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FROM THE EDITOR

EDITOR'S NOTE

When the board asks about the carbon in a tonne of product shipped to Rotterdam, one contributor to this issue observes, heads no longer turn to the sustainability coordinator. They turn to finance. That single turn of heads captures what this edition of The Pakistan Accountant is about.

Sustainability reporting has arrived in Pakistan not as a public-relations supplement but as a phased legal obligation, with assurance to follow. Artificial intelligence, at the same time, is taking over the work that once filled our month-ends. Both forces push in the same direction: away from producing numbers and towards standing behind them.

The more than forty contributors to this issue approach that shift from every angle. Some take us inside a mothballed power plant, a month-end close or a Friday sermon. Others set Pakistan's rules against the best practice of

the world, or ask, pointedly, who owns the emissions figure when the Audit Committee challenges it. The youngest voices, in our final section, may be the most striking of all: they are not asking whether the profession will stay relevant, but what organisations will need from the CA that technology cannot provide.

Their answers converge on a simple test, put best by one of our authors: did the information lead to a better decision? If it did, compliance has become value creation. If it did not, the opportunity has been missed.

We hope these pages help you pass that test. As always, we welcome your responses, your disagreements and your own stories for future issues.

The Editor, The Pakistan Accountant

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From Compliance to Value Creation: How Sustainability Reporting is Reshaping Business Decisions

FROM THE PRESIDENT

PRESIDENT'S MESSAGE



Muhammad Samiullah Siddiqui, FCA

President

The Institute of Chartered Accountants of Pakistan

It gives me great pleasure to present this edition of The Pakistan Accountant, devoted to a theme that sits at the heart of our profession's future: From Compliance to Value Creation: How Sustainability Reporting is Reshaping Business Decisions.

Pakistan has entered a decisive phase. With the phased adoption of IFRS S1 and IFRS S2, sustainability disclosure is no longer a voluntary narrative at the back of an annual report. It is becoming a reporting obligation with assurance to follow, and a factor that investors, lenders and international customers increasingly weigh when they allocate capital and choose partners. ICAP is proud to have supported this transition, and we remain committed to equipping our members for it.

Yet regulation alone will not create value. Value is created when reliable information leads to better decisions: when a board understands its climate exposure, when a CFO links emissions data to capital allocation, and when an auditor can stand behind a number that the market relies upon. These are precisely the disciplines Chartered Accountants have always brought to financial reporting, and they are now needed across a far wider canvas.

Technology is widening that canvas further. Artificial intelligence and automation are changing how finance work is done, but not why it is trusted. Judgement, scepticism and integrity remain our enduring advantage, and I am encouraged that so many contributors to this issue, including our young professionals, make exactly that point.

I thank every member who has shared their experience and insight in these pages, and the editorial team for bringing them together. I encourage all our members, students and stakeholders to read, reflect and join the conversation. Together, we can ensure that the Chartered Accountant remains not only the guardian of compliance, but a catalyst for sustainable value creation in Pakistan and beyond.

Muhammad Samiullah Siddiqui, FCA

President, ICAP

FROM THE CHAIRMAN

MESSAGE FROM THE CHAIRMAN, MARCOM



M. Sajid Kapadia, FCA

Chairman

*Marketing and Communications Committee
(MARCOM), ICAP*

The Pakistan Accountant has always been more than a magazine. It is where our members share what they are learning at the frontline of the profession, and where the wider business community sees the thinking that Chartered Accountants bring to Pakistan's economy.

This issue shows that spirit at its best. More than forty members, from senior partners and CFOs to young professionals just beginning their careers, have written on how sustainability reporting, artificial intelligence and changing investor expectations are reshaping the role of finance. Their voices come from Karachi and Lahore, from the Gulf, from Europe and beyond, and together they tell a single story: the profession is moving from reporting what happened to shaping what happens next.

As the Marketing and Communications Committee, our aim is to make that story visible. We want every reader, whether a board member, a regulator, an investor or a student weighing a career in accountancy, to see the Chartered Accountant as a trusted adviser and a builder of long-term value. This edition has been redesigned with that purpose in mind, with a clearer structure, a stronger narrative and a format made for reading on screen as well as in print.

I thank the authors for their generosity in sharing their expertise, and the editorial and publications teams for their commitment to quality. I also invite every member to contribute to future issues. Your experience, your questions and your ideas are what give this magazine its value, and they are what will carry our profession forward.

M. Sajid Kapadia, FCA

Chairman, MARCOM, ICAP

SUB-TOPIC 01

01 AI and the Future Finance Function

AI can now close the books, find the anomaly and draft the commentary. Four members explain why that makes the finance professional more important, not less, and why judgement is the one thing that cannot be automated.

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SUB-TOPIC 01 · AI AND THE FUTURE FINANCE FUNCTION

The Finance Function We Are About to Become

Why artificial intelligence is quietly moving the accountant's job from preparing the numbers to owning the argument

BY MUHAMMAD FURQAN ASHRAF, ACA

There is a particular kind of tiredness that every finance professional recognises. It arrives around the fourth day of the month-end close, somewhere between the third version of the variance file and the email that begins, "Just checking if the commentary is ready." I have felt it in Karachi and I have felt it in Dubai, and I can confirm that it travels well.

For most of my career, the answer to that tiredness was simply to work later. Over the past two years, the answer has begun to change. Not dramatically, and not in the way conference speakers promised, but in a hundred small ways that add up to something significant. The work of explaining the numbers is no longer the same work it was.

For Pakistani businesses in particular, this arrives at a useful moment. Finance teams here have spent several years absorbing inflation, exchange rate movements and financing costs with roughly the same headcount they had before. Capacity has become the binding constraint. Anything that

returns hours to the team is not a productivity story; it is a survival one.

From Preparing the Number to Explaining It

Consider what actually happens when a group consolidation lands. Twenty entities report, the file is built, and someone must sit with a fifteen-tab workbook and work out why gross margin in one business moved 180 basis points when volumes barely shifted. Historically that meant an analyst spending most of a day slicing data before writing three paragraphs of commentary a CFO would read in ninety seconds.

The slicing is the part that has changed. Give a capable model a properly structured dataset and ask it to identify the drivers of a margin movement, and a first pass comes back in minutes: mix shift here, a one-off provision there, a currency effect nobody flagged because it sat inside an intercompany elimination. It is not always right. But it is right often enough that the

analyst's day now begins at the interesting part instead of ending there.

Where the Machine Genuinely Beats Us

Discrepancy detection has delivered the most immediate value in my experience. Anomalies that once surfaced in the third week, if at all, now surface on the first pass: an accrual reversed twice, a cost centre mapped to the wrong hierarchy after a reorganisation, a subsidiary reporting at the prior period's exchange rate.

These are not glamorous findings. They are the findings that keep you out of trouble. A machine that never gets bored is simply better than a tired human at reading forty thousand rows in search of the one that does not belong.

What comes next is continuous rather than periodic. Instead of a close cycle that discovers problems after the fact, we move towards systems that flag the unusual journal on the day it is posted and draft the query to the entity controller before anyone has asked. Month-end becomes a confirmation exercise rather than an investigation.

Business Acumen Becomes the Scarce Resource

Here is the uncomfortable implication for our profession. If the mechanical work of gathering, reconciling and formatting is compressing, the value of a finance professional shifts almost entirely to what sits above it: understanding the business well enough to know which numbers matter and what should be done about them.

An AI can tell you that receivables ageing deteriorated in the northern region. It cannot tell you that the regional manager changed in March, that the new one is chasing volume ahead of a bonus target, and that this will emerge as a bad debt provision two quarters from now unless somebody has a conversation today. That judgement comes from sitting in operational meetings, from knowing the people, from having seen the same pattern before somewhere else.



Technology can produce the analysis. Only an accountant can own the judgement behind it.

For young chartered accountants this is a genuine reorientation. The traditional apprenticeship built technical depth first and commercial understanding later, almost as a by-product of seniority. That sequencing no longer works when the execution layer is being automated. Trainees need to be pushed towards the commercial conversation far earlier than we were.

Dashboards Without the Dashboard Project

Anyone who has commissioned a management information dashboard knows the arithmetic: six weeks of requirements gathering, a business intelligence team with a queue, and a finished product that answers last quarter's question. I have built enough of these to hold strong views on the subject.

That cost curve has collapsed. Describing what you want to see in plain language and receiving a working, interactive visual in return is now an afternoon's exercise rather than a project with a steering committee. Drill-downs, quadrant analysis mapping business units by return on capital against margin, waterfall charts that actually reconcile, navigation a chief executive can use without training. The technology is no longer the constraint. Knowing what a decision-maker actually needs to see remains the constraint, and always will.

One caution, and it carries more weight in our market than in most. **Financial data is confidential and frequently price-sensitive, and the first question about any tool should be where the data physically travels.** Self-contained solutions that run locally, with no external calls, are entirely achievable and should be the default posture for anything touching unpublished results.

The Communication Layer

Finance is, embarrassingly often, a communication job wearing an accounting costume. A meaningful share of the week disappears into emails, follow-ups, status updates

and the polite pursuit of people who have not replied.

This is where AI has produced the least discussed and most immediate relief. Turning a call recording into structured minutes with clear owners and deadlines. Converting a dense analysis into the five-line note a commercial director will actually read. Adjusting the tone of a message so a reminder does not read as an accusation. None of it is intellectually demanding. All of it consumed hours.

The second-order benefit is consistency. Stakeholders stop hearing different versions of the same story from different corners of finance, because the underlying material is drafted once and adapted rather than rewritten each time.

Technical Work, Feasibility and Modelling

The applications extend well beyond reporting. Researching the treatment of a sale-and-leaseback under IFRS 16, or working through the revenue recognition implications of a bundled contract, now begins with a structured summary of the relevant guidance and the positions taken on analogous facts. It is a starting point, not a conclusion. The professional judgement, and the responsibility, remain squarely with the signing accountant.

Financial modelling has moved similarly. Building the skeleton of a three-statement model, stress-testing assumptions, running scenario ranges across a feasibility study, drafting the investment

paper that accompanies it. The mechanical build is faster. The assumptions still have to be defended before a board that will ask precisely where the terminal growth rate came from.

What Does not Change

Accountability does not transfer to a tool. When the model produces a confident, well-written and entirely wrong analysis, and it will, the name on the file is still yours.

Verification becomes a core competence rather than an optional one. The failure mode of these systems is fluency without accuracy, which is precisely the failure our training leaves us worst equipped to catch, because we are conditioned to trust work that is well presented.

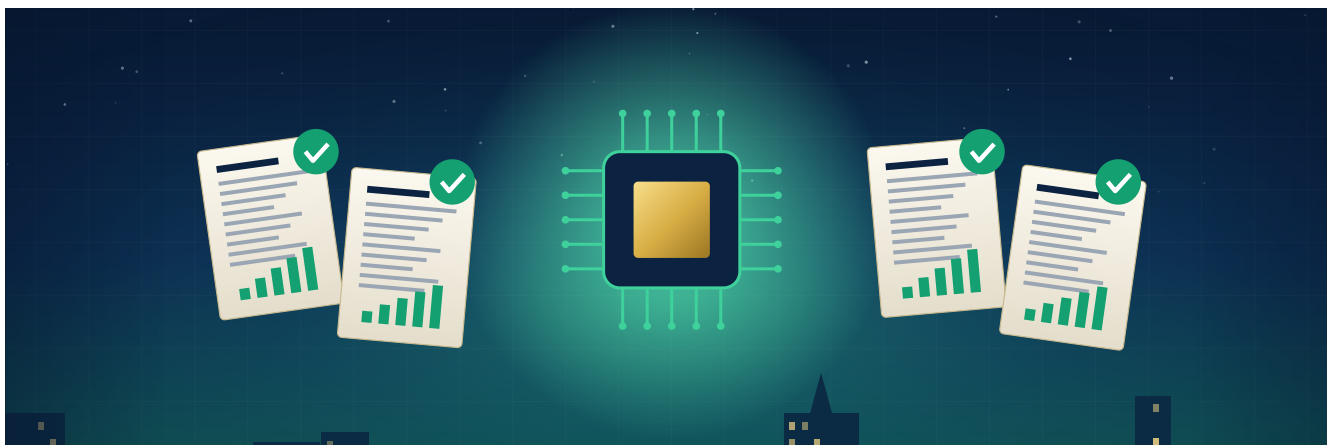
Then there is ethics, which the ICAP Code addresses with more foresight than it is usually credited for: confidentiality, professional competence, due care. None of those obligations dissolve because a machine produced the first draft.

A Fair Trade, but Still a Trade

The finance function of the coming decade will be leaner, faster and considerably more interesting to work in. It will also be less forgiving of professionals who defined their value by the tasks they performed rather than the judgement they brought. Machines will keep getting better at producing information. Accountants will be paid for turning it into decisions. ■

Muhammad Furqan Ashraf, ACA

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SUB-TOPIC 01 · AI AND THE FUTURE FINANCE FUNCTION

AI and the Reinvention of the Finance Function

A client asked whether AI meant laying off accounting staff. The answer: lay off the old techniques, not the people.

BY **RANA FAHAD ABDUL SATTAR, ACA**

A few weeks ago, a Canadian client asked me, “Now that we have automated our ERP and trained an AI agent, shall we lay off some of the accounting staff?” My answer surprised him: “No. We shall not make the staff redundant. Rather, we shall replace the version of the finance team that used to take three days to complete intercompany balance reconciliation.”

Laying off staff and laying off old techniques are two different things, and this is where the entire question around AI often goes wrong.

In Pakistan, CFOs and CA firms are having this conversation later than much of the world. Limited IT infrastructure, lack of awareness among business owners and incomplete ERP adoption, even in some large organisations, mean AI can feel like a leap of several steps. But the shift is coming. The real question is what AI will actually change.

What's Actually Changing

AI is currently transforming finance in three key areas:

- Pattern recognition across large datasets
- Interpretation of raw and unstructured documents

- Predictive modelling and analysis

None of these activities are new. Accountants have performed them for centuries. What has changed is the cost and speed. Tasks that once took days can now take seconds. A reconciliation that a client's team used to complete over four days at month-end is now completed overnight, with exceptions flagged for review.

The same applies to accounts payable, where AI can match invoices against service orders and identify anomalies based on vendor patterns. In auditing, instead of testing a small sample of transactions, auditors can increasingly use anomaly detection across entire populations and apply professional judgement where it is needed.

AI does not replace judgement. It replaces manual clerical work. These are two very different things.

Where Pakistan's Finance Function Stands

I work across audit, ERP implementation and AI agent development for clients in America and the Gulf, and the gap with Pakistan is noticeable. The FBR's push towards digital invoicing and real-time integration is creating more structured, machine-readable financial data. This is important because clean data is the raw material AI needs.

However, many SMEs still rely on Excel-based systems or loosely integrated local ERPs. In one ERP implementation assignment in Sialkot, we found that the chart of accounts had never been properly mapped. The same expense head had three different names across departments.



An auditor who cannot explain why a model flagged or did not flag something is not exercising professional scepticism; he or she is outsourcing it.

When we fed the data into AI, it amplified the errors. A model trained on incorrect data produces confidently incorrect outputs. This is why sequencing matters. Before finance functions invest heavily in AI-driven forecasting or automated compliance checks, they need clean, structured, single-source-of-truth data.

A proper chart of accounts, consistent coding and a reliable ERP are not exciting, but they are the foundation on which useful AI depends.

What This Means for the Chartered Accountant

Simply telling CAs to “upskill in AI” is not enough. The more important question is where the value of the CA will sit as routine work becomes automated. Compliance-heavy, transaction-level work, data reconciliation, tax reconciliation and basic ratio analysis are increasingly suited to AI tools.

The skills that become more valuable are interpretation, judgement and business understanding. Knowing whether a variance is a data error or a genuine operational signal, structuring a tax position that can withstand scrutiny, or advising a client on working capital during a currency devaluation requires context.

For younger CAs, my advice is simple: do not build your early career around becoming faster at vouching or reconciliation. Become better at interpreting exceptions and understanding why a control failed rather than simply documenting it. The manual skill was always a means of developing judgement. That means is now being automated.

The Audit and Assurance Question

Audit deserves particular attention because it faces both the opportunities and risks of AI.

If auditors can analyse entire transaction populations rather than relying primarily on samples, the nature of audit evidence and professional judgement will evolve. AI tools depend on the quality of their data and assumptions, and the absence of consistent professional guidance creates challenges of its own.

An auditor who cannot explain why a model flagged or did not flag something is not exercising professional scepticism; he or she is outsourcing it. Firms adopting these tools therefore need to ensure their people understand how the technology works rather than simply trusting whatever appears on a screen.

Where This Actually Lands

In my opinion, AI will not significantly shrink Pakistan’s finance function in the next five years. It will, however, shrink manual clerical work and raise expectations of what finance professionals can contribute. The opportunity is not simply to purchase AI software. It is to rethink how finance teams work, what skills they develop and where human judgement creates the greatest value.

The client who asked me about redundancy wasn’t entirely wrong to worry. He was worried about the wrong job. ■

Rana Fahad Abdul Sattar, ACA

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SUB-TOPIC 01 · AI AND THE FUTURE FINANCE FUNCTION

When Answers Become Abundant: The New Role of Finance in an AI-Enabled World

AI can now produce a report, a forecast or an explanation in seconds. The scarce resource is no longer the answer; it is knowing which answer to trust.

BY IMRAN HANIF, ACA

For much of my career across audit, controllership, FP&A and business partnering, obtaining reliable information required considerable effort. Finance teams collected data, reconciled competing views and prepared analysis before management could act. The constraint was often the availability and speed of information.

Artificial Intelligence (AI) is changing that equation. Reports, explanations, forecasts and recommendations can increasingly be generated within seconds. Yet faster answers are not necessarily accurate ones, and an accurate answer, without context, may still lead to the wrong decision.

As information becomes abundant, **trust, judgement and accountability become scarce and more valuable**. This, in my view, defines the next role of Finance: not simply producing information, but ensuring that AI-generated insights are reliable, understood and converted into better decisions.

When Producing Answers Is No Longer the Constraint

Finance has traditionally invested significant capacity in preparing management reports, reconciling information, explaining variances and responding to recurring questions. AI can automate parts of this work, examine large volumes of data and allow users to explore performance through natural-language questions.

Instead of asking Finance to prepare another report, a business leader may ask an AI-enabled tool: *Why is margin below budget? Which cost categories are driving the variance? What happens to EBITDA if the trend continues?*

This can democratize access to information and shorten the distance between a business question and an analytical response. But it also creates a new challenge. When anyone can generate an answer, how does the organization know which answer to trust?

My experience across FP&A and business intelligence has brought this issue into focus. I

have seen capable teams spend disproportionate time extracting data, reconciling views and answering similar questions repeatedly. In response, we focused on standardizing performance views and enabling users to interrogate data through AI-assisted conversational analysis.

The objective was not merely self-service reporting. It was to release finance and analytical teams from repeated data pulls so they could investigate drivers, challenge assumptions and advise management. Technology made answers more accessible; the team's value increasingly shifted towards interpreting those answers and influencing action.

Finance as the Trust Layer

The enthusiasm surrounding AI can make organizations focus first on the tool. Finance should begin with a more fundamental question: *Is the underlying information reliable enough for us to trust the answer?*

AI cannot compensate for inconsistent KPI definitions, poor data quality or weak controls. It may instead amplify these weaknesses by producing a convincing but inaccurate response at much greater speed.

I encountered this challenge while leading an internal data-standardization initiative. Over time, multiple dashboards and reporting views had developed, sometimes using different definitions for similar KPIs. We began not with an AI solution, but with the less glamorous work of creating a master KPI inventory, consolidating dashboards, clarifying ownership and establishing ongoing governance.



