improve Feedback Mechanism to and from reporting entities and LEAs.</b></p> <ul style="list-style-type: none"> <li>• FMU will further strengthen the feedback mechanism, both for STRs received from reporting entities and Financial Intelligence (FIs) shared with LEAs through including, though not limited to, the following:</li> <li>• Automation and AI driven feedback submitted on disseminated Financial Intelligence (FIs).</li> <li>• Timelines defined for feedback</li> <li>• Mode of submitting feedback</li> <li>• Update of standardized feedback formats.</li> </ul>	<p>i. Feedback mechanism devised and implemented</p> <p>ii. Automated/ AI-driven Feedback Formats developed and implemented</p> <p>iii. Feedback reports shared with GC annually</p>	Continuous systemic gains from system learning	<p>FMU</p> <p>Anti-Corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p> <p>Reporting entities</p>	<p>i. 06/2026</p> <p>ii. 06/2027</p> <p>iii. 06/2027</p>

	<ul style="list-style-type: none"> <li>Review/seek feedback on corruption related disseminations in meetings of the various forums including “Financial Intelligence Sharing and Coordination Committee” of LEAs; and</li> <li>“Compliance forum” for Reporting entities.</li> <li>Sharing of feedback reports with the General Committee/NEC for oversight.</li> </ul>				
13.10.	<p><b>13.35 Bring VASPs under the Reporting Framework</b></p> <p>PVARA, in coordination with FMU, will devise a framework to obligate Virtual Assets Service Providers (VASPs) for STR reporting.</p> <p>FMU, in coordination with PVARA, will devise a mechanism to register VASPs (holding NOC from PVARA), on goAML as reporting entities.</p>	Reporting Framework for VASPs approved and implemented.	Strengthening the legal and regulatory Framework to ensure bringing the VASPs under the reporting net and prevent the misuse of virtual assets in corruption or ML etc.	FMU AML/CFT Auth PVARA MoF	06/2026
13.11.	<p><b>13.36 Improve STR Reporting by DNFBPs</b></p> <p>FMU will devise and implement a comprehensive framework for STR reporting by the DNFBPs.</p>	Framework for STR reporting by the DNFBPs published	Strengthening the regulatory Framework to ensure bringing the maximum number of sectors in the reporting net to improve the quality and quantity of STRs.	FMU DNFBPs AML/CFT Auth	06/2027
13.12.	<p><b>13.37 Improve Access to Information for Analysis Purposes</b></p> <p>FMU will gain direct access to other databases (specially corruption related) and/or their integration with goAML.</p>	Number of databases integrated	Institutional strengthening for improving the quality of STRs and Financial intelligence related to financial crimes including corruption and ML.	FMU	12/2027
13.13.	<p><b>13.38 Share Strategic Analysis Report with LEAs</b></p> <p>FMU to conduct a Strategic Analysis on Corruption and share it with LEAs for guidance and capacity building.</p>	Strategic Analysis completed within 3-6 months	Strengthening information sharing and capacity building through informed analysis of corruption and sharing	FMU Anti-corruption LEAs (NAB, FIA, ACEs)	06/2026

			with LEAs to enable them to prioritize allocation of resources accordingly.	ML designated LEAs	
13.14.	<p><b>13.39 Improve Procedural Framework Through Typologies</b></p> <p>Develop corruption typologies /case studies related to corruption and share with the relevant stakeholders. It will align with FATF/APG typologies and Pakistan's AML/CFT enforcement priorities.</p>	Corruption Typologies and case studies devised and shared	Strengthening institutional and procedural Framework to enable Anti-corruption LEAs and ML designated LEAs for improved prosecution of corruption and ML cases.	<p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2027
13.15.	<p><b>13.40 Ensure Monitoring and Evaluation</b></p> <p>FMU to maintain comprehensive annual statistics and prepare Annual Report on Corruption-Related Financial Intelligence and disaggregated data demonstrating actual outcomes (enforcement, prosecution) from corruption-linked financial intelligence. Such reports to be presented to the General Committee for oversight.</p>	Annual report issued	Strengthening institutional framework through enhanced supervision and monitoring of the quality and quantity of financial intelligence, as well as subsequent legal action, on corruption, ML and other financial crimes.	<p>FMU</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated LEAs</p>	06/2027
13.16.	<p><b>13.41 Conduct Institutional Review to Identify Shortcomings and Constraints; Recommend Measures to Address the Issues Identified.</b></p> <p>AML/CFT Authority to constitute a working group comprising of all ML designated agencies, Anti-corruption agencies, FMU, SECP, or any other relevant agency, to assess the prevailing practices, identify gaps and suggest actions.</p> <p>JWG to assess the institutional arrangements, including reporting lines of the relevant authorities/organizations, and institutional linkages as well as systems and capacities of the relevant agencies for implementation of the</p>	<p>i. WG notified along with its TORs</p> <p>ii. Institutional Review published along with recommendations for the Federal Govt and agencies for implementation</p>	Strengthening institutional capacity to prosecute ML and associated predicate offenses, financial crimes including corruption.	<p>AML/CFT Auth (Lead),</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated Agencies,</p> <p>WG</p>	06/2026