Before an organization can scale artificial intelligence, it must establish a common version of business truth.

This work reduced avoidable reconciliation and created a more dependable foundation for analytics and future AI adoption. It reinforced a simple lesson: **before an organization can scale artificial intelligence, it must establish a common version of business truth.**

This is where Finance can become the trust layer of an AI-enabled organization. Its disciplines—reliable data, consistent definitions, controls, governance and professional scepticism—are not obstacles to innovation. They are what make innovation usable at scale.

From Generating Insight to Governing Decision Quality

AI can identify patterns, highlight anomalies and model scenarios. It may show that a cost is rising or a forecast is deteriorating. But it cannot independently determine whether the change is temporary, structural, strategic or the acceptable consequence of a deliberate business decision.

That requires commercial context and professional judgement.

The future is therefore not **AI versus finance professionals**, but **finance professionals augmented by AI**. AI can provide speed, patterns and predictions. Finance must provide direction, challenge and context.

Most importantly, accountability cannot be delegated to an algorithm. Finance must remain accountable for whether an AI-generated conclusion is based on reliable information, properly interpreted and appropriate for the decision being made.

This changes how the contribution of Finance should be viewed. The measure of success should not be the number of reports produced, or even how quickly an answer is generated. It should be whether Finance improves the quality and speed of business decisions.

Technology in Search of a Problem

The same principle became clear to me while serving on an AI hackathon judging panel. We assessed business value, technical implementation, feasibility, scalability and innovation. I repeatedly returned to one question: *Is the solution addressing a meaningful business problem, or merely demonstrating what AI can do?*

The strongest ideas were not always the most technically sophisticated. They addressed genuine needs, demonstrated measurable impact and had a clear path to adoption. It was a reminder that successful AI transformation depends as much on

relevance, execution and behaviour change as on technology.

Finance leaders should therefore resist the temptation to “AI-enable” every process. They should identify where AI can materially improve decision quality, control, speed or value creation, and where human review must remain non-negotiable.

The Opportunity for Chartered Accountants

Technical accounting knowledge, ethics, controls and professional judgement will remain pillars of the profession. However, finance professionals will increasingly need to combine them with data literacy, technology awareness, commercial understanding and communication skills.

For CAs in Pakistan and other emerging markets, this opportunity is particularly relevant. Organizations often operate with fragmented systems, constrained resources and rapidly changing conditions. AI can help overcome information bottlenecks, but only when paired with reliable foundations and professionals capable of challenging its outputs.

A CA may therefore spend less time preparing analysis and more time interpreting evidence, questioning assumptions, communicating implications and influencing decisions. The profession's advantage will not come from competing with AI in producing answers. It will

come from applying integrity, context and accountability to those answers.

From Information Provider to Guardian of Decision Quality

The relationship between AI and Finance can be summarized simply:

AI increasingly provides	Finance must provide
Speed	Direction
Answers	Challenge
Patterns	Context
Predictions	Judgement
Automation	Accountability

Across audit, controllership and FP&A, I have seen Finance build credibility through accuracy and control. AI gives us the opportunity to convert that credibility into greater influence, but only if we combine technology with judgement, context and accountability.

The defining question is therefore no longer “How can AI automate what Finance does today?” It is: **“When answers become abundant, how will Finance ensure that organizations make the right decisions?”**

The finance functions that answer this well will move beyond reporting and become something more consequential: **guardians of decision quality and catalysts for sustainable value creation.** ■

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SUB-TOPIC 01 · AI AND THE FUTURE FINANCE FUNCTION

The New Finance Agenda: Sustainability, AI and the Future of Business Decision-Making

Sustainability data and artificial intelligence are converging on the same desk: finance. Whoever makes that information trustworthy will shape the decisions that follow.

BY **ROHIT RAJ, ACA**

For decades, corporate reporting centred on financial statements, regulatory compliance and historical performance. That is no longer enough. Stakeholders now expect value creation that also benefits society and the environment. Investors want transparency on climate-related risks and on the environmental and social impacts of operations; employees favour responsible employers; customers increasingly prefer sustainable brands; and regulators continue to introduce new disclosure requirements. Sustainability reporting has consequently evolved from a compliance exercise into a strategic tool that informs decisions and supports long-term value creation.

Globally, sustainability has become a boardroom priority because environmental and social matters increasingly shape strategy, risk exposure, access to finance and long-term competitiveness. Boards and senior management are expected to move beyond approving disclosures and to embed sustainability in capital allocation, performance measurement, risk management and operational planning. Pakistan remains at an early stage of

this transition, but businesses, regulators, investors and accounting professionals are paying closer attention to the quality of non-financial information and its relevance to decisions. Organisations that act early can strengthen governance, prepare for emerging reporting requirements and build resilience against local challenges such as energy costs, resource constraints and climate-related disruption.

Assurance: The New Growth Frontier

Global sustainability standards, together with growing investor attention to environmental, social and governance (ESG) matters, have reshaped expectations of corporate reporting. Sustainability disclosures now reach well beyond community projects and environmental initiatives. They cover climate-related risks and opportunities, governance oversight, workforce well-being, supply-chain resilience, cybersecurity, resource use and an organisation's capacity to sustain value over time. Effective reporting should also explain how these matters affect the business model, strategy, cash flows, access to finance, cost

of capital and prospects over the short, medium and long term. That requires organisations to identify material sustainability-related risks and opportunities, define suitable metrics and targets, assign clear ownership of data, and connect non-financial information with financial planning and management reporting.

As reporting requirements expand, assurance over the underlying information matters more. Unlike established financial reporting processes, ESG data may originate from different departments, sites, systems, suppliers and external specialists, creating risks around completeness, consistency, estimation and audit trails. Investors and regulators therefore expect disclosures to rest on suitable reporting criteria, documented methodologies, effective internal controls and reliable evidence. Independent assurance builds confidence by assessing whether reported information is free from material misstatement and prepared consistently with the applicable framework. This is a significant opportunity for Chartered Accountants, whose expertise in assurance, internal controls, governance, risk assessment, professional scepticism and reporting frameworks equips them to help organisations build credible reporting processes and provide independent assurance where appropriate.

For Pakistan, credible disclosures backed by independent assurance can help companies seeking international capital stand out in markets where investors, lenders, multinational customers and supply-chain partners increasingly ask for reliable ESG information. Better reporting also helps management identify operational inefficiencies, evaluate exposure to environmental and social risks and make better-informed investment decisions. Sustainability assurance may therefore become an important extension of the profession's traditional audit role, creating new service opportunities while reinforcing public trust. To realise this potential, the profession must build specialised capability in sustainability standards, greenhouse-gas information, data analytics, technology controls and multidisciplinary assurance.



AI should be viewed as a tool that enhances professional judgement rather than replaces it.

AI: From Reporting Results to Shaping Decisions

Artificial intelligence (AI) is rapidly transforming finance functions worldwide. Routine but time-consuming work, including reconciliations, data extraction, transaction classification, forecasting, variance analysis, anomaly detection and report generation, is increasingly automated. This shortens reporting cycles, reduces manual errors and frees finance teams to spend more time on interpretation, scenario analysis and strategic advice. AI tools can also analyse large and varied datasets faster than traditional methods, surfacing trends and exceptions that might otherwise go unnoticed. Successful adoption, however, depends on reliable data, appropriate access controls, transparent methodologies, clear accountability and human review of significant outputs.

The future finance function will be judged not simply by how well it reports results, but by how well it turns data into timely, actionable insight. AI-powered analytics can enable earlier risk detection, improve forecasting accuracy, test multiple scenarios and support better decisions on pricing, investment, working capital and resource allocation. Integrated with sustainability reporting, AI can help organisations process large volumes of ESG data, consolidate information from dispersed sources, monitor performance indicators in real time, compare outcomes with targets and anticipate emerging risks. It can also make data validation more consistent and flag unusual movements for investigation. Finance professionals nevertheless remain responsible for challenging assumptions, judging whether outputs are reasonable, understanding model limitations and ensuring that confidential information is used ethically and securely.

Adoption across Pakistan remains uneven, but organisations that combine AI with sustainability data can improve operational efficiency and respond faster to changing conditions. Early adopters will be better placed to monitor energy

and resource consumption, identify cost savings, assess climate and supply-chain exposure and give decision-makers more timely information. The greatest value will arise where technology serves a clear business objective and is accompanied by strong governance, skilled professionals, ethical safeguards and reliable controls. AI should be viewed as a tool that enhances professional judgement rather than replaces it. Its purpose is to help finance professionals ask better questions, interpret information more effectively and contribute more directly to sustainable value creation.

An Opportunity and a Responsibility

Sustainability reporting is reshaping corporate decision-making by linking transparency and accountability with resilience, competitiveness and long-term value creation. Supported by reliable data, effective governance, robust internal controls and credible assurance, sustainability

information can move beyond compliance to become a practical basis for strategic planning, capital allocation, risk management and performance evaluation. AI can strengthen this transition by helping organisations process complex ESG data, identify emerging risks, monitor progress and generate timelier insights, provided the technology remains subject to ethical safeguards and professional judgement.

For Pakistan's Chartered Accountants, this transformation is both an opportunity and a responsibility. By combining expertise in assurance, governance, technology, risk management and strategy, the profession can help organisations build trustworthy reporting systems and turn sustainability commitments into measurable business outcomes. Chartered Accountants who can connect financial and non-financial information will be well placed to guide businesses through this transition, reinforce investor confidence and contribute to a more resilient and sustainable economy. ■

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SUB-TOPIC 02

02 Sustainability Reporting and Assurance: The New Growth Area

IFRS S1 and S2 have turned sustainability disclosure into a phased legal obligation in Pakistan, with assurance to follow. These eight articles move from why the information matters to how it should be measured, assured and turned into better decisions, and to the new market it opens for the profession.

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Beyond Compliance: Turning Sustainability Reporting into Better Business Decisions

A sustainability report can look impressive and still tell management very little. The real test is simple: what decision changed because of it?

BY SYED MOIN AHMED ZAIDI, ACA

A sustainability report can look impressive and still tell management very little. It may contain pages of targets, charts and community photographs, yet leave one basic question unanswered: what business decision changed because of this information?

That question is moving sustainability reporting out of the communications department and into the boardroom. Investors, lenders and regulators want to understand how climate, workforce, supply-chain and governance matters affect cash flows, access to finance and business resilience. Boards need the same information to decide where to invest, what to protect and which risks can no longer be ignored.

For Pakistan, this is not a distant global debate. Energy costs, water scarcity, extreme weather, export requirements and fragile supply chains already affect local businesses. A company that identifies these pressures early can adapt. A company that waits for the annual report may only explain the damage after it has occurred.

A Number Is not an Insight

IFRS S1 brings a clear financial lens to the discussion. It focuses on sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance or cost of capital over the short, medium or long term. In simple terms, companies should explain how sustainability matters could affect their prospects, not merely list their activities.

Take a textile exporter operating in a water-stressed area. Reporting litres of water consumed is a start, but the number alone is not very useful. Management needs to know whether water shortages could interrupt production, whether treatment facilities require investment, whether poor wastewater practices could threaten export orders, and whether water efficiency could lower costs. The same data becomes valuable when it supports a real choice about capacity, customers or capital expenditure.

Emissions provide another example. A carbon footprint is only a historical measurement until management connects it with energy prices,

customer purchasing requirements, carbon-related trade measures or possible regulation. The important story is not simply how much the company emitted. It is what those emissions may cost, which revenues may be exposed and what action is economically sensible.

The Report Is the End Product, not the Starting Point

Many companies begin with a reporting template and a long spreadsheet asking departments for data. This often produces activity, but not ownership. A better starting point is to ask who is responsible for each material sustainability risk, who reviews the response, how targets are approved, and what reaches the board.

The next challenge is data. Emissions, safety incidents, employee information and supplier records may come from different sites, systems and third parties. Definitions may vary. Boundaries may be unclear. Estimates may rely heavily on judgement. A number can appear precise and still be unreliable.



The final test remains straightforward: did the information lead to a better decision?

Sustainability information therefore needs many of the disciplines already familiar in financial reporting: clear definitions, accountable owners, documented methods, reconciliations, review controls and an audit trail. This does not mean the finance function should take over sustainability. Operations, human resources, procurement and technical teams remain essential. Finance can, however, help turn scattered operational data into consistent information linked with budgets, forecasts and investment decisions.

Internal audit and risk teams also have an important role. They can assess whether the organisation has genuinely embedded sustainability risks and controls or assembled them hurriedly before publication.

When Reporting Starts to Create Value

Sustainability reporting creates value when it helps management act. It may support a decision to replace inefficient equipment, redesign a product, diversify a vulnerable supplier base, improve employee retention, protect an exposed facility or reconsider an investment that performs poorly under a climate scenario.

It can also uncover opportunities. Lower energy use may reduce cost. Stronger environmental performance may protect customer relationships. Better data may support access to sustainability-linked finance. A resilient supply chain may prevent lost sales. These benefits are far more meaningful than producing the longest report in the industry. This is why materiality matters. More indicators do not necessarily mean better reporting. Too many measures can bury the issues that genuinely affect the business. Management should focus on information that could influence decisions, explain why it matters and show how the company is responding.

Assurance Begins Before the Assurance Report

External assurance is sometimes treated as a badge added at the end of the process. Its greater value often appears earlier. Preparing for assurance forces a company to define what it is reporting, where the evidence comes from, which boundaries and estimates were used, and who reviewed the information. Weaknesses that disappear in a designed report become difficult to hide when evidence is tested.

This is especially relevant now. ICAP has issued ISSA 5000 for sustainability assurance engagements for periods beginning on or after 1 July 2026. The standard covers sustainability information broadly and supports both limited and reasonable assurance engagements. It marks an important step towards more consistent and credible reporting.

Assurance cannot, however, repair a weak reporting system at the last minute. If source records are incomplete, definitions keep changing or estimates cannot be reproduced, assurance will be slower, more expensive and potentially uncomfortable. Readiness must be built during the year through documented methods, retained

evidence, reconciliations, clear control ownership and timely oversight.

A Natural Role for Chartered Accountants

Chartered accountants are well placed to connect sustainability information with enterprise value. We understand governance, risk, controls, measurement, professional scepticism and the information needs of investors and boards. Those skills are directly relevant.

The profession will still need to broaden its knowledge. Climate science, operational data, value chains and scenario analysis often require specialists and multidisciplinary teams. Our role is not to pretend that every sustainability issue is an accounting issue. It is to bring rigour to how

information is selected, measured, challenged and used.

Pakistani companies do not need to begin with a perfect report. They can start with the few sustainability matters most capable of affecting their business, assign ownership, connect them with risk management and strategy, improve the supporting data, and build assurance readiness over time.

The final test remains straightforward: did the information lead to a better decision? If it improved capital allocation, reduced cost, protected revenue, strengthened resilience or increased confidence, sustainability reporting has created value. If it only produced another publication, compliance may have been achieved, but the opportunity has been missed. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Beyond Compliance: Turning Sustainability Reporting into Business Value

Compliance produces documents; insight produces decisions. The real shift is not that firms disclose more, but that the meaning of business value itself is changing.

BY **ABDUL AZIZ LANG, FCA**

For much of its short history, sustainability reporting has been treated as a compliance artefact rather than a management instrument — a parallel disclosure regime running alongside, but rarely informing, the decisions that determine where capital is deployed, which markets are entered, and which risks a firm is prepared to carry. That separation is becoming analytically untenable. The more consequential development is not that firms are disclosing more; it is that the underlying construct of **business value** is itself being redefined.

The governing question for corporate leadership is therefore no longer "how do we comply with sustainability reporting requirements?" but "what does sustainability information reveal about the long-term economic viability of the enterprise?" The distinction is not rhetorical. Compliance produces documents; insight produces decisions — and it is decisions, not disclosures, that generate durable economic value.

The Dissolution of the Financial / Non-Financial Divide

Corporate performance measurement has long rested on a binary: financial indicators — revenue, cash flow, return on invested capital — on one side, and "non-financial" concerns — environmental impact, labour welfare, governance quality — on the other. Freeman's (1984) stakeholder theory challenged this bifurcation on normative grounds; four decades later, the empirical case is doing the same work. Eccles and Serafeim (2013) demonstrate that firms with mature sustainability practices exhibit measurably different capital-market and operational outcomes than their peers, while Khan, Serafeim and Yoon (2016) show that *financially material* ESG factors — as opposed to immaterial ones — are significantly associated with future risk-adjusted returns. The implication is direct: energy intensity becomes a margin issue once input prices rise; water stress becomes a production issue once operations are interrupted; governance quality becomes a cost-of-capital issue once investor confidence is repriced. What was

once classified as extra-financial is increasingly financial, merely on a longer time horizon.

Measurement as a Discovery Process

A foundational premise of management control theory — that organisations manage what they measure (Kaplan and Norton, 1996) — explains why the *process* of sustainability measurement often matters more than the resulting report. A firm that begins tracking energy consumption frequently discovers that a small subset of facilities accounts for a disproportionate share of both emissions and operating cost. A firm mapping supply-chain exposure often uncovers concentration risk in a single supplier, geography, or input. In this sense, sustainability reporting functions less as external communication and more as an internal diagnostic — moving, in Porter and Kramer's (2011) formulation, from a logic of "shared value" as public commitment to shared value as operating discipline.



A return generated by depleting a critical input or ignoring foreseeable regulation is an accounting profit sustained against an economic loss.

From Data to Decisions: The Materiality Constraint

The corresponding risk is data proliferation without decision relevance. Multiple reporting frameworks, extensive assurance processes, and voluminous disclosures can coexist with strategic inertia. The discipline required of corporate leadership is therefore not the accumulation of information but the identification of what is *financially material* to the enterprise's future economics — a principle now formalised in the IFRS Sustainability Disclosure Standards (IFRS S1 and S2, ISSB 2023) and anticipated earlier by the Task Force on Climate-related Financial Disclosures (TCFD, 2017), both of which anchor disclosure to enterprise value rather than to broad social impact. A materiality-constrained system should answer a narrower, sharper set of questions: which resources are becoming scarce or costly; which supply-chain nodes present concentration risk; which regulatory shifts

threaten asset viability; and which present efficiencies convert into future savings. These are not communications questions. They are questions of capital allocation and going-concern viability.

Extending the Analytical Horizon

Capital markets have historically rewarded near-term performance, and executive evaluation cycles reinforce this bias (Friedman, 1970, remains the canonical articulation of the shareholder-primacy view this reporting shift complicates). Yet many of the risks most consequential to enterprise value — water stress, transition risk in carbon-intensive assets, geopolitical fragility in extended supply chains — accumulate gradually and are frequently invisible in conventional financial statements until they crystallise as impairment. Sustainability reporting extends the analytical horizon by requiring management to evaluate not only current financial position but the conditions under which future value will, or will not, be created. This is not a claim that profitability and sustainability are opposed; it is a claim that profitability's *durability* is itself the object of inquiry. A return generated by depleting a critical input or ignoring foreseeable regulation is an accounting profit sustained against an economic loss.

Toward Integrated Corporate Intelligence

The logical next stage is the integration of sustainability data into mainstream business intelligence, such that financial, operational, risk, and sustainability information are treated as dimensions of a single decision system rather than parallel reporting streams. An investment appraisal evaluated on projected return alongside energy exposure, resource scarcity, and regulatory transition risk does not weaken financial discipline; it extends it from *visible cost* to *total economic cost* — a distinction equally applicable to procurement, where the least expensive supplier may embed hidden exposure to labour practice, geographic concentration, or regulatory change that a spot price does not capture.

Governance Implications

The implications for boards are structural rather than incremental. Where ESG factors influence

capital allocation, asset valuation, and cost of capital, they cannot remain the province of a specialist sustainability function; they belong in mainstream governance. The pertinent board question shifts from "are we compliant?" to "which sustainability-related factors could materially alter the economics of this enterprise?" — a question whose answer is necessarily industry-specific: water and soil health for agriculture, energy access for manufacturing, portfolio-embedded transition risk for financial institutions. There is no universal sustainability strategy, but there is a universal governance principle: material sustainability exposures warrant the same rigour applied to any other driver of enterprise value.

Conclusion: A Widening Competitive Divide

A bifurcation is already visible between firms that treat sustainability reporting as regulatory cost and those that treat it as strategic intelligence — using it to identify inefficiency, anticipate regulation, and reallocate capital accordingly. The determinant of competitive advantage will not be disclosure volume but decision quality: the capacity to convert measurement into management, and management into value. As the ISSB's materiality-based architecture becomes the dominant global reporting grammar, the professional accountant's task is correspondingly

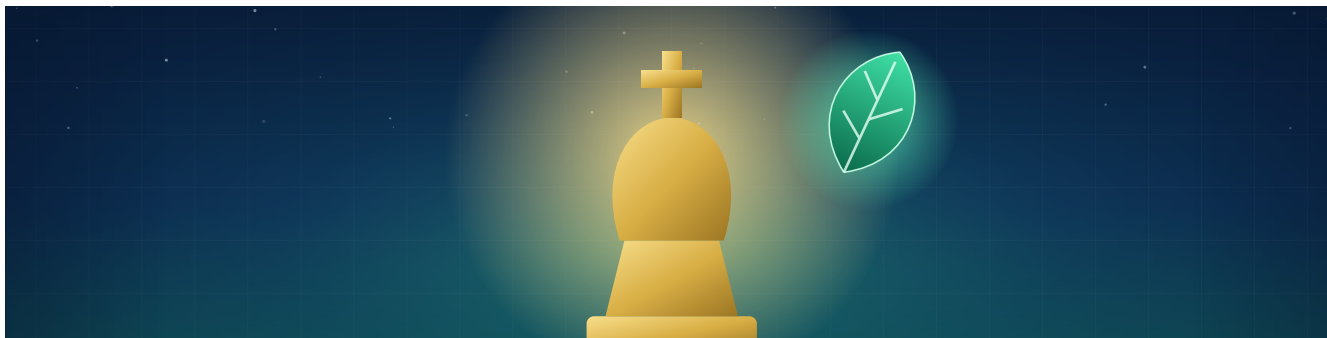
reframed — not the production of a compliant report, but the translation of sustainability information into the assessment of long-term economic viability. The purpose of measurement is not reporting; it is understanding, and the purpose of understanding is better decisions. The firms that internalise this distinction will not be those that are most profitable today, but those best able to specify the conditions under which they remain profitable tomorrow. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Beyond Disclosure: Sustainability Reporting as a Strategic Tool

"How much did we earn?" is no longer enough. Boards now need to ask how much value they created, and how long it can last.

BY **ASGHAR IMAM KHALID, FCA**

The definition of business success is changing rapidly. There was a time when an organisation's performance could be assessed largely through conventional financial indicators such as revenue, profit, assets and cash flows. Today, stakeholders increasingly want to understand not only how an organisation is performing, but how resilient its business model is, how it manages environmental and social risks, how robust its governance is and how prepared it is for the future.

This shift is turning sustainability reporting from a routine corporate disclosure into a core component of business strategy. Its purpose is not simply to tell stakeholders what an organisation has done for the environment or society, but to provide relevant information that can support investment decisions, risk management and long-term value creation.

Beyond Financial Performance

Traditional financial statements provide an important picture of an organisation's present and historical performance. Yet they cannot, by themselves, capture the full spectrum of risks that may shape its future. Climate change, water scarcity, energy-price volatility, supply-chain disruption, human-capital challenges, cyber threats, business ethics and regulatory changes can all have significant financial consequences.

This is where sustainability reporting becomes valuable. Investors and management increasingly need to ask not only, "How much profit will this investment generate?" but also, "How sustainable is that profit?" and "What risks could threaten it?"

IFRS S1 and S2: Connecting Sustainability with Financial Decisions

The IFRS Sustainability Disclosure Standards are a landmark in this shift. IFRS S1 requires organisations to provide information about sustainability-related risks and opportunities that could reasonably be expected to affect their prospects over the short, medium or long term. IFRS S2 focuses specifically on climate-related disclosures. Both standards are effective for annual reporting periods beginning on or after 1 January 2024.

Together, they reflect a fundamental change in corporate thinking. Sustainability is increasingly being considered not simply in terms of environmental or social responsibility, but in terms of factors that may influence an organisation's future financial position, prospects and resilience.

IFRS and GRI: Complementary Perspectives

Alongside the IFRS Sustainability Disclosure Standards, the Global Reporting Initiative (GRI) provides a broader framework for understanding

and reporting an organisation's impacts on the economy, environment and people.

The two approaches address different perspectives. IFRS S1 primarily focuses on sustainability-related risks and opportunities that could affect an organisation's prospects, while GRI places greater emphasis on the organisation's impacts. Forward-looking organisations can use these perspectives together to develop a more complete understanding of sustainability.

Pakistan's Changing Sustainability Landscape

Pakistan is not watching this global development from a distance. The Securities and Exchange Commission of Pakistan (SECP) has issued ESG Disclosure Guidelines for listed companies, enabling companies to disclose ESG performance through a Sustainability Report, Annual Report or other appropriate means. In December 2025, SECP also issued revised ESG Disclosure Guidelines aimed at further strengthening the country's sustainability reporting landscape.

These developments send a clear message to Pakistani businesses: sustainability is no longer simply a subject for the future. High energy costs, pressure on water resources, climate-related risks, dependence on imports, industrial waste, human-capital development, supply-chain disruptions and changing global market requirements can all influence business performance.

For an export-oriented company, for example, energy consumption, production efficiency and environmental practices may increasingly affect its competitiveness and access to international supply chains. Investments in energy efficiency, responsible sourcing, waste management and employee well-being may therefore generate value that extends beyond immediate financial returns.



The more relevant question is therefore not simply, "What does this initiative cost?" but, "What is its life-cycle value?"

From Reporting to Business Decisions

One of the most important questions for management is whether sustainability reporting should be viewed as a cost or an investment. An

energy-efficient plant may require significant upfront expenditure, but lower energy consumption can reduce operating costs over time. Similarly, waste-reduction programmes may require initial investment while subsequently reducing material losses and disposal costs.

The more relevant question is therefore not simply, "What does this initiative cost?" but, "What is its life-cycle value?" Sustainability information can help management evaluate these trade-offs more effectively.

A New Language of Risk Management

Sustainability reporting also expands the way organisations think about risk. Traditional risk registers may focus on financial, operational, credit and market risks. Increasingly, organisations must also consider climate, supply-chain, human-capital, regulatory and reputational risks.

When these risks are supported by reliable data, sustainability reporting becomes more than corporate communication. It can help management identify exposures, assess potential impacts and determine how those risks should be managed.

Capital Allocation and the Investor Perspective

Capital allocation is another area where sustainability information can influence decision-making. A project with a modest immediate return may become more attractive if it significantly reduces energy costs, regulatory exposure or supply-chain vulnerability. Sustainability information can therefore support a broader assessment of long-term value rather than focusing exclusively on short-term profitability.

Investors are similarly interested in a company's resilience, governance, supply chain, human capital and exposure to climate-related risks. Reliable information can strengthen their understanding of long-term prospects, while vague or unsubstantiated claims can increase concerns about greenwashing. This makes data quality, transparency and assurance increasingly important.

The Evolving Role of the Professional Accountant

Sustainability reporting is also opening a new horizon for the accountancy profession. Accountants already possess expertise in financial data, internal controls, audit, assurance and reporting. These capabilities can be applied to an expanding field of sustainability information.

The professional accountant of the future may not only ask, "Is this number correct?" but also, "Where did this number come from? What controls support it? What is its business impact? And can stakeholders place their trust in this information?" This creates an opportunity for accountants to move beyond reporting and contribute more directly to strategic decision-making and assurance.

Data: The Foundation of Credible Reporting

A credible sustainability report depends on reliable data. Organisations need effective internal controls over information relating to energy consumption, water usage, waste, emissions, employee metrics, health and safety and other relevant measures.

Weak data systems can undermine even the strongest sustainability strategy. Sustainability reporting should therefore connect with accounting systems, enterprise risk management, internal audit and corporate governance. Digital developments such as the IFRS Sustainability Disclosure Taxonomy can further support the organisation and use of sustainability-related information.

Making Sustainability a Boardroom Issue

Sustainability should not remain the sole responsibility of a Sustainability Department or Corporate Communications Team. If sustainability-related factors can influence business strategy, capital allocation, asset values or risk exposure, they belong within mainstream governance.

Boards should be asking: Which sustainability risks are material to our business? Which opportunities could create future value? Does management have clear targets and metrics? And is performance being monitored regularly?

When sustainability becomes part of the board-level conversation, it moves beyond Corporate Social Responsibility and becomes part of corporate strategy.

From Compliance to Competitive Advantage

Perhaps the greatest risk is reducing sustainability reporting to a mere regulatory exercise. An organisation that prepares a report merely because "the law or the market requires it" may miss much of the information's underlying economic value.

The picture changes when the same information informs investment decisions, budgeting, risk management, procurement, human-resource strategy, product development, operational efficiency and corporate governance. At that point, sustainability reporting becomes a management tool rather than simply a disclosure requirement.

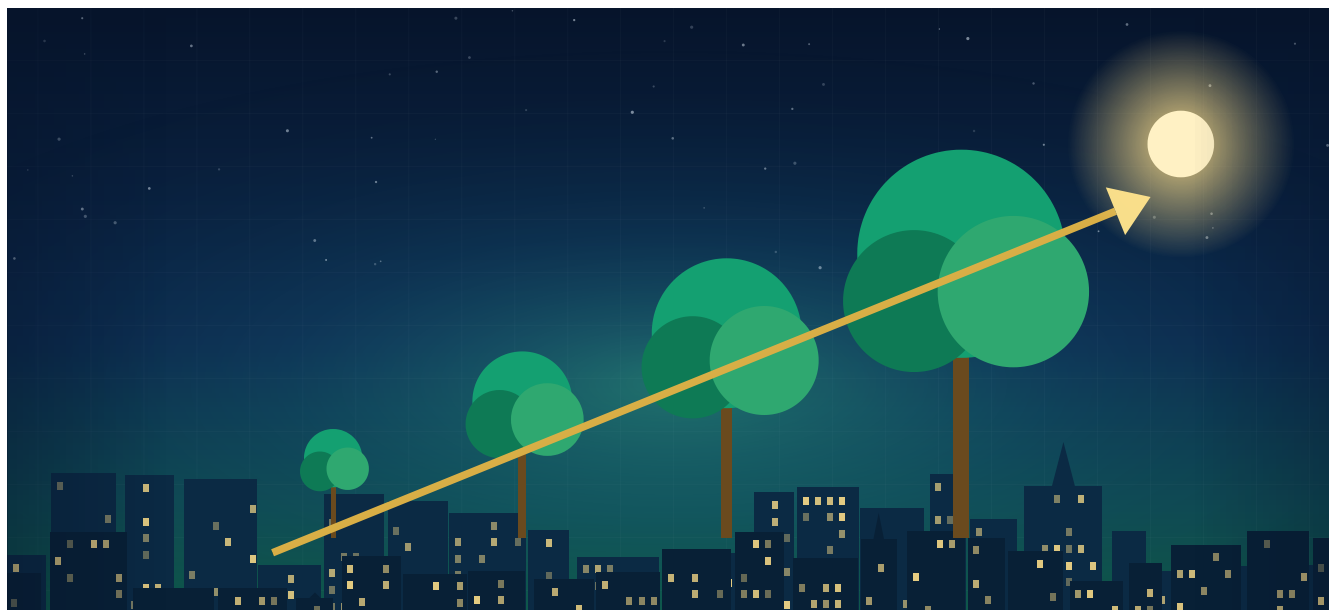
Conclusion: A New Way of Thinking

Sustainability reporting is more than an additional chapter in an annual report. It represents a broader shift in how organisations understand performance, risk and value. The successful organisation of today must ask not only, "How much did we earn?" but also, "How much value did we create?", "Which risks did we reduce?" and "For how long can that value endure?"

The purpose of sustainability reporting is not to replace financial performance or eliminate profit. It is to provide a broader basis for understanding the conditions under which that profit can remain sustainable. Ultimately, organisations that look beyond today's profits and account for tomorrow's risks, opportunities and value will be better positioned to navigate an increasingly complex business environment. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

The Impact of Sustainability Reporting on Business: Going, Growing and Glowing Beyond Decades

A financial report tells you whether a business made money this year. A sustainability report tells you whether it will still be making money in twenty.

BY SYED IMTIAZ ABBAS HUSSAIN, FCA

For decades, corporate reporting focused primarily on financial performance, regulatory compliance and historical results. Sustainability reporting, which explains how a company impacts the environment, society and governance, was often treated as a public relations exercise or included within corporate social responsibility initiatives. Today, however, sustainability data is increasingly influencing profit and loss, risk management, investment and growth. It has therefore become relevant to boards, CEOs, CFOs, investors, banks, customers, employees, regulators and other stakeholders.

The core idea behind sustainability is simple: meeting today's needs without compromising the ability of future generations to meet theirs. Businesses must therefore operate in ways that protect the environment, people and profitability so that they can remain viable for decades.

Sustainability reporting helps stakeholders understand how an organisation manages its

environmental, social, economic and governance impacts. Key areas include:

- 1. Environmental:** Measuring carbon emissions, energy and water consumption, waste and biodiversity impacts. Businesses can reduce their environmental footprint by using renewable energy, reducing waste and improving resource efficiency.
- 2. Social:** Reporting on employee safety, labour rights, diversity, fair wages and community impact. Responsible businesses seek to provide safe workplaces and contribute positively to the communities in which they operate.
- 3. Economic:** Profitability remains essential for business survival, but it should be achieved responsibly. For example, a food company can remain profitable while reducing water consumption and improving working conditions.
- 4. Governance:** This includes ethics, board structures, anti-corruption measures, data

privacy, accountability and transparency.

- 5. Future goals:** Companies should disclose targets and the actions they are taking to manage sustainability risks and opportunities.

Reliable sustainability information enables investors, customers, banks and other stakeholders to better understand risks and make informed decisions.

Why Sustainability Reporting Matters

Sustainability reporting has moved from being a “nice to have” to an increasingly important business requirement because it can directly influence access to finance, costs, operations, supply chains and reputation.

Access to capital: Banks and investors increasingly consider climate and social risks when making lending and investment decisions. Weak sustainability information may increase perceived risk and the cost of capital, while credible reporting can help demonstrate preparedness.

Supply chains: Large companies increasingly require suppliers to provide information on emissions, water use and labour practices. Suppliers that cannot provide credible sustainability data may face greater difficulty securing contracts.

Operational efficiency: Measuring energy, water and waste can identify opportunities to reduce costs. Energy-efficient equipment, waste reduction and circular packaging can improve both environmental performance and efficiency.

Supply-chain resilience: Scope 3 emissions can reveal dependence on carbon-intensive suppliers, encouraging businesses to diversify suppliers, adopt lower-carbon materials and strengthen supply-chain resilience.

Product development: Carbon-footprint and life-cycle information can influence product design and encourage the development of lower-carbon products, recycled packaging and other sustainable alternatives.

Pricing and incentives: Carbon costs and regulatory charges are increasingly becoming factors in product pricing. Some organisations also link executive incentives to sustainability targets such as emissions reduction, water consumption or workforce objectives.



A company may therefore be a going concern without having a sustainable long-term business model.

Risk management: Climate and social due diligence is becoming relevant to acquisitions, investments and long-term planning. Poor sustainability performance can create financial, regulatory and reputational risks.

Customers and regulation: Business-to-business customers increasingly request sustainability information from suppliers, while consumers are paying greater attention to environmental and social claims. At the same time, regulatory requirements are expanding across major markets, increasing the need for reliable systems, controls and documentation.

Greater scrutiny also increases the importance of avoiding greenwashing. Companies need credible data and evidence to support sustainability claims rather than relying on broad or unsubstantiated statements.

How Sustainability Reporting Changes Business Decisions

The impact of sustainability reporting differs across industries because their risks and opportunities are different. The basic principle, however, is straightforward: **what gets measured can be better managed.**

Once emissions, water use, employee indicators and supply-chain risks appear alongside revenue and costs, management can incorporate them into business decisions.

For example, a food company may discover through Scope 3 reporting that a significant proportion of its emissions comes from dairy suppliers. This information could lead the company to work with farmers on regenerative agriculture rather than focusing solely on purchasing costs.

Manufacturing and Heavy Industry

For manufacturing businesses, sustainability reporting may cover Scope 1 and 2 emissions, energy and water consumption, waste and worker

safety. This information can influence capital expenditure, plant operations, materials and supplier selection.

- Plants with the highest emissions may be prioritised for efficiency improvements or assessed for closure.
- Carbon data can encourage the use of green steel, recycled aluminium and lower-carbon cement.
- Suppliers may increasingly need to provide reliable emissions information to qualify for contracts.

For example, automotive companies can consider the carbon footprint of battery suppliers alongside price, quality and reliability.

Retail, FMCG and Food

For retail and food businesses, sustainability reporting can cover Scope 3 emissions, packaging, sourcing, agricultural practices and food waste.

- Life-cycle assessments may show that packaging represents a significant portion of a product's footprint, encouraging businesses to adopt recyclable or refillable packaging.
- Poor sustainability performance in commodities such as palm oil or dairy can influence sourcing and product formulation.
- Carbon and water costs may increasingly become factors in product margins and pricing.
- Retailers may place greater emphasis on suppliers that can demonstrate responsible sourcing.

Finance, Banking and Investment

For banks, investors and insurers, sustainability data can influence lending, investment and risk decisions.

- High-emission businesses may face greater financing costs where lenders perceive higher transition risks.

- Green projects may qualify for preferential financing where appropriate.
- Asset managers may assess companies based on their climate transition plans and sustainability risks.
- Insurance premiums may reflect exposure to climate-related risks such as flooding or fire.
- Banks can use climate-related information in stress testing and long-term lending decisions.

Going Concern Is not the Same as Sustainable

Small businesses should also begin preparing for sustainability reporting, even where reporting is not yet mandatory. B2B customers, banks and larger supply-chain partners may increasingly request sustainability information. Businesses do not necessarily need expensive consultants or sophisticated software at the outset. They can begin by tracking information that is financially or commercially relevant, such as electricity and water consumption, waste generation, local sourcing and employee safety and training.

A financial report tells us whether a business made money this year. A sustainability report can help indicate whether the business is positioned to continue creating value in the years ahead.

A company may therefore be a going concern without having a sustainable long-term business model. Consider a profitable coal-fired power plant that may face significant challenges as climate regulations tighten. Conversely, an environmentally responsible organic farm may have a sustainable operating model but still struggle to survive without sufficient cash flow or financing.

Sustainability reporting helps businesses identify these gaps. It connects environmental, social and governance considerations with financial performance, risk and strategy. By measuring what matters, organisations can make better-informed decisions today and build businesses that are capable of **going, growing and thriving for decades to come.** ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Beyond Compliance: A New Lens for Sustainability Assurance

The business landscape hasn't changed. The lens has, and assurance professionals will need new tools to see through it.