	statutory obligations under AMLA,2010 as well as other statutes related to financial crimes. Based on the aforementioned JWG to recommend measures to strengthen the institutional Frameworks as well as agency-wise institutional capacities.				
13.17.	<p><b>13.42 Review Investigation SOPs of the Agencies</b></p> <p>AML/CFT Authority will conduct a review of the SOPs being practiced by the LEAs mandated to investigate and prosecute Corruption and associated Money Laundering. Based on the said review, AML/CFT Authority will suggest improvements ensuring that all such SOPs cover:</p> <ul style="list-style-type: none"> <li>• Statutory provisions related to corruption and ML</li> <li>• Following the money principle</li> <li>• Beneficial ownership identification</li> <li>• Financial profiling/parallel financial investigation and asset tracing</li> <li>• Money laundering methodologies (corruption, TBML, fraud, cyber-enabled crimes, TF)</li> <li>• Effective use of financial intelligence (FMU disseminations, STR analysis)</li> <li>• Asset tracing methodologies including the digital and virtual assets</li> </ul>	Number of SOPs of LEAs reviewed within 3-6 months	Strengthening procedural Framework to enable efficient investigation and prosecution of financial crimes including ML and corruption.	<p>AML/CFT Auth</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs)</p> <p>ML designated Agencies</p>	06/2026
13.18.	<p><b>13.43 Build Capacity of LEAs Through TNAs and Trainings</b></p> <p>All LEAs mandated to investigate and prosecute corruption and ML, will conduct a Training Needs Analysis and devise/implement annual training plan. AML/CFT Authority to monitor implementation.</p>	<p>Number of TNAs conducted.</p> <p>Number of training plans issued</p>	Improved quality of investigation and prosecution leading to higher conviction rates	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p> <p>AML/CFT Authority</p>	06/2027

13.19.	<p><b>13.44 Build Capacity of Judges Through Comprehensive Training Modules</b></p> <p>Federal and provincial judicial academies to design, in consultation with MoJ, comprehensive training module for judges on ML/TF, financial typologies, financial evidence and confiscation etc.</p>	Number of modules devised	Capacity Building measures for judiciary to enhance the quantity and quality of conviction in financial crimes including corruption and ML.	MoJ  Federal and Provincial Judicial Academies	06/2026
13.20.	<p><b>13.45 Build Capacity of Judges Through Implementing Training Plans</b></p> <p>MoJ shall ensure that Federal and Judicial Academies issue and implement annual training plans for judges based on the modules as above.</p>	Annual plan issued and implemented	Improved quality of judgements	MoJ  Federal Judicial Academy  Provincial judicial Academies	06/2027
13.21.	<p><b>13.46 Build Capacity Through Joint Sessions of Investigators and Judicial Officers</b></p> <p>MoJ will issue an annual plan to organize regular sessions of financial investigators/AML investigators and judicial officers at judicial academies to improve shared understanding.</p>	Annual plan for joint sessions for investigators and judiciary issued and implemented	Capacity Building measures for investigators, prosecutors and judiciary to enhance the quantity and quality of prosecutions and conviction in financial crimes.	MoJ  Federal Judicial Academy  Provincial judicial Academies  ML designated LEAs  Anti-corruption LEAs (NAB, FIA, ACEs),	06/2027
13.22.	<p><b>13.47 Build Capacity Through Certifications</b></p> <p>LEAs will preferably get national and international level certifications for their investigators and prosecutors dedicated for financial investigations and prosecutions.</p>	Number of certifications	Capacity Building measures to enhance the quantity and quality of financial investigation.	MOI, MoJ, NAB, FIA, ACEs, MOF, other relevant LEAs	12/2028