BY **SAMIA HUSAIN, FCA**

HIGHLIGHTS

- Sustainability reporting encourages organizations to examine risks, resources, relationships and long-term value beyond immediate financial outcomes.
- Sustainability information draws on diverse data sources, assumptions and value-chain inputs, requiring assurance professionals to broaden how they evaluate evidence.

“Sustainability” is no longer a word confined to environmental discussions or corporate responsibility reports.

Sustainable business practices have always been part of the business conversation, reflected in how organizations manage resources, people, capital, supply chains and relationships with stakeholders. Recent regulatory developments, including SECP's adoption of sustainability reporting requirements, have nevertheless brought these matters into sharper focus.

As the reporting landscape expands, so does the opportunity for businesses and the professionals

who support, evaluate and assure their information. The significance of this change lies not merely in adding another reporting requirement, but in introducing a different lens through which businesses, risks, opportunities and long-term value can be viewed.

New Lens, Same Landscape, Better View

The business landscape itself has not suddenly changed. The factors of production and their relationships with business have always existed. What is changing is the lens through which these relationships are viewed.

A sustainability lens brings a longer-term perspective to existing business realities. It encourages organizations to look beyond immediate financial outcomes and consider how their dependencies, resources, people, relationships and operating environment may influence their ability to create value over time.

For assurance professionals, this broader lens also changes the context in which information is

evaluated. Understanding an assertion increasingly requires understanding the business relationships and processes that generate the underlying information.

From Information to Decision-Useful Evidence

The investor focus of IFRS S1 and IFRS S2 reinforces this shift. The question is not simply how much sustainability information a business can report, but what that information tells existing and potential investors about its risks, opportunities, prospects and ability to create value.

This makes the quality and credibility of information increasingly important. Decision-useful information requires not only disclosure, but confidence in the information being disclosed. This is where assurance becomes particularly relevant.

Metrics and targets provide a more tangible and quantitative expression of sustainability-related risks and opportunities. They can translate matters that may otherwise appear difficult to measure into indicators against which performance and progress can be assessed. Yet a number being quantitative does not automatically make it reliable.

An assurance professional may need to ask: What does the metric actually measure? What is the baseline? What methodology has been used? What assumptions underpin it? Where did the data originate? Who owns it? What governance structures and controls exist over its generation, validation and reporting?

The metric may appear linear, but the evidence supporting it may not be.

When Evidence Is No Longer Linear

This is perhaps one of the most significant challenges for traditional assurance mindsets. Sustainability-related information can draw upon financial and non-financial data, internal and external sources, multiple functions, value-chain participants, estimates, assumptions and forward-looking information.



The metric may appear linear, but the evidence supporting it may not be.

The evidence trail may therefore move across finance, operations, procurement, human resources, risk management and the wider value chain before arriving at a reported disclosure or assertion.

This broadens the horizon for evidence examination. The challenge is no longer simply to locate supporting documentation, but to understand how different pieces of information connect, assess their relevance and reliability, and determine whether they provide sufficient and appropriate evidence for the assertion being made.

Forward-looking information adds another dimension. Targets, transition plans, scenarios and anticipated risks cannot always be evaluated in the same way as historical financial transactions. The assurance professional must understand the processes, assumptions, methodologies and controls underlying such information while applying appropriate professional judgement.

Consequently, sustainability reporting does not merely require more evidence. It requires a broader understanding of what constitutes relevant evidence and how that evidence should be evaluated.

The Assurance Professional: From Specialist to Business Partner

Perhaps the most demanding part of generating real value from this transition is challenging the existing mindset and upgrading professional capabilities.

Finance and assurance professionals can no longer operate entirely within functional boundaries if they are to understand the information they are evaluating. They need a stronger understanding of business models, strategy, operations, risk, value chains and the relationships between the business and its factors of production.

This need extends beyond assurance providers. Investors, consultants, management, employees and other participants across the value chain all benefit from a deeper understanding of how the business creates and sustains value.

For assurance professionals, however, this creates a particularly significant opportunity. The role can evolve from examining individual numbers to understanding the systems, processes, controls and business context from which those numbers emerge.

This does not mean moving away from professional skepticism or technical rigor. Rather, the technical toolkit itself needs to expand. Understanding data governance, internal controls, methodologies, assumptions and the business context behind reported information will become increasingly important.

Old keys may no longer unlock new potential.

From Compliance Requirement to Business Insight

At the surface level, sustainability reporting may appear to be another regulatory requirement. Yet the process of preparing and assuring this information can generate deeper benefits.

As organizations apply IFRS S1 and IFRS S2, they are encouraged to examine their business models, strategies, risks, dependencies and opportunities from a longer-term perspective. This can strengthen data governance, clarify accountability, identify information gaps and encourage more integrated risk assessment.

For assurance providers, the process can similarly provide a broader view of the business and the quality of the information supporting its decisions. A robust assurance process can bring greater discipline to the systems, controls and evidence supporting sustainability-related disclosures, while also highlighting areas where information or processes may require further development.

The ultimate opportunity is therefore larger than compliance. Better information, supported by robust processes and credible assurance, can contribute to better decisions, greater resilience and, from an investor perspective, potentially greater long-term value.

Perhaps it is time to look beyond sustainability reporting as simply another regulatory requirement and recognize it as an opportunity for professional growth, a broader understanding of business and a shift in mindset.

The business landscape may not change, but a new lens can provide a clearer view while magnifying the areas that require deeper examination. For finance and assurance professionals, the opportunity lies not simply in reporting or assuring new information, but in developing the capability to understand, challenge and connect that information in ways that contribute more meaningfully to the decisions shaping the future of business. For assurance providers, perhaps it is also time to upgrade our playbooks to meet the demands of a changing information landscape.

And perhaps that is where the real growth lies. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Sustainability Reporting & Assurance: From Compliance to Commercial Opportunity

Regulators have said what companies must disclose. Nobody has said who will build the systems, controls and data behind it, and that gap is a market.

BY MUHAMMAD MUBASHIR FAROOQ, FCA

From Voluntary Narrative to Business Information

Sustainability reporting was once a largely voluntary extension of corporate reporting. Entities chose their own metrics, methodologies and frameworks, which made information hard to compare and hard to rely on.

That is changing. Climate risk, resource dependency, supply-chain resilience and workforce matters can now affect strategy, financial performance, access to capital and long-term value. Sustainability information is becoming a structured reporting discipline with greater expectations around governance, controls, data quality and accountability. This raises the relevance of independent assurance and creates demand for specialist expertise.

For accountants, auditors and advisers, this is not merely another compliance requirement. It is an emerging service line that can create new revenue, strengthen client relationships and position firms as trusted advisers. The shift is from “We help you produce the report” to “We help you build the information infrastructure behind the report.”



The shift is from “We help you produce the report” to “We help you build the information infrastructure behind the report.”

A New Growth Area

Reporting requirements set out what companies must disclose, but not who will provide the people, systems, controls and methodologies to produce reliable information. That gap is an opportunity for accountants, auditors, fund administrators, corporate services providers, consultants and technology providers. Because the same data serves regulators, investors, lenders, customers, boards and rating agencies, its value goes beyond meeting a reporting obligation.

The Sustainability-Services Value Chain

- 1. Regulatory and reporting assessment:** Which requirements, frameworks and assurance expectations apply, and when.
- 2. Materiality and reporting design:** Which matters are significant and how to measure and report them.
- 3. Data readiness:** Available and missing data, data owners, systems, boundaries and methodologies.
- 4. Controls and governance:** Responsibilities, reviews, reconciliations, approvals, documentation and evidence retention.

5. Reporting: Bringing the information together into the disclosures.

6. Assurance readiness: Testing whether information and evidence would withstand independent scrutiny.

7. Independent assurance: Engagement by a qualified assurance practitioner.

8. Continuous improvement: Addressing findings and strengthening the next reporting cycle.

This is a much larger addressable market than the final assurance engagement alone.

Assurance Is not Just Another Audit Product

Sustainability assurance is not “a financial audit, but with different numbers.” The information may originate outside finance, the criteria differ, the data is more fragmented, boundaries may span the value chain, and disclosures are both quantitative and qualitative. The opportunity lies in combining traditional assurance disciplines with new capabilities.

A Tiered Market

Not every entity will buy the same level of service.

Tier 1 – Basic support (smaller entities): KPI identification, emissions calculations, basic reporting, policy support.

Tier 2 – Reporting and controls (growing businesses): framework assessment, data mapping, control design, management reporting, dashboards.

Tier 3 – Assurance readiness: gap assessment, evidence testing, controls review, remediation, pre-assurance procedures.

Tier 4 – Independent assurance: limited or reasonable assurance and assurance reporting.

Tier 5 – Integrated reporting (mature entities): enterprise sustainability data, investor reporting, financial integration, risk management, strategic decision-making.

The Capability Challenge

Existing audit and accounting skills alone will not be enough. Practitioners may need to understand:

- greenhouse-gas accounting and climate-related risks and scenarios;
- environmental metrics, biodiversity and supply-chain information;
- workforce data, transition plans and sustainability targets.

Firms must decide whether to train staff, recruit specialists, build multidisciplinary teams, form partnerships or acquire capabilities. The likely answer is a combination.

Assurance Readiness as a Service

This is potentially one of the most attractive areas. As with audit-readiness work, the adviser does not give the final assurance opinion but helps management prepare for it. A typical engagement covers:

- understanding requirements and identifying reported metrics;
- mapping data sources, identifying owners and documenting methodologies;
- reviewing controls, testing selected data and assessing evidence;
- identifying weaknesses, preparing a remediation plan and conducting a pre-assurance review.

It is especially valuable for first-time reporters.

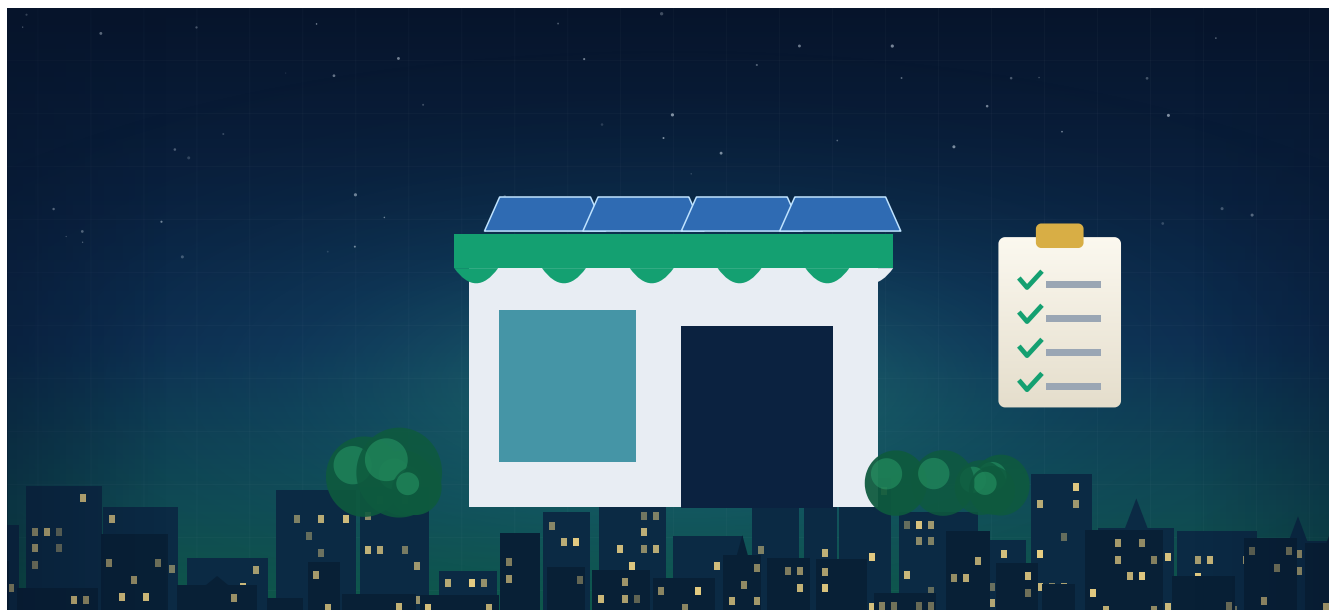
Technology Is Part of the Proposition

Sustainability reporting is fundamentally a data problem, creating opportunities around management platforms, carbon-accounting systems, data-collection and workflow tools, evidence repositories, automated controls, analytics and reporting platforms. But an expensive platform can still produce poor data. The right sequence is:

Good methodology → Good data → Good controls → Good technology, rather than *Technology → Good reporting*. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

The Value of Sustainable Practices at SMEs: A View from Pakistan

The SDGs can feel too big for a small business. A practical ESG lens, an IFAC checklist and three Pakistani examples show where to start.

BY **HINA USMANI, FCA**

The United Nations created [the Sustainable Development Goals](#) (SDGs) to end poverty, protect the planet, and ensure peace and prosperity for humanity by 2030. But these goals are broad and numerous, so it can be hard for businesses to see how they should respond. This piece draws on experiences from Pakistan to help small businesses identify practical actions and begin their own sustainability journey, supported by a free resource developed by IFAC.

Looking at sustainability through the lens of an ESG (environmental, social, and governance) framework can make action more practical by providing three areas of focus:

- **Environmental:** How resources are utilized and the impact of operations on all aspects of the environment, including carbon emissions, pollution, waste, and biodiversity.
- **Social:** How employees, customers, suppliers, and the broader communities in which the business operates are cared for.

- **Governance:** Whether the system of direction and control ensures that business practices are ethical and comply with all legal, regulatory, and other relevant requirements.

Globally, the need to take steps towards sustainability is becoming increasingly clear to businesses of all sizes. Growing awareness of environmental issues is being created through newsworthy topics such as the impact of climate change in increasing extreme weather incidents and natural disasters, and through renewed focus on tackling pollution, waste, and resource depletion. Unsurprisingly, stakeholders are becoming increasingly conscious of the long-term risks associated with business practices that fail to prioritize sustainability. Employment issues are also pressing, with widespread attention on modern slavery, abuses of human and labor rights, and income inequality. Apart from the clear moral stakes, issues in these areas can also erode investor confidence and drive conscious customers away. Finally, inadequate transparency, accountability, and ethical decision-making can

discourage stakeholders from doing business with, or investing in, a company.

The Small Business Sustainability Checklist

For small businesses, in particular, it can be difficult to identify where to begin pursuing a sustainable future. The International Federation of Accountants (IFAC) has released the “[Small Business Sustainability Checklist](#)” as a diagnostic tool to help SMEs identify sustainability risks and opportunities. This checklist is centered around ESG initiatives and will help businesses become aware of different sustainability practices. The checklist can be tailored by organizations to suit their sustainability aims and to help them get started on the path towards sustainability.

Professional Accountancy Organizations (PAOs) have an important role to play, too. [The Institute of Chartered Accountants of Pakistan](#), for example, is raising awareness about [sustainability standards](#). The Institute is holding webinars and circulating guidance and other relevant materials to provide timely and appropriate support. IFAC’s sustainability checklist has also been shared with members in recognition of its utility for both practitioners in small- and medium-sized practices (SMPs) advising their SME clients, and for professional accountants in business (PAIBs) who can use the checklist directly within their organizations.

Environmental Initiatives

For SMEs to consider the environmental aspect of their business operations, an important starting point is to assess the associated business risks around factors such as climate change, extreme weather, and carbon emissions. It is important to quantify the likelihood and potential impact of adverse outcomes arising from these risks. The business can then develop an appropriate environmental policy that incorporates an environmental commitment into its goals and strategy. Finally, businesses can revise systems and procedures in ways that improve environmental management by reducing waste of energy and other resources.

Example: [TrashIt](#), an initiative of young entrepreneurs, encourages more conscious consumer and producer decision making. In addition to their consumer-focused offerings, TrashIt also operates a

robust business to business model. They provide onsite composting consultations, employee awareness programs, and alternative solutions to incineration. This multifaceted approach ensures that businesses, as well as individuals, can make more sustainable choices. This initiative empowers communities to reduce their carbon footprint and fosters ecological consciousness in a system that has not yet prioritized sustainability.



Organizations that fail to address ESG risks could be putting their own existence at risk.

The IFAC Small Business Sustainability Checklist can help businesses identify the environmental initiatives that are best suited to their own sustainability goals so they can implement steps towards improvement—while balancing this with economic realities.

Social Responsibility Initiatives

Social responsibility can help SMEs promote positive brand recognition, increase customer loyalty, and attract employees. Implementing appropriate labor practices—such as ensuring the health, safety, and welfare of their employees—is paramount. Embracing diversity, equity, and inclusion can have similar benefits. Unethical practices such as data tracking and providing misleading information must be avoided. Businesses must also examine their value chains to identify risks around things like modern slavery or child labor and take decisive action where issues are uncovered. Donations to local community initiatives and charities can also show a commitment to social responsibility.

Example: [Adorn](#) is a women-led social enterprise supporting artisans by providing them with an outlet for their skills to help them support their families and communities. These artisans are based in rural areas which largely depend on farming income. Access to economic opportunities outside agriculture is usually limited, but the enterprise offers new avenues for engagement and a potential pathway to economic independence.

The IFAC Small Business Sustainability Checklist can help small businesses get ahead of the curve to create inclusive and enabling work environments.

Governance Initiatives

It is difficult for SMEs to begin a sustainability journey unless they have a robust underlying governance environment. Assessing the governance environment is a necessary part of creating an effective sustainability culture; only then can sustainability objectives successfully be planned internally and communicated to suppliers and clients. An effective risk management system should enable decision makers to analyze and evaluate the risks and opportunities that may arise from sustainability-focused changes.

Example: [Path Education](#), a non-profit organization operating the Rahnuma Public School, has a mission to champion and deliver effective education to children from underprivileged backgrounds. Strong governance and transparent financial reporting have allowed Path Education to expand its donor base to include large donor organizations. This has significantly enhanced their ability to raise funds, allowing them to expand

the size and scope of their project and widen the community that benefits from their efforts.

The IFAC Small Business Sustainability Checklist can help businesses identify initiatives to enhance their governance structure. It is also a valuable resource in other important areas, such as the development of a succession plan by management to ensure future viability.

Sustainability at the Centre of Strategy

Overall, it is essential for businesses—including SMEs—to position sustainability as a central component of their strategy and objectives. Organizations that fail to address ESG risks could be putting their own existence at risk. Deliberately and comprehensively [championing an integrated mindset](#) and integrating financial and sustainability information will enable better-informed decisions that deliver long-term value creation to investors while taking account of value to customers, employees, suppliers, and societal interests. ■

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SUB-TOPIC 02 · SUSTAINABILITY REPORTING AND ASSURANCE

Seven Forces, One Profession: The New Finance Agenda

From AI and assurance to capital markets and a new generation of CAs, every theme in this issue is pulling finance in the same direction: from reporting the past to pricing the future.

BY **ZAIN UL IBAD, ACA**

For most of its history, corporate reporting has answered one question: how much money did the business make? Sustainability reporting is changing that question. Regulators, investors and lenders now want organisations to explain not only what they earned, but how: how much carbon they emitted, how they treated their people, how they governed themselves and what risks are building up along their supply chains. Reporting is moving from a must-do to an asset, from a regulatory obligation to a competitive advantage and a cheaper source of capital. That change is reshaping the finance function itself, and the skills that today's and tomorrow's chartered accountants will need.

AI and the Future Finance Function

AI is getting under the hood of forecasting, reporting and controls. According to Deloitte's Q4 2025 CFO Signals Survey, 87 percent of CFOs say AI is very or extremely significant to their 2026 agenda, yet only 63 percent report having adopted

AI solutions: finance leaders are racing to close the gap between aspiration and deployment (Deloitte, 2026). Industry and professional-body research broadly agrees that AI will take over the grunt work of transaction processing and report generation, leaving finance professionals to focus on scenario planning, interpreting risk and offering strategic guidance (GrowCFO, 2026). IFAC describes this as the transition of finance from a "back-office support function" to a "business-facing function" able to influence decision-making (IFAC, 2020). As the technical mechanics of accountancy are automated, the key skill becomes the ability to question the numbers and explain what they are saying.

Sustainability Assurance: The New Growth Area

If AI is redefining part of the finance team's work, sustainability assurance is redefining the whole of it. In 2024 the IAASB issued International Standard on Sustainability Assurance (ISSA) 5000, a

complete, standalone sustainability assurance standard that can be used with any reporting framework and by practitioners from both accounting and non-accounting professions. It applies to engagements for reporting periods from 15 December 2026 and will gradually replace ISAE 3000 and ISAE 3410 (the standard for greenhouse gas statements) in this area (Protiviti, 2026; RSM, 2025). As mandatory disclosure under IFRS S1 and S2 takes hold, demand for credible, independently assured non-financial information is set to grow rapidly, and many professional bodies already see sustainability assurance as the fastest-growing service line in the profession. Firms building this competency now will be ahead of the next wave of regulation-driven demand.

The CFO as Chief Transformation Officer

The CFO's traditional role as scorekeeper and compliance gatekeeper is giving way to something broader. IFAC's work with global business leaders traces the finance function's shift from simply reporting on decisions made across the organisation to actively helping to shape them (IFAC, 2020). Beyond capital allocation and risk management, CFOs are increasingly accountable for technology implementation, data governance, workforce redesign and the sustainability plan, and for delivering all of them. Deloitte does not see this as the end of finance's core mandate of closing the books, managing risk and guiding decisions; rather, finance continues to deliver that mandate at a more elevated, better-informed and faster level (Deloitte, 2026). Where the CFO's job was once to sign off the numbers, it is becoming to shape a coherent transformation agenda that delivers both AI capability and ESG commitments.



An assurance conclusion is only as credible as the controls through which the underlying information is produced.

Skills Every Accountant Will Need by 2030

What will the accountant of 2030 need to be good at? Technical skills in data analysis, cloud technologies and sustainability reporting are gaining recognition, but so are the human skills at

the core of the profession that automation struggles to mimic, such as ethical judgement and commercial acumen (ACCA, 2016; Zell Education, 2026). According to an ACCA survey of approximately 2,600 members and 145 employers, flexible, non-linear career paths are expected to replace the traditional linear path by 2035. Encouragingly, the prevailing view is not that AI will replace accountants, but that it will replace tasks: the mundane, rule-driven parts of accounting and analysis, leaving more time for judgement and advice (Learnsignal, 2026). That is an argument for getting comfortable with data tools and sustainability frameworks early, rather than as an afterthought.

Digital Trust, Cybersecurity and Assurance

As reporting and assurance move onto a new generation of AI-powered platforms, the integrity of the underlying data and systems becomes another professional responsibility. Deloitte sets out five principles for responsible AI adoption in finance: transparency, fairness, privacy and security, reliability, and accountability (Deloitte, 2026). This echoes ACCA's technology guidance, which lists cybersecurity among the essential skills for 21st-century finance professionals (Zell Education, 2026). ISSA 5000, like sustainability assurance generally, rests on the same foundation as all assurance: an assurance conclusion is only as credible as the controls through which the underlying information is produced. Digital trust is no longer just an IT issue; it is closely interwoven with the credibility of financial and non-financial reporting.

Pakistan's Capital Markets and Investor Confidence

Pakistan shows how sustainability reporting and investor confidence go hand in hand. The SECP has introduced mandatory sustainability reporting requirements, starting on 1 July 2025 for large listed companies and extending to a broader range of companies from 1 July 2026 (IFRS Foundation, 2026). This forms part of a wider sustainable finance plan that includes ESG disclosure guidelines, a Green Taxonomy and the country's first regime for ESG mutual funds (from mid-2026), reforms the SECP says will build investor confidence and promote international good practice (Arab News, 2026; Daily Times,

2026). Market performance has reflected the momentum, with the KSE-100 index gaining 18.4 percent. For Pakistani firms, sustainability disclosure is becoming integral to accessing capital, no longer a sideline.

Young Professionals' View: What Will Define the CA of the Future?

Asked which skill mattered most from their training, trainees and newly qualified accountants increasingly point to adaptability rather than any specific technical skill. ACCA research finds that career paths are no longer linear and that learning no longer happens in episodic bursts of formal training, but continuously in the workplace throughout a professional career (ACCA/The Accountant, 2026). Much of the industry's advice to this group stresses technical expertise and fluency with technology, but these should be coupled with integrity and business judgement,

not seen as opposed to them (Innate Business School, 2026). For young Chartered Accountants in emerging markets such as Pakistan, this signals a paradigm shift: a career built not on holding a fixed body of technical know-how, but on continually relearning how that know-how is applied as standards and tools change.

From Burden to Opportunity

Sustainability reporting began as an accountability requirement bolted onto the financial report. It is becoming a prism for pricing capital, setting strategy and building trust. The professionals who thrive will not necessarily be the most technically brilliant, but those who can move seamlessly between AI-supported analysis, sustainability assurance, digital risk and business judgement, turning the burden of reporting into a genuine value-creating opportunity. ■

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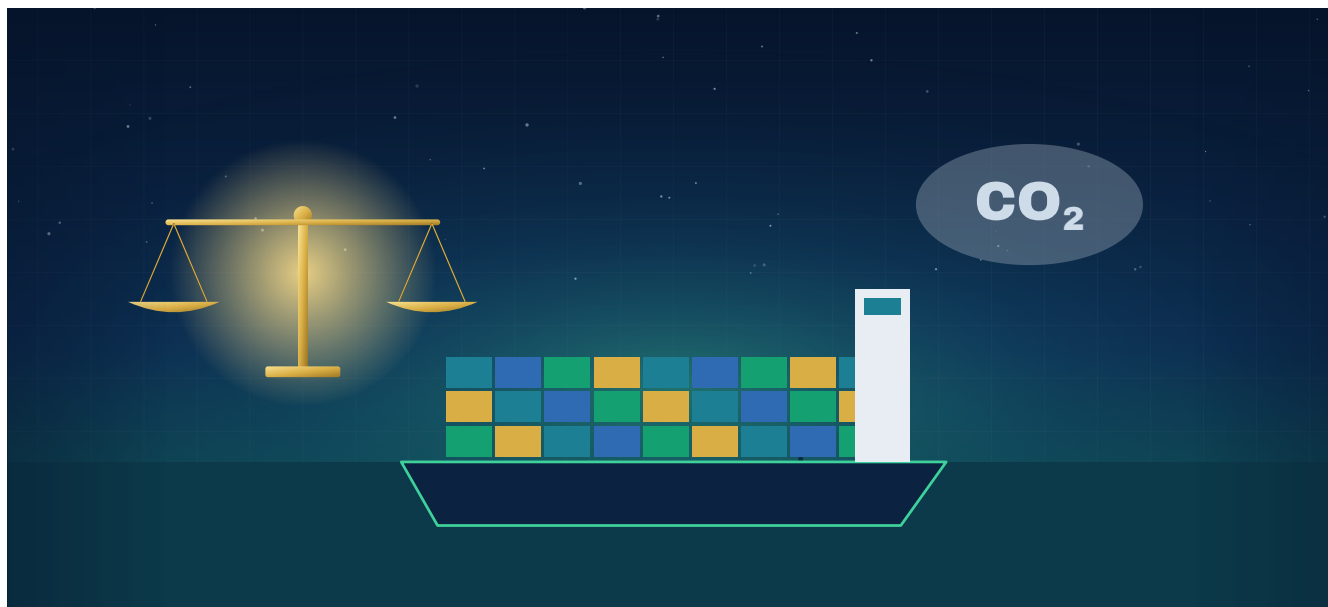
SUB-TOPIC 03

03 The CFO as Chief Transformation Officer

From a mothballed power plant to a volatile rate cycle and an emissions figure nobody owns, CFOs and finance leaders describe what transformation actually demands of the person who holds the numbers.

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

The CFO at the Heart of Sustainable Business Transformation

When the board asks about the carbon in a tonne of product shipped to Rotterdam, heads don't turn to the sustainability coordinator. They turn to the CFO.

BY TALHA KHAN GIMMI, ACA

Somewhere in a board meeting this quarter, the question will arrive. Not about EBITDA, not about receivables ageing, but about the carbon embedded in a tonne of product shipped to Rotterdam, or the assurance opinion that will now sit beneath the sustainability section of the annual report. Heads will turn. Notably, they will not turn towards the sustainability coordinator or the HSE manager. They will turn towards the Chief Financial Officer. That single turn of heads is, in miniature, the story of our profession in 2026. Sustainability reporting has stopped being a communications exercise appended to the back of an annual report and has become a reporting obligation with legal consequence, assurance exposure and a direct line to the cost of capital. And the person the board instinctively looks to for numbers that must survive scrutiny is the one who has always carried that burden.

When the Numbers Stopped Being Only Financial

The architecture is already in place. Through its notification issued under Section 238 of the Companies Act 2017, the Securities and Exchange Commission of Pakistan adopted the IFRS Sustainability Disclosure Standards, S1 and S2, on a phase-wise basis for listed companies and licensed non-listed public interest companies. The first phase applied to reporting periods beginning on or after 1 July 2025; the second phase begins with periods commencing on or after 1 July 2026; the third follows in 2027. Critically, assurance on sustainability reporting from the company's auditor begins from the second year of reporting. Layer on the IAASB's ISSA 5000, effective for engagements on sustainability information for periods beginning on or after 15 December 2026, and the European Union's Carbon Border Adjustment Mechanism (CBAM), which entered its definitive regime on 1 January 2026, and the conclusion is unavoidable. Non-financial data is now audited data.

Why the Board Turns Towards Finance

The reason is not fashion; it is competence. Sustainability disclosure demands precisely the disciplines finance has spent a century building: defining a reporting boundary, applying materiality, maintaining an audit trail from source to disclosure, testing estimates, documenting judgements, and connecting a narrative to the financial statements without contradiction. IFRS S1 requires connected information, disclosures that hang together with the financial statements rather than living in a parallel universe. When a company tells its lenders that climate transition risk is immaterial while its capital expenditure plan quietly funds a fuel switch, someone has to reconcile the two stories. That someone is the CFO. FTI Consulting's 2026 Global CFO Survey found that more than half of finance leaders now lead or co-lead enterprise transformation. The title on the business card still says Chief Financial Officer. The job description increasingly reads Chief Transformation Officer.

The Fiduciary at the Centre of the Room

Here we arrive at what I believe is the least discussed and most important dimension of this debate. The CFO's role is, before anything else, a fiduciary one. We do not work for the Chief Executive. We work for the company, and through it for shareholders, lenders, employees, regulators and, in a country as fragile as ours, for the public interest itself. Every other executive in the room is, quite legitimately, an advocate for a position. The CFO alone is required to be an advocate for the truth. That is an uncomfortable seat, and it was never meant to be comfortable. It is the reason the role carries the weight it does, and the reason it cannot be delegated to a dashboard or an outsourced ESG consultant.

Chartered Accountants are unusually well prepared for that seat, and not by accident. Few professional qualifications anywhere subject a candidate to the length, difficulty and supervised rigour of the CA route, and fewer still make a Code of Ethics a formal, examinable discipline rather than a workshop slide. Integrity, objectivity, professional competence, confidentiality and professional behaviour are not aspirations we recite at induction; they are standards against which our conduct can be judged and our

membership withdrawn. That training produces a specific instinct: the ability to recognise, quickly and calmly, the line between what is aggressive and what is wrong. A CFO who has internalised that instinct does not merely report to management. He guides management. Where the situation demands it, he guides the Chief Executive, and he gives direction to directors themselves so that a decision the board would regret never reaches the minutes.



Every other executive in the room is, quite legitimately, an advocate for a position. The CFO alone is required to be an advocate for the truth.

Sustainability reporting makes this fiduciary duty acutely practical. Greenwashing is not a marketing sin; it is a misstatement. An emissions figure that cannot be traced to a meter reading, a net-zero target with no costed transition plan behind it, a scenario analysis reverse-engineered to produce a comfortable answer, each is, in substance, an unsupported number in a public document. When the pressure comes, and it will come, to soften a disclosure before a rights issue or a lender negotiation, the CFO must be the one who says that the number stays as the evidence supports it. Standing with what is right is not a constraint on the business. It is the only reason anyone believes the business when it speaks.

Transformation Before Reporting

Most Pakistani companies will discover that their first sustainability report is not a reporting problem at all; it is a systems problem. Scope 1 and 2 emissions require metered fuel and electricity data captured at source with the same discipline as a purchase order. Scope 3 requires vendor engagement across a supply chain that, in much of our economy, is informal and undocumented. This is where the finance-led transformation agenda becomes concrete: extending the ERP to carry non-financial master data, embedding sustainability data capture into procurement and plant operations rather than bolting it on at year end, designing internal controls over sustainability reporting with the same segregation

of duties and review trail we apply to revenue, and closing the sustainability ledger on a monthly cycle so that the year-end figure is a summation rather than an estimate produced under deadline.

None of this survives without the human dimension. A plant manager asked to log furnace-oil consumption hourly will comply for a month and then quietly stop unless somebody has explained why it matters to his business, his bonus and his customer. Transformation programmes fail on people, not on technology, and the CFO who can model the financial impact of a fuel switch is also the one with the credibility to explain it on the shop floor.

From Cost of Compliance to Cost of Capital

The theme of this issue is the journey from compliance to value creation, and for the CFO that journey has a precise financial vocabulary. Sustainability data, once reliable, becomes decision data. A verified emissions profile converts an abstract climate exposure into a modelled carbon cost per unit of product, which then belongs in the pricing file and the capital budget. In our own sector, the arithmetic of an electric-vehicle charging rollout looks materially different once carbon levies are priced into the legacy fuels book rather than treated as an unfortunate line item. For exporters, CBAM's definitive regime turns emissions intensity into a landed-cost variable, and a mill that can evidence lower intensity than its regional competitor is not merely compliant; it is cheaper to buy from.

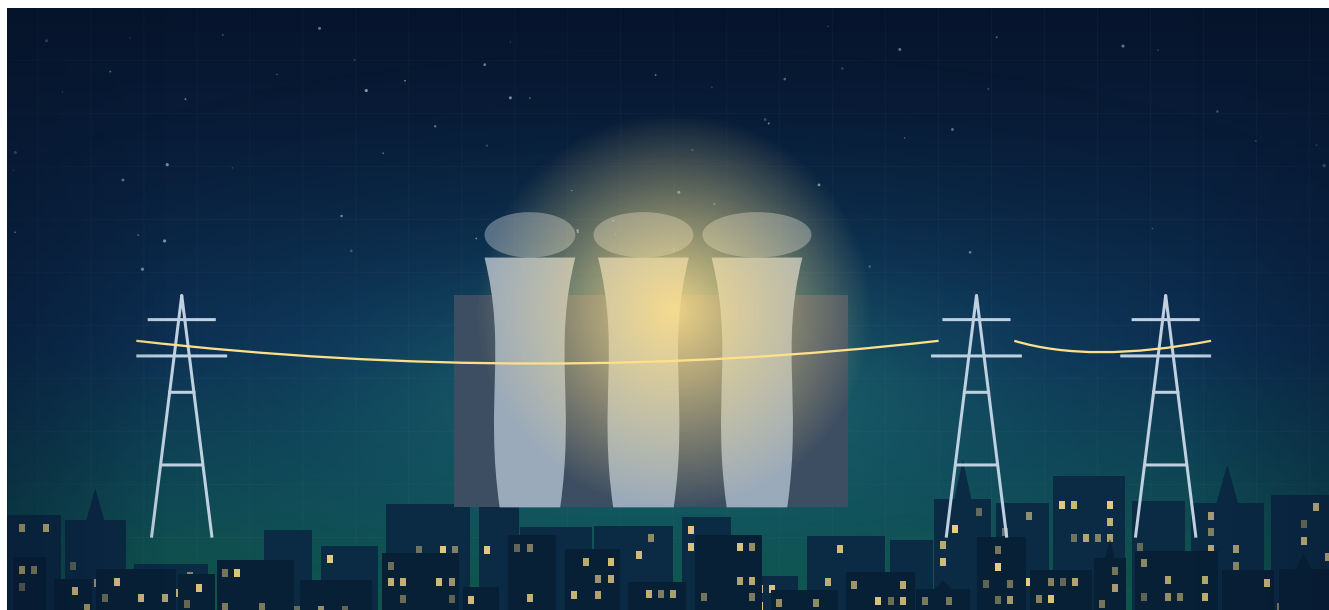
The capital dimension matters even more in an economy as capital-constrained as ours. Development finance institutions, green and sustainability-linked instruments and international lenders increasingly price credit against disclosure quality. Assured, comparable, investor-grade sustainability information is, quite literally, a basis-point conversation. A company that treats IFRS S1 and S2 as a filing obligation will incur the full cost of compliance and capture none of the value. A company whose CFO treats the same exercise as the construction of a new management information asset will find that the asset repays itself in cheaper funding, better capital allocation and fewer surprises.

From Custodian of the Ledger to Conscience of the Enterprise

Pakistan's corporate sector is entering its first genuine assurance cycle on information it has never before been required to prove. Some organisations will meet that moment with a consultant, a template and a hope that nobody looks too closely. Others will meet it with a CFO who has rebuilt the data, redesigned the controls, argued with the Chief Executive where the evidence demanded it, and presented the board with options rather than comfort. Only one of those two organisations will still be credible in five years. The transformation the title refers to, in the end, is not of systems or reports. It is of the seat itself, from custodian of the ledger to conscience of the enterprise. The Chartered Accountant who occupies that seat with competence and with courage will not merely report the value created. He will be the reason it exists. ■

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

Beyond the Numbers: The CFO's Role in Leading Business Transformation

A mothballed power plant, an expiring contract and a 16-year CEO's departure: a former KAPCO CFO on what transformation really asks of finance.

BY MUHAMMAD RABNAWAZ ANJUM, FCA

Transformation is often described through technology, new business models or large change programs. In practice, the harder questions are what should change, what should remain, where capital should be committed and how management should respond when assumptions no longer hold? These are business questions before they are finance questions.

Technical competence in reporting, controls, treasury and compliance remains essential for a CFO, but it is no longer enough. The CFO must understand how the business creates value: its operations, contracts, market position, technology, regulatory environment and strategic options. Financial analysis should support commercial judgement, not replace it. A good financial model should become a decision model.

Business Acumen in Practice

The distinction became particularly clear to me at Kot Addu Power Company (KAPCO), where I served as CFO and later Chief Executive (Acting). KAPCO's original power purchase arrangement

had expired at a time when Pakistan's power sector was confronting excess capacity and reassessing the economics of existing generation. The plant had remained largely non-operational for more than two years and the arrangements with several other power producers were being terminated or restructured.

The easy response for a mature thermal asset could have been to manage decline. The more difficult response was to ask where the asset could still create value for the power system and the shareholders.