13.23.	<p><b>13.48 Strengthen Institutions and Build Capacity Through Provision of Funds</b></p> <p>Ministry of Finance to provide necessary funds to LEAs for co-option of experts and resourcing each LEA with necessary staff required for specialized tasks.</p>	Amount of funds given and utilized	Institutional strengthening and capacity building through provision of adequate resources for the prosecution of financial crimes including corruption.	<p>MoF</p> <p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2027
13.24.	<p><b>13.49 Strengthen Prosecution Through Dedicated Investigators/Prosecutors with Fixed Tenure</b></p> <p>LEAs to designate specialized prosecutors in ML cases in key regions while ensuring fixed tenure.</p>	Number of specialized investigators and prosecutors	Institutional strengthening for improving investigation and prosecution of financial crimes particularly corruption and ML.	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2026
13.25.	<p><b>13.50 Strengthen Monitoring and Evaluation Mechanism of LEAs</b></p> <p>Strengthening LEAs to develop Monitoring &amp; Evaluation mechanisms with clear KPIs to follow-up on:</p> <ul style="list-style-type: none"> <li>• Initiation of parallel financial investigations</li> <li>• Utilization of FI</li> <li>• Efficacy of data sharing and usage mechanisms</li> <li>• Investigation and prosecution of financial crime cases involving parallel financial investigations</li> <li>• Investigation and prosecution of complex cases of Money Laundering</li> </ul>	Monitoring & Evaluation mechanism devised and implemented	Institutional strengthening through improving the supervision and monitoring framework and practices related to investigations and prosecutions of financial crimes as well as the effective use of financial intelligence for the purpose.	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2026
<b>f. Improving cooperation on asset recovery.</b>					
13.26.	<p><b>13.51 Strengthen Institutional Mechanisms Through Dedicated Asset Recovery and Management Units</b></p> <p>All anti-corruption and AML designated agencies will establish dedicated Asset Management and Recovery Unit in their respective headquarters with its branches/cells in</p>	Number of LEAs with Asset Recovery and Management Units.	Institutional strengthening to improve asset recovery in cases of financial crimes particularly corruption and ML.	<p>Anti-corruption LEAs (NAB, FIA, ACEs),</p> <p>ML designated Agencies</p>	06/2026



	the respective regions/zones. Such unit to function under comprehensive SOPs.				
13.27.	<p><b>13.52 Review MLA Act for Improved International Cooperation</b></p> <p>MOI, in consultation with MoLJ, will process amendments in Mutual Legal Assistance Act 2020, to provide for enabling provision for provisional asset freezing actions on Foreign request.</p>	Amendments in Mutual Legal Assistance Act notified	Strengthening the Legal Framework to improve mutual legal assistance for asset recovery in cases of financial crimes including corruption and ML.	MOI MoLJ AML/CFT Auth	06/2027
13.28.	<p><b>13.53 Enact MLA Rules &amp; Guidelines</b></p> <p>MOI, in consultation with MoLJ, will develop MLA Rules &amp; guidelines for effective international cooperation and mutual legal assistance in asset recovery.</p>	MLA Rules & subsequent guidelines notified	Increased number of MLAs successfully concluded	MOI MoLJ AML/CFT Auth	12/2028
13.29.	<p><b>13.54 Establish Integrated Digital Database for Frozen, Recovered, and Repatriated Assets</b></p> <p>MOI will establish a database, in its digital MLA software, of frozen, recovered, and repatriated assets and establish interface with Anti- Corruption and ML designated LEAs allowing them to feed updates.</p>	Digital database established and relevant agencies linked with the database	Improved accounting and security for frozen, recovered, and repatriated assets.	MOI Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	06/2027
13.30.	<p><b>13.55 Improve International Cooperation Through Bilateral Agreements</b></p> <p>MOI to Initiate engagements with High-Risk Jurisdictions for Cooperation in mutual legal assistance including Asset recovery.</p> <p>MOI and MOFA to Negotiate bilateral agreements also.</p>	Number of bilateral agreements executed.	Increased number of bilateral agreements	MOI MOFA FMU Anti-corruption LEAs (NAB, FIA, ACEs),  ML designated Agencies	12/2028

13.31.	<p><b>13.56 Improve Asset Recovery Through Mechanism/Framework to be Established by DNFBPs for Assisting in Asset Recovery</b></p> <p>DNFBPs to establish a mechanism to take action on asset recovery on international request.</p>	Number of DNFBPs having asset mechanism in place.	Strengthening procedural Framework by improving the capacity of stakeholders especially DNFBPs, for asset recovery in cases of financial crimes including corruption and ML.	DNFBPs FBR SECP	06/2026
13.32.	<p><b>13.57 Establish BO Registry for SECP</b></p> <p>SECP shall establish updated BO registry to provide BO information on the incoming requests .</p>	BO registry updated	Strengthening procedural Framework by improving the capacity of stakeholders in asset recovery in cases of financial crimes including corruption and ML.	SECP	06/2026
13.33.	<p><b>13.58 Strengthen SBP's Institutional Framework to Establish Incentive Mechanism to Promote Asset Recovery</b></p> <p>SBP shall devise a comprehensive mechanism for:</p> <ul style="list-style-type: none"> <li>v. Incentivizing efforts assisting in asset recovery;</li> <li>vi. Penalizing noncompliance with asset recovery protocols by FIs.</li> </ul> <p>The mechanism will cover all relevant details of rewards and penalties as well as the requisite associated systems and processes with the aim to improve the asset recovery through a system of rewards and penalties.</p>	Mechanism for incentives and penalties established and implemented	Strengthening institutional and procedural Framework by improving the capacity of stakeholders, to incentivize asset recovery and penalize noncompliance, with a view to enhance asset recovery in cases of financial crimes including corruption and ML.	SBP	06/2026

13.34.	<p>13.59      <b>Align NAB's Legislative Framework with International Standards</b></p> <p>NAB to evaluate and align its legal framework with UNCAC &amp; FATF standards</p>	NAB's framework updated	Strengthening Legal Framework of NAB for improved asset recovery in cases of corruption.	NAB MoLJ	12/2028
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## REFORM ACTION 14: STRENGTHENING ACCOUNTABILITY AND INTEGRITY OF THE CIVIL SERVANTS

<b>14. Reform Action 14:</b> Strengthen accountability and integrity among high-level federal civil servants by initiating the publication of asset declarations in 2026, and introduce risk-based verification of asset declarations.					
#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
14.1.	<b>14.1 Revise Rules</b>  Revise Civil Service (Conduct) Rules to establish legal framework	Notification of the revised rules	Impact analysis of measure on the broader objectives of integrity and corruption risk mitigation.	Establishment Division	06/2026
14.2.	<b>14.2 Develop Risk Model and Coordination</b>  Develop Risk Factor Model, define red flags and outline Establishment Division - concerned agency- Federal Board of Revenue coordination mechanism	Risk-Factor model available, mechanism established	Efficacy of the risk factor model and coordination mechanism	Establishment Division (FBR would also be involved)	06/2027
14.3.	<b>14.3 Deploy Across Government</b>  Deploy digital asset declaration system across ministries	System deployed across ministries and populated by relevant data  Number of Civil Servants declaring assets in the system		Establishment Division (FBR would also be involved)	06/2027
14.4.	<b>14.4 Implement Verification</b>  Deploy computerised system to generate risk-based cases for verification. Verification to be conducted by FBR and other relevant agencies.	Verification taken place  Percentage of cases verified	Increased transparency and integrity of the civil service	Establishment Division  FBR	06/2027
14.5.	<b>14.5 Implement Investigation and Systemic Learning</b>  Using the risk factor model, cases getting red flags will be reviewed by a committee of Establishment Division, FBR,	Percentage of cases reviewed by the committee	Increased identification of foci of vulnerability	Establishment Division  FBR NAB FIA	12/2027

	<p>FIA, and NAB to decide if the matter should be formally investigated, if so, then by what agency.</p> <p>Using data and analysis corruption and integrity at the system level will be identified and used to design corruption vulnerability mitigation measures.</p>	Number of systemic areas identified for vulnerability mitigation		Police	
14.6.	<p><b>14.6 Increase Transparency</b></p> <p>A scheme of sequentially making assets available on the Establishment Division website, while observing confidentiality safeguards will be developed.</p>	Publication with confidentiality safeguards	Increased integrity of the civil service	Establishment Division (FBR would also be involved)	06/2027

## REFORM ACTION 15: MERIT AT THE HELM: IMPROVING APPOINTMENT PROCESSES

**15. Reform Action 15:**

Review and enhance the legal framework governing the appointment of heads of key oversight bodies (CCP, SECP, NAB) to promote a merit-based, transparent, and credible selection process.