KAPCO engaged extensively with the National Task Force on Implementation of Structural Reforms in the Power Sector. The case required more than a financial model. It required understanding system constraints, plant capability, fuel and operating economics, contractual structure, stakeholder priorities and the alternatives available to Government. Following technical, commercial and financial evaluation, 500 MW of KAPCO capacity together with its switchyard was retained in the system,

and a new three-year Power Purchase Agreement was signed in June 2025.

The lesson was broader than the contract itself. Transformation does not always mean replacing an old business with a new one. Sometimes it means recognising where an existing asset still has strategic relevance and repositioning it for a changed market.

The same period also illustrated the importance of knowing what not to preserve. While selected capacity remained relevant, certain units were not expected to have a compelling future-generation case and a disposal process was initiated for those assets. Strategy is therefore as much about disciplined exit as it is about investment. Capital and management's attention should not remain tied to assets merely because they already exist.



Strategy is therefore as much about disciplined exit as it is about investment.

KAPCO also went through an important leadership transition during this period, following the departure of a chief executive who had led the company for almost 16 years. The Board entrusted the acting CEO responsibility to the CFO, while the senior management team and wider workforce rallied around a common objective: to revive the business and secure a sustainable future for the company. For me, the experience reinforced that transformation is rarely an individual achievement. Strong governance combines challenge with trust, and capable teams perform best when given room to act around a shared purpose.

Creating Strategic Options

A transformation agenda must also create options before they become urgent. During the same period, several diversification opportunities were evaluated for KAPCO. One of these was the potential acquisition of Attock Cement Pakistan Limited, representing a significant step towards the Company's first major diversification outside its traditional power-generation business. My involvement continued through the evaluation and non-binding offer stage, after which I left

KAPCO. The transaction was subsequently progressed and completed in April 2026 by KAPCO jointly with Fauji Cement Company Limited.

The relevance of this example is not the transaction itself. It is the role finance can play in distinguishing a financially attractive opportunity from a strategically sound one. That requires understanding sector dynamics, competitive position, management capability, downside risk and the organisation's ability to create value after acquisition – not simply comparing IRRs.

Connecting the Consequences

My current role in Saudi Arabia provides a different perspective. I work across the finance of two large combined-cycle gas turbine projects under construction, each of around 2 GW. Here the challenge is delivering new infrastructure at scale. Finance therefore has to understand the project as a business rather than as a collection of budgets, loan drawdowns and accounting entries.

A construction delay affects financing cost, liquidity, contractor claims, operational mobilisation and debt service. An engineering change may reduce capital cost but increase lifecycle cost. A procurement decision may look attractive in isolation but create an operational dependency years later. The CFO must understand enough of engineering, contracts and operations to connect these consequences before decisions are taken.

Sustainability is another example of why finance must look beyond reporting. The projects have been positioned with provision for carbon-capture technologies. For the CFO, the relevant question is how such considerations affect technology choices, capital allocation, financing, risk and long-term project economics. The value lies in connecting the disclosure to the decision.

Transformation Also Needs Challenge

Transformation is often associated with speed and innovation, but one of the CFO's most valuable roles is to slow the organisation down at the right moments. Once money has been spent and commitments made, it becomes harder to challenge the original business case. The CFO must still ask: Are the benefits real? Has risk moved elsewhere? Are reported savings genuine? Would we make the same decision today?

This is not resistance to change. It is part of making change sustainable.

The CFO as Chief Transformation Officer does not require another title. Reliable reporting, liquidity, compliance and control remain non-negotiable; they establish credibility. Strategic value, however, comes from applying that credibility to the wider business: understanding the market, challenging assumptions, creating options, connecting risk with economics and helping management allocate capital wisely.

Finance professionals are trained to be rigorous with numbers. That remains one of our strengths. But transformation leadership requires a broader combination of judgement, curiosity, trust and execution discipline.

What Distinguishes a Successful Chief Transformation Officer?

In my experience, the most effective transformation leaders consistently demonstrate a few practical qualities:

- **Business acumen before financial mechanics.** Understand how the organisation actually makes money, serve customers, compete, operate and manage risk. Numbers are more useful when their business context is understood.
- **Strategic judgement, not just analysis.** Use finance to frame choices and trade-offs. The objective is not to produce the most sophisticated model or dashboard, but to help management make a better decision.

- **Trust across the organisation.** Build credibility with the Board, senior management, employees, lenders, regulators and commercial counterparties. Transformation becomes easier when stakeholders see finance as a constructive partner rather than a control function standing outside the business.
- **Ability to connect the consequences.** Look beyond the immediate impact of a decision. Capital expenditure, contracts, financing, operations, tax, technology and risk often move together, particularly in large projects and capital-intensive businesses.
- **Resilience with adaptability.** Transformation rarely follows the original plan. A successful leader keeps the objective clear while remaining willing to change the route when market conditions, regulation or operating realities change.
- **Constructive challenge and execution discipline.** Have the courage to question assumptions, stop initiatives that no longer create value and exit assets when the strategic case has disappeared – while remaining solution-oriented and focused on execution.

The strongest CFOs will therefore continue to safeguard financial integrity, but their larger contribution will come from helping the organisation decide what should happen next. That is the shift from financial stewardship to business leadership – and ultimately from compliance to value creation. ■

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

Beyond the Balance Sheet: The CFO as a Strategic Decision-Maker

Rates at 22 percent, inflation at 38 percent, then a sharp reversal and a surprise hike. In Pakistan's cost-of-money rollercoaster, the accountant has become the person who keeps the business alive.

BY USMAN FAROOQ, ACA

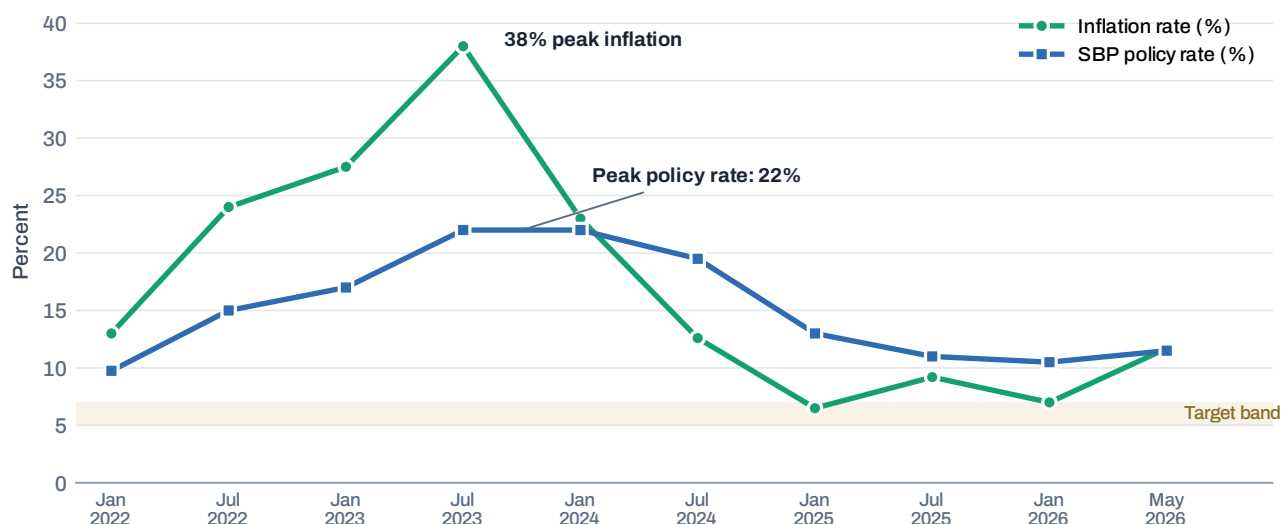
Pakistan's businesses have lived through one of the most turbulent financial periods in the country's history, and most of them felt it not in newspaper headlines but in their monthly bank statements.

Three years ago, borrowing money in Pakistan became extraordinarily expensive. The State Bank of Pakistan pushed its key interest rate to 22 percent, the highest ever, as inflation hit a staggering 38 percent in mid-2023. In simple terms, prices were rising so fast that the central bank had to make credit expensive just to slow things down. For businesses with bank loans, overdrafts, or any kind of borrowed money, the impact was immediate and brutal.

When the Cost of Money Becomes the Business Problem

Then came a dramatic reversal. From mid-2024, the SBP began cutting rates aggressively, bringing them from 22 percent down to around 10.5 percent within roughly 18 months. For a while, it seemed the worst was over. But inflation has since climbed back up, reaching nearly 12 percent by mid-2026, fuelled by rising energy costs, a weaker rupee, and global uncertainty. And in a surprise move in early 2026, the SBP raised rates again.

For Pakistani businesses, this is not background noise. This is the environment in which they are trying to survive, plan, and grow. And in this environment, the chartered accountant is no longer simply the person who closes the books. The accountant is, or must urgently become, the person who keeps the business alive.



Sources: State Bank of Pakistan; Trading Economics; Dawn.com

Figure 1 Pakistan's Policy Rate vs. Inflation Rate (2022–2026)

The Hidden Cost That Crept Up on Businesses

When interest rates were at their peak, every rupee a company had borrowed became a burden. A business with Rs. 500 million in bank loans was paying over Rs. 100 million a year just in interest, before producing or selling a single thing. For sectors like textiles, construction, and consumer goods, where profit margins are already thin, this kind of cost can be the difference between staying open and shutting down.

Many finance teams simply hoped rates would fall and held on. Some made it. Others found out too late that their debt had grown to a level where banks started asking uncomfortable questions about repayment ability.

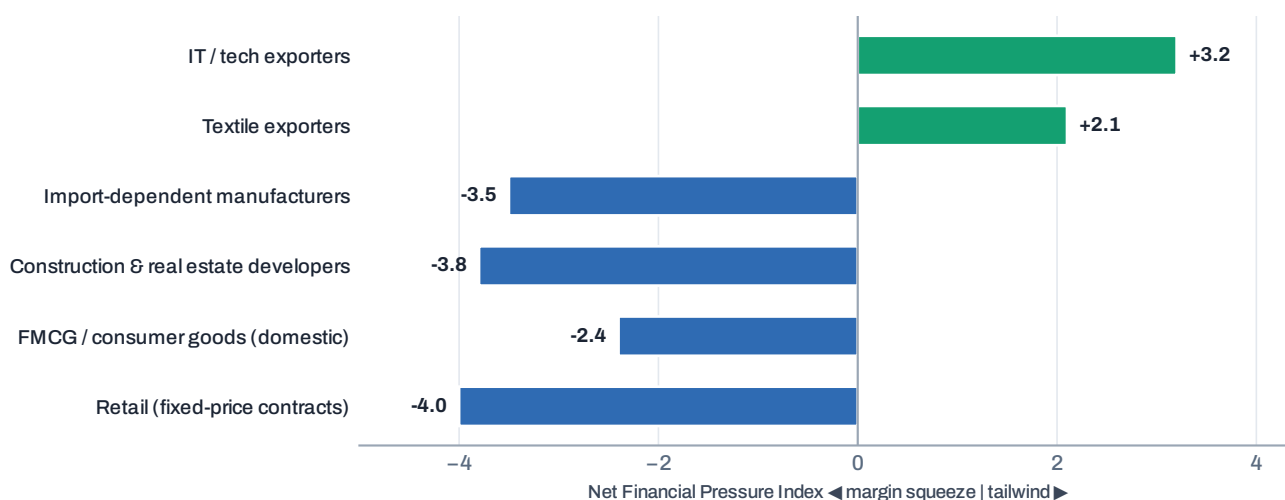
The question of “what happens when our loans come up for renewal?” deserves an honest answer

today, not six months from now.

Building a debt map (knowing exactly what a company owes, to whom, at what rate, and when it must be repaid) sounds basic. But in practice, many organisations lack this clarity until a crisis forces it. With interest rates now rising again after a period of relief, maintaining that visibility is one of the most valuable things a finance professional can do.

“

The question of “what happens when our loans come up for renewal?” deserves an honest answer today, not six months from now.



Sources: SBP Monetary Policy Statements; IMF Pakistan Article IV; ICAP Industry Surveys; Trading Economics

Figure 2 Sector-by-Sector Impact of High Inflation and High Interest Rates

Inflation Hurts Some Businesses More than Others

Not every business suffers equally when prices rise. The impact depends almost entirely on the nature of a company's contracts, customers and costs. Understanding this distinction is where accountants can add real strategic value.

Consider two businesses. The first has long-term supply contracts priced in rupees at rates agreed years ago. Its costs have risen sharply, but it cannot pass those increases on without risking customer relationships. Its margins shrink every month. The second business earns revenues in US dollars, perhaps an IT services exporter or a textile manufacturer selling abroad, while most of its costs are in rupees. The rupee's steady decline over recent years has actually made this business more competitive. Same economy, opposite experience.

The rupee has lost more than 60 percent of its value against the US dollar over the past decade. That is not a temporary fluctuation; it is a structural reality that reshapes the economics of importing, exporting, and holding foreign-currency debt. Accountants must help their organisations understand which side of this equation they sit on, and whether contracts, assets, and financing structures are working for or against them.

Making Smarter Decisions About Debt and Financing

The experience of the past few years has exposed a common weakness in how Pakistani companies manage their finances: most think about debt only when they need it, not as something to be structured carefully in advance. A more resilient approach involves three practical disciplines that accountants are well-placed to champion.

- **Borrow long when rates are low.** During the period when interest rates fell from their peak, there was a genuine opportunity for businesses to lock in longer-term loans at lower rates. Companies that acted are in a stronger position today. Those that kept rolling over short-term credit are now facing higher costs. The structure of your debt matters as much as how much you owe.
- **Manage currency exposure before it manages you.** For businesses that import raw materials or equipment, a falling rupee is a constant risk. The SBP offers instruments that allow companies to lock in an exchange rate for future transactions, a form of insurance against further currency weakness. The accountant who builds currency risk into routine financial planning provides genuine protection to the business.
- **Speed up cash, slow down costs.** In a high-interest environment, cash sitting in unpaid invoices is expensive. Collecting money owed faster, taking longer to pay suppliers where relationships allow, and avoiding unnecessary

stockpiling of inventory reduce the need for borrowing, and in an environment where

borrowing is costly, that matters enormously.

1

KNOW YOUR DEBT MAP

- List every loan, its rate and renewal date
- Flag floating-rate exposures
- Model three rate scenarios

2

MANAGE CURRENCY RISK

- Identify rupee vs. dollar mismatches
- Use SBP forward cover tools
- Review contracts for indexation

3

ACCELERATE CASH FLOW

- Collect receivables faster
- Extend payables where possible
- Cut slow-moving inventory

Together these three disciplines reduce borrowing dependency, improve cash visibility and position the business for growth.

Sources: SBP Monetary Policy Framework; IMF Pakistan Staff Reports; ICAP CFO Survey 2024

Figure 3 The Finance Leader's Playbook — Three Disciplines for a Volatile Rate Environment

From Number-Keeper to Strategic Voice

There is a long-standing perception in many Pakistani organisations that the finance function exists to report what has happened, not to influence what happens next. The economic turbulence in recent years is a powerful argument for changing that.

The businesses that came through the high-rate period in the best shape were not always the wealthiest or the largest. Many were the ones where the finance team had given management early warning, where the CFO had told the board, six months before the bank called, that the debt structure needed attention. Where scenarios had been modelled. Where decisions were made from data rather than instinct.

Pakistan's ongoing economic stabilisation, supported by the IMF programme in place since

late 2024, has brought a degree of discipline that was badly needed. But it also means the government has less room to support struggling sectors, and private businesses must be more self-reliant than ever.

The era of expecting a policy lifeline when things go wrong is, for now, over. What remains is the professional quality of finance leadership.

The journey from survival to strategy says it plainly. Survival was what occupied most finance professionals during the worst of the crisis. Strategy is what must occupy them now: thinking clearly about risk, building organisations that can absorb shocks, and giving boards the honest, forward-looking picture they need to make good decisions.

That work begins with accountants who understand that the numbers are not the end of the conversation. They are the beginning of it. ■

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

Nobody Owns the Number: Why Sustainability Reporting Still Lacks a Financial-Reporting Control Chain

Operations supplied the data. Sustainability compiled it. Finance says the method isn't theirs. When the Audit Committee asks who stands behind the emissions figure, the room goes quiet.

BY MUHAMMAD HUNAIN, FCA

A group emissions consolidation lands in finance a few weeks before the annual report is due. The workbook has multiple plant returns, external emission factors and an adjustments tab with explanations that are not always complete. Two of the plant returns arrived with no name attached to them, and one was forwarded by a colleague covering for somebody on leave. The person who designed it may have moved on. The analyst maintaining it may have inherited the process through a brief handover. Somewhere inside that file is a number that will appear in a public report, be compared with an emissions target and perhaps influence decisions made by lenders, investors and management.

Ask a simple question: who owns the number?

The sustainability team says it compiled the disclosure. Operations says it supplied the activity data. Finance says the methodology belongs to sustainability. Internal audit may not yet have reviewed the process. Everyone can identify their contribution, but identifying the person accountable for the reported number is much harder. If the Audit Committee challenges the figure, the room will tend to look at whoever is holding the file.

When Disclosure Outruns the Reporting Architecture

In financial reporting, ownership does not mean that one person creates every input. It means there is a traceable chain of responsibility: a number is prepared, challenged, supported by evidence and ultimately signed off by someone who stands behind it. Financial reporting developed this discipline over decades because material figures could not be allowed to move through an organisation without a clear record of how they were produced and why they were accepted.

IFRS S1 and IFRS S2 have brought sustainability-related financial disclosures firmly into the mainstream corporate reporting cycle, but the internal reporting architecture supporting those disclosures has not necessarily developed at the same pace. The standards require governance processes, controls and procedures around sustainability-related risks and opportunities, but they do not prescribe the detailed control chain through which an emissions calculation must move inside an organisation. Decisions over who prepares the number, who challenges the

methodology, what evidence is retained and what movements require escalation still have to be designed and embedded by management.

The more demanding test is whether a company can demonstrate how an emissions figure moved from source data to published disclosure, who prepared and reviewed it, what significant judgements were made along the way and who ultimately accepted responsibility for its submission. Producing the number is only part of the reporting process; being able to defend how it was produced is what turns disclosure into an accountable reporting system.

The First Reporting Cycle Sets the Rules

The transition relief available under IFRS S2 recognises a practical reality: reliable sustainability reporting takes time to build, particularly for Scope 3 emissions that depend on value-chain information, estimation techniques and external data. The more important question is what companies do with that transition period.

The first reporting cycle is when templates are created, responsibilities are assigned, methodologies become embedded and temporary workarounds start to look permanent simply because they survived the first deadline. This is how it happens in practice. A category is left out because an adviser thought it unlikely to be significant against the others; the basis is never written down and the exclusion survives every subsequent year because it has since become “the methodology”. An emission factor is taken from whichever database happened to be open in week three of the project, and it is still in the workbook four cycles later.

Repeated use does not turn a spreadsheet into a controlled reporting tool, nor does an established methodology become reliable merely because it went unchallenged in the previous cycle. The transition period should therefore be used to establish ownership, review, evidence and escalation requirements alongside the disclosure process itself. Otherwise, companies may enter the next phase with more data and more sophisticated calculations while retaining the same weaknesses in accountability.



Repeated use does not turn a spreadsheet into a controlled reporting tool, nor does an established methodology become reliable merely because it went unchallenged in the previous cycle.

Pakistan Brings the Capability Gap into Focus

Pakistan brings this capability question into particularly sharp focus. The SECP's phased implementation of IFRS Sustainability Disclosure Standards is bringing companies into mandatory reporting at different stages of reporting maturity, making the design of internal reporting controls an immediate implementation issue rather than a later refinement. The underlying challenge extends beyond the availability of sustainability specialists: the technical knowledge required to understand emissions and the reporting disciplines required to control a public disclosure often sit in different parts of the organisation.