#	Action items	KPIs	Outcome/Policy Dialogue	Institution Responsible	Timelines
15.1.	<p><b>15.1 Improve Selection Outcome for Chair</b></p> <p>SECP Chairperson's (direct) appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.</p>	<ul style="list-style-type: none"> <li>• Notification of SECP rules, that codify the entire process of appointment of Chairman/Commissioners/Policy Board Members.</li> <li>• Timely initiation of appointment processes (minimum 3 months before tenure completion).</li> <li>• Publication of annual governance and transparency report approved by SECP Policy Board.</li> </ul>	<p>Improved oversight and reduced leadership gaps leading to enhanced regulatory stability, decision-making consistency, and investor confidence.</p>	<p>MoF/MoL/SECP</p> <p>MoF</p>	<p>06/2027</p> <p>06/2027</p>
15.2.	<p><b>15.2 Improve Selection Outcome for Commissioners</b></p> <p>SECP Commissioners' appointment process has been codified in the draft SECP Amendment Bill; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.</p>	<p>Percentage of commissioner selected on the new rules</p>		SECP	06/2027

15.3.	<p><b>15.3 Elaborate Code of Conduct for SECP</b></p> <p>A stricter Code of Conduct for Commissioners / Policy Board members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.</p>	Notification of revised Code of Conduct	Assess whether the strengthened Code of Conduct for SECP top brass addresses governance vulnerabilities by tightening control over conflicts of interest, confidentiality, and engagement with regulated entities. Evidence of improved compliance, reduced perception of bias, and greater procedural integrity will indicate enhanced regulatory credibility	MoF/MoL/SECP	06/2027
15.4.	<p><b>15.4 Improve Personnel Selection Outcomes for CCP</b></p> <p>Amendment in the Competition Commission (Salary, Terms and Conditions of Chairman and Members) Rules to the following effect:</p> <p>Appointment Process be initiated at least 3 months prior to the date of the end of tenure of Chairman/Member.</p> <p><b>Amendment in the Competition Act, 2010</b></p> <p>Scope of Section 43 of Competition Act, 2010 be broadened. <b>The eligibility criteria of the Chairman CAT are narrowly defined and it needs to be broadened.</b></p> <p>A separate and dedicated process for the Chairman's appointment</p>	<ul style="list-style-type: none"> <li>• Amendment in the Competition Act 2010 will be required to give effect for the separate and independent for the appointment of the chairperson.</li> <li>• Notification of CCP rules, that codify the entire process of Appointment of Chairman/Members.</li> <li>• Timely initiation of appointment processes (minimum 3 months before tenure completion).</li> <li>• Publication of annual governance and transparency report approved by the Commission.</li> </ul>	Enhanced effectiveness in ensuring competitive markets including commodities.	<p>MoF/MoL/CCP</p> <p>MoF</p> <p>CCP</p>	<p>06/2027</p> <p>06/2027</p> <p>06/2027</p>

	(independent from the appointment process for other Members) be set out in Competition Act; including selection committee, responsible for identifying / recommending potential candidates; issuance of Rules to codify these processes by Federal Government.				
15.5.	<b>15.5 Elaborate Code of Conduct for CCP</b> A stricter Code of Conduct for Members, that covers managing conflicts of interest, confidentiality obligations, and principles governing engagement with regulated entities be approved by the Federal Cabinet.	Notification of revised Code of Conduct		CCP/MoF	06/2027
15.6.	<b>15.6 Review Appointment Process for Chairman NAB</b> Chairman NAB appointment will be reviewed and put in front of cabinet for consideration	Conclusion of the formal review process, and action there against, if required	Increased public credibility of NAB as an anti-corruption agency	MoJ	06/2027