Operations may understand the underlying activity, sustainability teams the emissions methodology, and finance the disciplines of consolidation, evidence, materiality and formal review. The control weakness often appears at the points where those responsibilities intersect. Valid plant data can still be translated into an incorrect emissions figure, an appropriate methodology can be applied without adequate documentation, and a consolidated workbook can be mechanically accurate while the resulting emissions figure remains implausible.

The same fault line runs outside the company. Much of the value-chain data required for Scope 3 will have to come from smaller suppliers with no emissions accounting of their own, where the questionnaire is completed by whoever opens the email, often a sales officer with no access to consumption records and every commercial reason to return a figure that keeps the customer comfortable. A buyer can run its own process carefully and still publish a number that nobody upstream owns.

Neither finance nor technical teams can carry the reporting process effectively in isolation. A

credible reporting chain requires technical ownership of the underlying activity and methodology to converge with the disciplines of review, evidence, consolidation and accountability before publication. For companies implementing the standards on a live timetable, that integration belongs in the first reporting cycle rather than being deferred until the reporting process is supposedly more mature.

Assurance Cannot Own Management's Number

External assurance will strengthen sustainability reporting, but it cannot solve an internal ownership problem. A limited-assurance conclusion does not mean that the practitioner has proved an emissions figure to be correct. In substance, limited assurance provides a lower level of assurance than reasonable assurance and ordinarily expresses whether, based on the procedures performed, anything has come to the practitioner's attention that causes them to believe the reported information is materially misstated. That assurance can strengthen confidence in the disclosure, but it cannot substitute for management's own controls.

If activity data had no clear owner, factor changes were undocumented and large movements did not require investigation, the practitioner is examining the output of a process that was weak before the assurance engagement began. External assurance can test aspects of the reporting process and expose weaknesses, but it cannot retrospectively create accountability that did not exist when the number was prepared. Financial reporting already operates on this principle: external audit evaluates information produced through management's reporting and control environment; it does not assume management's responsibility for that environment. Sustainability reporting should develop on the same basis.

What Real Ownership of the Number Requires

Consider a reported emissions figure that increases almost ten-fold from the previous year.

The spreadsheet may calculate correctly and every formula may link to the right cell, yet the answer can still be wrong. A factor stated per tonne may have been applied to kilograms, or a database may have revised its factors without the change being noticed. A sound control chain should catch such errors before publication. Every calculation needs a **named owner** who understands the activity, methodology and units behind it. Review should go beyond checking formulas to assessing whether the result is plausible against underlying activity and prior-year trends.

The evidence must also survive the reporting cycle. Source data, factor references, units, methodological changes and manual adjustments should be retained so another competent person can reconstruct the number. Significant variances should trigger investigation, and the process should end with a clear sign-off recording who prepared and reviewed the number, what methodology and assumptions were applied, and who approved its submission.

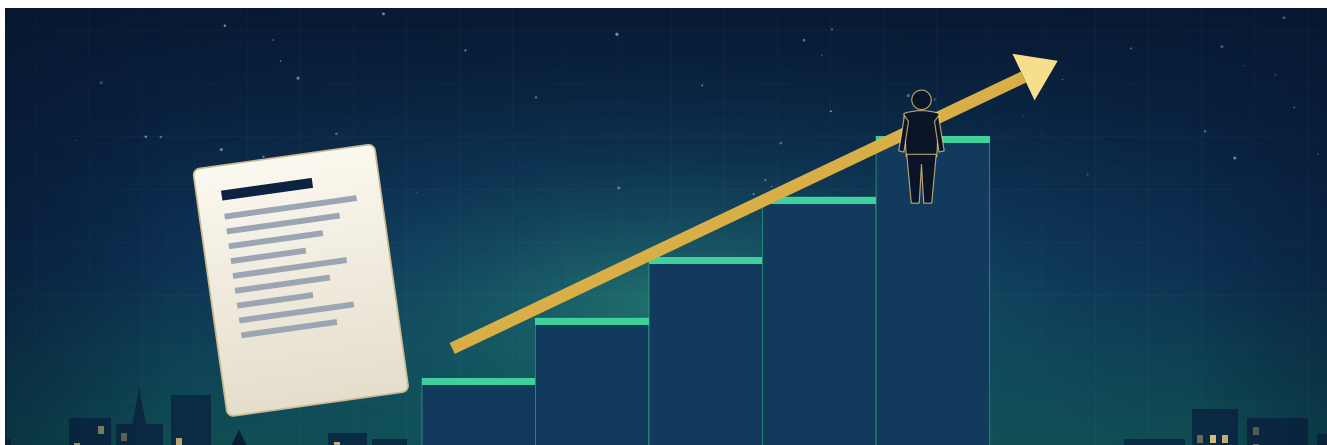
Where Reporting Ends and Accountability Begins

Sign-off does not mean certainty. Sustainability disclosures, particularly Scope 3 emissions, often rely on estimates, assumptions and external data. Accountability means applying a reasonable and consistent methodology, maintaining adequate evidence and subjecting significant judgements to proper review. As with estimates in financial reporting, uncertainty does not make a number ownerless.

A material sustainability disclosure should leave a clear trail showing who prepared it, what evidence supported it, how significant movements were investigated and who approved it. The objective is not to eliminate uncertainty, but to ensure the organisation can **explain and defend why the reported number was considered reasonable**. Without that chain, a company may publish the disclosure, but it cannot demonstrate with the same confidence why the number should be trusted. ■

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

From Compliance to Value Creation: The CFO's Role in a Changing Finance Function

Sustainability reporting asks a question financial statements never had to answer: will this business still be competitive tomorrow? CFOs are best placed to answer it.

BY KAMIL RAHIM, ACA

Financial reporting has traditionally given stakeholders accurate, transparent information about a business's financial performance and position. What it has said far less about is how the company will perform, and whether it will remain competitive, in the years ahead.

As financial reporting has evolved, the need for sustainability information has become not only recognised but confirmed: information that explains how a business will keep its edge and survive over the long term. Before looking at how sustainability reporting is reshaping businesses, it is worth understanding how sustainability itself affects them.

Whatever the sector or region, sustainability determines how long a company will remain competitive and, ultimately, operational. It decides whether the goods or services the company supplies will remain in demand; whether the inputs it relies on will continue to be available; whether the key employees who run the business will stay; and whether its climate and geographical location will remain viable places to operate.

In many jurisdictions, companies are now required to disclose sustainability information. In

Pakistan, the SECP has directed that sustainability disclosure standards be adopted in three phases, covering all listed and public interest companies.

More than a Compliance Exercise

Beyond meeting mandatory disclosure requirements, sustainability reporting gives companies the opportunity to identify, understand and respond to sustainability-related risks and opportunities. In the process of collecting and reporting the information, companies encounter those risks and opportunities throughout the value chain, arising from the effect they have on their resources and relationships at each stage. On one side, this reveals ways to make processes more efficient and cost-effective. On the other, analysing the product portfolio from a sustainability perspective can inform new product development and help companies find new markets. Sustainability, and its reporting, extends beyond the organisation to the entire value chain, from vendors through internal operations to customers.

The CFO as Chief Transformation Officer

Moving from "financial reporting" to "financial and sustainability reporting" requires companies to transform their reporting processes.

Identifying and disclosing sustainability information can be challenging: what to disclose, where and how are all open questions.



CFOs must step up as Chief Transformation Officers and use their expertise to steer this process, turning a chaotic compliance burden into a strategic advantage.

As leaders of the finance function, CFOs must play a pivotal role in leading this transformation and meeting the organisation's goal of disclosing sustainability-related financial information. Not every sustainability-related risk or opportunity applies to every company; they vary with industry, operating model, location and other factors. Once the relevant risks and opportunities have been identified, the material information about them must be determined. This is where CFOs step in, because they understand how to evaluate sustainability risks through a financial lens.

Sustainability reporting serves the information needs of various stakeholders, but its primary purpose is *to meet the information needs of investors and potential investors*. CFOs should therefore guide which information is material enough to disclose, focusing on the metrics that matter most to investors and other stakeholders.

A company's sustainability information is of little use to stakeholders if it is not linked to financial performance. CFOs need to ensure that *the sustainability report communicates the link between sustainability management and the company's financial performance*. They can tie sustainability metrics directly to capital allocation and corporate value. Connecting sustainability information to the financial statements helps show stakeholders

how sustainability-related risks and opportunities affect the company's ability to generate returns.

CFOs must step up as Chief Transformation Officers and use their expertise to steer this process, turning a chaotic compliance burden into a strategic advantage. They already manage complex, auditable data systems for financial reporting. And as the executives who lead the external audit relationship, they are well positioned to obtain assurance over sustainability-related financial information.

AI and the Future Finance Function

If one thing defines the era we are living in, it is the development of AI and the continuous change it brings. Automating finance processes with AI can generate strong returns. To maximise them, however, the finance function must first understand what it wants from automation and how far its processes can be automated. Desired outcomes may range from fewer errors and shorter period-end closes to the capacity to support business growth. For automation to add real value, those outcomes should be defined in advance.

Finance leaders also need to consider how roles and jobs may change, and how the change can benefit everyone. Where processes are automated, it is important to plan how the freed capacity will be used; it can be redirected to reviewing workflows and investigating exceptions. Clearly communicating new roles and job descriptions will help leaders achieve the long-term objectives of automation. The aim of AI-driven automation need not be downsizing. The capacity created can instead be invested in developing new skills across the workforce.

AI, and how it is used for automation or otherwise, is ultimately a matter of sustainability too. Companies and finance functions must adapt to the changes AI is bringing if they are to remain sustainable and competitive. ■

Kamil Rahim, ACA

The writer is an Associate Chartered Accountant working as Lead Statutory Reporting at Highnoon Laboratories Limited.



SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

The Chief Financial Officer as Chief Transformation Officer

Revenue is up but profit isn't. An accountant reports the numbers; a CFO finds out why. That instinct is what makes finance the natural home of transformation.

BY MUHAMMAD AQIB, FCA

The role of the Chief Financial Officer (CFO) has changed markedly in recent years. CFOs once concentrated on financial reporting, cash management, budgeting, forecasting, audits, compliance and risk control. These remain vital areas for any organisation, but expectations of the CFO have grown significantly. Organisations now want CFOs to be strategic leaders rather than custodians of financial information: leaders who help the organisation adapt to, and survive, economic change, shifting customer demands and technological advances.

This evolution has created a new requirement. The CFO must now also act as a Chief Transformation Officer (CTO), reshaping the organisation to achieve sustainable growth, greater efficiency and a sharper focus on innovation and future strategy.

From Custodian of Financial Information to Strategic Thinker

In the past, CFOs were regarded as custodians of financial information. They prepared financial statements in line with accounting standards, controlled expenditure, managed cash-flow requirements and ensured compliance with corporate governance requirements. Today's

business environment is far more complex and dynamic. Companies face rising raw material costs; a wider range of financing options; multiple ERP systems; new data intelligence tools such as artificial intelligence, business intelligence and data analytics; supply-chain disruptions that geopolitical uncertainty has made commonplace; and stiff competition driven by changing customer demands. All of these factors shape business performance and how the organisation operates. Financial information alone cannot guarantee a company's survival. Companies need leaders who can connect financial information with operational needs and future strategy.

Why the CFO?

The question, then, is who in the organisation is best suited to this role. The CFO is well positioned because the finance department interacts with almost every other department, and virtually every decision eventually has a financial impact. Changes to sales policy, remuneration decisions in human resources, investment decisions, procurement needs and changes to the ERP system all end up in the numbers. As a result, the CFO has visibility of decisions taken across the organisation.

Suppose revenue from a product is rising significantly, yet its bottom line is not. An accountant will report the numbers; a CFO will investigate the causes, whether rising raw material costs, production inefficiencies, financing costs or something else. The CFO will then work with all the relevant stakeholders on a plan to ensure that higher revenue also improves the product's profitability.



An accountant will report the numbers; a CFO will investigate the causes, whether rising raw material costs, production inefficiencies, financing costs or something else.

The CFO should also work with the information technology department to ensure the ERP system is used properly, so that repetitive tasks are eliminated and good-quality data is available quickly. This lets the team spend more time on analysis and less on preparing information. Similarly, the CFO can work with other departments to ensure the system actively supports their work, which includes providing adequate funds for the training they need to use the ERP system to its full potential.

New tools such as artificial intelligence can improve forecasting and deepen customer analysis. The CFO can support these initiatives by ensuring funding is available and by establishing governance mechanisms and controls.

As CTO, the CFO should also carry out a proper risk assessment. Sensitivity analysis, contingency planning and internal controls should be updated wherever required, so that appropriate checks and controls operate at every stage.

Transformation is not always about introducing new initiatives. Existing systems can be revisited and redesigned to add more value. Using existing information, the CFO can identify surplus inventory and processes that cause delays, then bring departments together to improve inventory

levels. This supports smooth production while reducing working capital needs and storage costs. The CFO's involvement in every aspect of the organisation is precisely what creates the opportunity to become its CTO.

Securing Buy-In from Every Stakeholder

The most important task of the CFO as Chief Transformation Officer is change management. Transformation is never confined to one department. The CFO must align and collaborate with the Chief Executive Officer, the head of human resources, business unit and supply-chain leaders, and employees throughout the organisation. That requires deep business knowledge and excellent communication skills, so that the CFO can influence decisions and see them implemented.

The CFO must translate complex financial information into clear deliverables while understanding operational challenges. Financial performance is ultimately driven by people, customers, products and strategic choices. A CFO acting as CTO must connect all of these dots.

A Clear Mandate to Deliver

The evolution of the CFO into a CTO is one of the most important developments in recent times. It carries the responsibility of combining financial discipline with strategic goals. By drawing on every resource available (allocation of funds, effective use of ERP systems, risk management at all levels, tools such as artificial intelligence, data analytics and supply-chain systems, and support for talent), the CFO as CTO becomes one of the company's key leaders, looking not only at performance but also at sustainability. In a climate of uncertainty, stiff competition and conflict in the Gulf region, organisations that empower their CFO to act as CTO can gain a significant advantage and, over the longer run, sustain the performance expected of them. But the CFO can achieve these goals only with a clear mandate from all relevant stakeholders. Lines of communication should be clearly defined, authority levels properly mandated, and the CFO genuinely empowered to deliver. ■

Muhammad Aqib, FCA

The writer is a Fellow Chartered Accountant working as Chief Operating Officer, Venus Corporation.



SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

The CFO's New Mandate in a Transforming Business

AI agents, zero-trust security and climate rules with legal teeth: the forces reshaping business all land on the CFO's desk. The CFO of the future won't just measure performance, but shape it.

BY **SHAZIA GHAFOR, ACA**

Organisations today are undergoing massive transformation driven by technological innovation, and the CFO's role is evolving with it. The most successful CFOs are those who can balance their traditional mandate with bold transformation, envisioning the art of the possible and creating value.

Companies are moving from basic AI experimentation to full operational execution. AI agents now handle complex, multi-step tasks across departments such as finance and HR with minimal human involvement. Conventional software such as ERP systems is being replaced by more flexible platforms fully integrated with AI. Digitalisation and AI integration, alongside hybrid work and cloud migration, have made security a primary boardroom concern, and organisations are overhauling their IT architecture to adopt zero-trust security frameworks that continuously verify every user and device. Environmental, social and governance (ESG) standards, meanwhile, have shifted from optional public

relations to strict legal and financial requirements. New global climate reporting rules mean greenwashing carries direct legal liability, forcing companies to track and reduce emissions transparently.

Traditional CFOs looked mainly at the numbers to explain what happened in the past. Today's CFOs are expected to look ahead: to anticipate what is coming, identify emerging risks and opportunities, and help shape the future of the business.

The modern CFO is a strategic co-pilot and change agent who drives enterprise-wide transformation and reimagines how the finance function operates, delivers value and supports strategic decision-making across the enterprise. That transformation spans process redesign, technology adoption, organisational restructuring and cultural change, all aimed at creating a more agile, data-driven and strategic finance function.



The CFO of the future will not simply measure the performance of the business, but help shape it.

Before building a roadmap, the modern CFO needs a clear view of where the finance function stands on process automation, data quality, reporting capability and team readiness.

Core Areas of Focus

Automation: Streamlining routine tasks such as invoicing and the financial close to free talent for high-value analysis.

Risk management: Reassessing new financial and digital risks in a rapidly changing technological landscape.

Operating models: Redesigning finance workflows so they scale smoothly as the business grows, without adding complexity.

Strategy and growth: Powering growth through strategic capital allocation.

Finance transformation: Making finance the engine of enterprise transformation.

Artificial intelligence: Embedding AI in how the finance function delivers.

Transparency in financial reporting: Raising the bar on the transparency of financial information.

The modern CFO must have a clear view of where the business is heading. As head of a finance function that **sits at the core of the business**, the CFO connects strategy with execution and provides the financial insight needed to turn business ambitions into measurable results.

The CFO's Key Roles in Transformation

Strategy designer: Partnering with the CEO and other executives to design business strategy rather than simply approving budgets.

Data governor: Establishing a single source of trusted data that enables real-time, predictive analytics instead of reliance on hindsight.

Technology investor: Evaluating, funding and measuring returns on digital initiatives such as cloud migration, automation and AI.

Change agent: Overseeing the operational and cultural shift needed to make digital and financial transformation succeed across the organisation.

Value creator: Moving beyond simple cost-cutting to build clear business cases focused on long-term return on investment (ROI) and new revenue streams.

The modern CFO should **embrace transformation as a change enabler**, using financial insight, data and technology to support strategic decisions, improve performance and create long-term value. The CFO should also build strong partnerships with the CEO, business leaders and teams to align financial strategy with overall business objectives.

Do's for the CFO in Transformation

- Allocate funds to the best-performing strategies.
- Redesign financial workflows and automate transactional tasks.
- Collaborate across departments to ensure transparent performance reporting and to surface bad news early.
- Invest in upskilling, and recruit data-fluent talent to handle emerging technologies such as automation and AI.

Don'ts for the CFO in Transformation

- **Don't lose track of strategy:** avoid wasting critical time on brand-new analyses when core transformation goals are already defined.
- **Don't limit the role to cost-cutting:** resist treating transformation as a simple budget-reduction exercise rather than a long-term driver of enterprise value.
- **Don't ignore change management:** do not neglect the operational risks, cultural resistance and internal control changes that new systems bring.
- **Don't chase tech hype blindly:** avoid investing in fashionable innovations that do not fit the fundamental business strategy and culture.

The modern CFO builds a culture of data-driven decision-making, accountability, collaboration and continuous improvement. The ability to translate complex financial information into clear business insight enables leadership teams to make

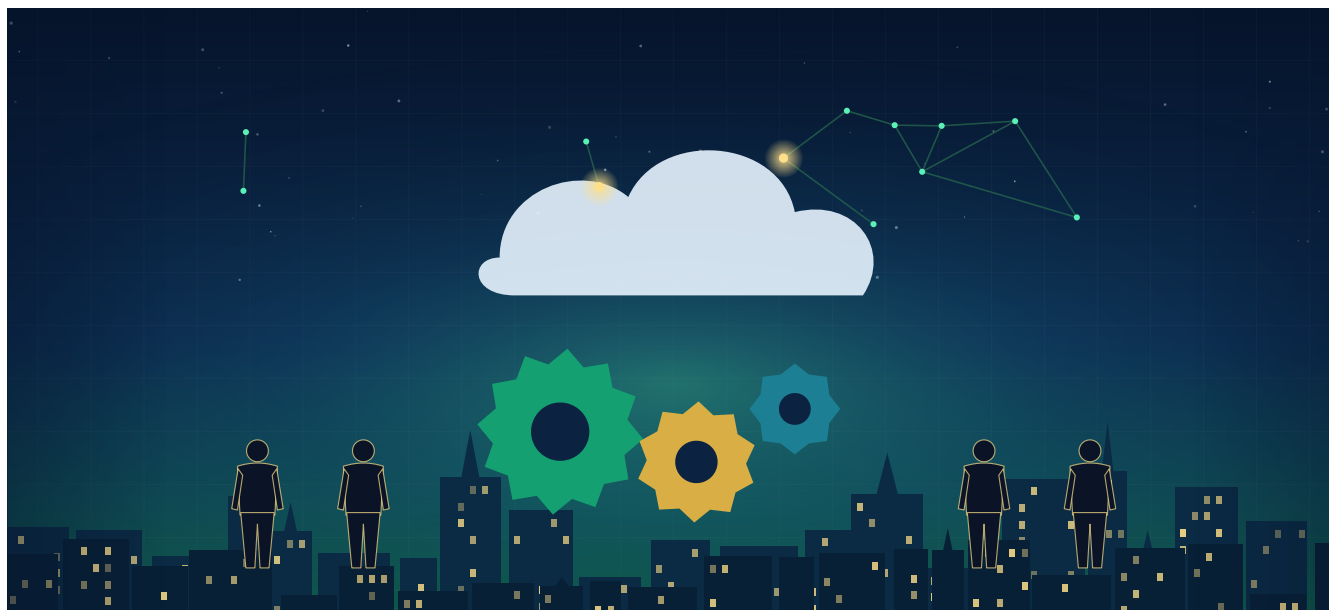
informed decisions and turn uncertainty into opportunity.

In many ways, the CFO role has become the proving ground for future CEOs, blending financial expertise with strategic leadership, innovation and transformation. Ultimately, the

CFO of the future will not simply measure the performance of the business, but help shape it. As the boundaries between finance, strategy, technology and operations continue to blur, the CFO's role as a catalyst for transformation will become ever more central to long-term success and value creation. ■

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SUB-TOPIC 03 · THE CFO AS CHIEF TRANSFORMATION OFFICER

Building the Business of Tomorrow Through Digital Innovation, Cultural Change and Value Creation

Moving to the cloud is not transformation. Changing how people work is, and the CFO is best placed to lead it. A practical toolkit in six frameworks.

BY JALAL ANWAR BROHI, ACA

Business transformation happens where technology, people and culture meet. It is not simply a technology exercise, and it takes far more than moving infrastructure to the cloud to save money and raise productivity. The true objective, and the true reward, is creating innovative, contemporary ways of working; a culture of creativity, adaptability and speed, built on 21st-century methods.

The Chief Financial Officer is no longer only a balance-sheet steward and risk manager; today's CFO is, in effect, the Chief Transformation Officer (CTO). Operating at the confluence of modern enterprise strategy and cross-functional leadership, the CFO as CTO promotes organizational agility, accelerates digital development and converts business strategy into

demonstrable operational value. By combining data-driven capital allocation with a proactive mandate for disruption, CFOs are uniquely positioned to remove functional silos, support innovation and steer the company through continuous enterprise-wide change.

“

It is not simply a technology exercise, and it takes far more than moving infrastructure to the cloud to save money and raise productivity.

The Business Challenges of Digital Transformation

Challenge Area	Key Cause	Business Impact
Strategy & Culture	• Cultural Resistance to Change	• Employees often stick to established workflows. A lack of change management leads to poor adoption rates and internal friction.
	• Siloed Leadership & Alignment	• Misalignment between IT, finance and business units results in competing priorities. Without a clear executive mandate, initiatives stall.
	• Unclear Vision & Strategy	• Transforming without clear KPIs or defined outcomes leads to technology adoption for its own sake rather than driving specific business value.

Challenge Area	Key Cause	Business Impact
Technology, Talent & Finance	- Legacy Systems & Technical Debt - Talent & Skills Shortages - Cost Management & Delayed ROI	- Integrating modern digital tools with rigid legacy infrastructure is often costly, complex and slow. - Securing skilled personnel in areas like cloud architecture, cybersecurity, data analytics and Artificial Intelligence / Machine Learning remains a bottleneck. - Digital initiatives require heavy upfront investment. Demonstrating quick wins alongside long-term value creation is a constant financial challenge.
Governance & Risk	- Cybersecurity & Data Privacy - Data Quality & Fragmentation	- Expanding digital footprints and cloud integrations increase surface area for security threats and regulatory compliance issues. - Disparate data sources across legacy applications prevent companies from leveraging unified analytics or real-time decision-making.

How the CFO's Focus Is Shifting

Focus Area	Legacy CFO	Evolving CFO as CTO	Key Actions & Strategic Values
Value Creation	Cost control & budget enforcement	Identify New Business Value	- Spot emerging revenue streams - Uncover unmapped market opportunities - Build high-margin business models
Leadership Scope	Financial stewardship & reporting	Drive Business Change	- Lead cross-functional enterprise strategy - Guide organizational restructuring - Direct cultural transformation
Risk Management	Static annual budgeting	Prepare for Volatility	- Execute continuous dynamic forecasting - Conduct deep scenario planning - Deploy agile capital allocation
Technology Role	Back-office IT cost center	Explore New Technologies	- Deploy modern digital tools - Leverage predictive analytics - Drive enterprise-wide automation

Case Study: Amazon

Core vision

- Mission:** "Earth's most customer-centric company"
- Strategic Objective:** "Building data-driven companies that reinvent with customers"

Transformation timeline

Year	Key Launch / Milestone	Category / Focus
1998	amazon.com	E-commerce expansion beyond books into general retail.
2005	Amazon Prime	Subscription loyalty model offering fast, free shipping.
2006	AWS (Amazon Web Services)	Enterprise cloud computing infrastructure.
2007	Amazon Kindle	Hardware ecosystem and digital publishing platform.
2014	Amazon Alexa	Voice AI ecosystem and smart home integrations.

Key business takeaways for the CFO as CTO

- Continuous Portfolio Diversification:** Amazon shifted from an online bookstore to a diversified conglomerate covering retail, cloud services, digital hardware and artificial intelligence.
- Capitalizing on Internal Strengths:** Projects initially built to solve internal needs (like AWS for computing infrastructure) were commercialized into standalone, highly profitable business units.
- Ecosystem Lock-In:** Each transformation milestone reinforced customer retention by

building a broader ecosystem of interconnected services.

Four Pillars of Digital Value Creation

The matrix below illustrates four core strategic pillars for **creating value in a digital enterprise**, mapping each pillar to real-world corporate examples:

Value Pillar	Real-World Corporate Examples	Strategic Focus
Connect customers to services	Uber, Airbnb	Platform Economics: Serving as digital intermediaries that connect demand directly with supply without owning traditional physical assets.
Accelerate buying or usage	AdRoll, Capital One	Frictionless Engagement: Utilizing targeted digital marketing, automated approval flows and seamless transaction channels to speed up customer acquisition and service consumption.
Improve customer experience	Amazon, John Deere	Smart Ecosystems: Integrating digital platforms, IoT and personalization (e.g., automated retail, smart farming data) to enhance end-to-end user satisfaction and retention.
Drive operational excellence	VF (VF Corporation), GE (General Electric)	Process Optimization: Digitizing supply chains, leveraging industrial IoT and applying predictive maintenance to streamline back-end operations and lower cost structures.

Evolving the Operating Model: Today and Tomorrow

This matrix illustrates a strategic shift in organizational operations, comparing traditional legacy frameworks ("**Today**") with modern, digitally transformed operating models ("**Tomorrow**"). ■

Operating Dimension	Today (Legacy Model)	Tomorrow (Target Digital Model)	Strategic Evolution
Core Objective	Focus on stability	Customer Centric	Shifts priority from internal predictability to meeting dynamic customer needs.
Decision-Making	Top down	Data driven	Replaces hierarchical authority with real-time analytics and data insights.
Structure	Functionally siloed	Cross functional	Breaks down departmental barriers to foster integrated, end-to-end teamwork.
Architecture	Vertical Integration	Horizontal Integration	Moves from rigid, isolated systems towards connected, scalable platforms across the enterprise.
IT Model	Centralized IT	Business-led tech	Transitions technology ownership from a siloed IT department directly into business units.
Performance Driver	Operational excellence	Innovation and agility	Replaces pure cost control and static execution with rapid iteration and market adaptability.

The CFO's Transformation Road Map

Transformation Phase	Focus Areas	Key Action Items	Strategic Objectives
Phase 1: Strategic Alignment	Technology Strategy Architecture & Buy/Build	Work backwards from your strategy Prioritize your Transformation Journeys Focus on differentiation Build what differentiates you Buy what doesn't differentiate you	Align tech investments directly with corporate goals and sequence by ROI. Focus proprietary engineering on core IP while leveraging SaaS for commodity functions.
Phase 2: Cultural Enablement	Leadership & Culture Team Structure	Champion new ways of working Ensure culture supports innovation and agility Constant Exec messaging Small cross-functional teams with access to technology	Break legacy habits, foster adaptability, and keep executive vision top-of-mind. Empower autonomous pods with digital tools to remove operational friction.

Transformation Phase	Focus Areas	Key Action Items	Strategic Objectives
Phase 3: Execution & Scaling	Proof & Acceleration Scale & Ecosystem	Sponsor "Lighthouse" projects Celebrate quick wins & recognize new heroes Build Partnerships and Eco-systems	Prove value early with high-impact pilots and build momentum through recognition. Collaborate with external vendors and cloud partners to sustain long-term evolution.

Lead by Example: Digital CFO as CTO

Strategic Pillar	Core Focus	Key Actions & Capabilities
Timely, actionable insight	Modernizing data analytics and intelligence	• Accelerate time to insight using process automation. • Empower teams with self-service and predictive analytics. • Establish a shared single source of truth as data steward. • Explore assetisation and monetization of enterprise data.
Agile business support	Accelerating decision-making and execution	• Shift to continuous closing to deliver real/near real-time reporting. • Drive rapid process changes and new service delivery. • Shorten time to value for M&A, divestitures and restructuring.
Streamlined operations	Eliminating operational friction and manual tasks	• Automate repetitive tasks to boost departmental efficiency. • Standardize internal workflows with digital tools. • Leverage automated monitoring and alerts for compliance and risk.

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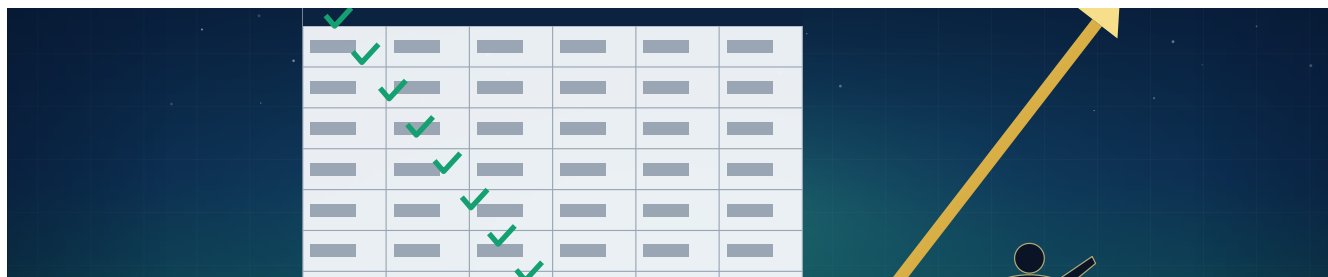
SUB-TOPIC 04

04 Skills Every Accountant Will Need by 2030

The student who starts articles this year will qualify around 2030. Twelve contributors, from Karachi to the Netherlands and the Gulf, map the capabilities that will matter by then, and the ones that never go out of date.

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

When Machines Do the Numbers: What Will Accountants Do Next?

Somewhere right now, a spreadsheet is closing itself. That isn't the end of accounting. It's a promotion.

BY MASOOD ZAMAN, ACA

Somewhere right now, a spreadsheet is closing itself. No coffee breaks, no typos, no muttering about the trial balance not balancing at 11 p.m. It's a little humbling if you've built a career on being the human who never let a decimal point out of place. But here's the twist nobody saw coming: the robots taking over the busywork might be the best thing that ever happened to accountants.

For decades, the profession ran on a simple promise: be accurate, be thorough, be the person who can make the numbers behave. That promise is being quietly rewritten. Machines are faster at reconciliation, tireless at data entry, and unbothered by tax season. What they can't do is care, judge, or explain. And that, it turns out, is the whole job now.

So no, accounting isn't dying. It's shedding its skin. The accountants who thrive by 2030 won't be the ones who out-compute the software (that fight is already lost and, honestly, good riddance). They'll be the ones who out-think it. Here's what that actually requires.

1. Fluency with AI, not Fear of It

You don't need to write code. You need to stop flinching every time someone says "AI" in a meeting. The accountants pulling ahead are the ones who treat AI like a very fast, occasionally overconfident junior colleague: useful, tireless, and absolutely not to be trusted unsupervised. Learn to prompt it, question it, and catch it when it's wrong with total confidence, because it will be.

The accountants who refuse to touch these tools aren't protecting their integrity; they're just going to be slower than everyone else in the room.

2. Data Analytics, Because Numbers Without Meaning Are Just Noise

Anyone can generate a report now. Software spits them out on command. What software still can't do (not really, not with conviction) is look at a dip in Q3 margins and say, "this is going to be a problem in February, here's why, and here's what we should do about it." That's not a formula. That's pattern recognition married to instinct, and it's becoming the most valuable currency in the profession. Learn to read a dashboard the way a detective reads a crime scene: looking for what's missing, not just what's there.

3. Judgment, the One Thing No Algorithm Can Fake

Here's the uncomfortable truth about AI: it's brilliant at being consistent and terrible at knowing when consistency is the wrong move. It doesn't lose sleep over an ambiguous transaction. It doesn't feel the weight of signing off on something that could blow up a client's year. You do. That discomfort, that willingness to pause, question and take responsibility, is not a soft skill. It's the last line of defense, and it's entirely, stubbornly human. Guard it fiercely.



Some jobs get automated away. This one's getting promoted.

4. Advisory Skills, Because Nobody Hires a Printer

The accountants who get invited back into the room aren't the ones with the tidiest ledgers; they're the ones who can look a nervous business owner in the eye and say, "Here's what's actually happening, and here's what I'd do." Advisory work is where the profession's future income, influence, and job security are quietly relocating. If you can translate financial chaos into a plan a human being can act on without a finance degree, you're not a bookkeeper anymore. You're a trusted advisor. That's a very different, and much better, career.

5. Systems Thinking: Learn to See the Whole Machine

Modern finance doesn't live in one spreadsheet anymore; it lives across a tangle of software that all has to talk to each other correctly. Understanding how these systems connect, and where a small change in one quietly wrecks something in another, is becoming as important as understanding debits and credits. Think of yourself less as an accountant and more as the person who keeps the whole financial nervous system from misfiring.

6. Governance and AI Oversight: The Profession's New Backbone

Somebody has to watch the watchers. As AI takes over more transactional work, a new and slightly ironic job is emerging: making sure the machines are behaving. That means building checkpoints, demanding transparency from automated outputs, and refusing to let "the AI did it" become an acceptable excuse for a mistake. This isn't glamorous work, but it's the kind that keeps companies out of headlines for the wrong reasons, and it's quickly becoming one of the most respected corners of the field.

7. Communication: Never Optional, Only Underrated

Here's the plot twist: as machines get better at math, the profession is getting more human, not less. The tasks that remain are disproportionately about people: calming a panicked client, negotiating a tough vendor conversation, explaining a six-figure mistake with grace instead of jargon. No algorithm has ever talked someone off a ledge during a cash-flow crisis. That's still you. That has always been you. It just used to get buried under spreadsheets. Now it's the headline act.

8. the Willingness to Keep Learning, Forever

This is the skill underneath all the other skills, and it's the least glamorous and most essential one on the list. The tools you master this year will look outdated in three. The credential you're proud of today is a floor, not a finish line. The professionals who last aren't the ones who learned the most once; they're the ones who never fully stopped. Curiosity, it turns out, ages better than any certification.

The Good News Nobody Tells You

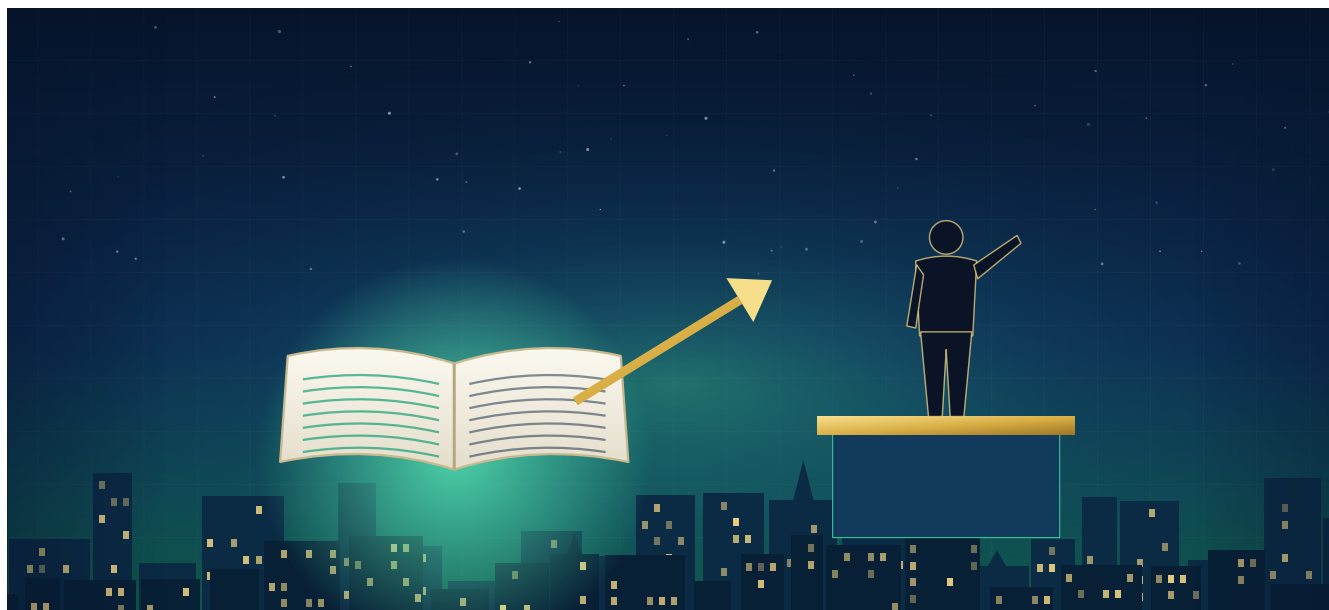
Here's what the doom and gloom headlines miss: this isn't the story of accounting being replaced. It's the story of accounting finally getting to grow up. For too long, brilliant, sharp-minded people spent their careers buried in tasks that a script can now do in seconds. That's not a loss. That's a rescue.

By 2030, the best accountants won't be remembered for how fast they closed the books. They'll be remembered for the calls they made when the numbers got messy, the advice that steered a business through a hard year, and the judgment nobody could automate. The machines can have the spreadsheets. The wisdom, the nerve and the trust: that's still ours to earn.

So, build the skills. Learn the tools. But don't mourn the parts of the job that are disappearing. Some jobs get automated away. This one's getting promoted. ■

Masood Zaman, ACA

The writer is an Associate Chartered Accountant working as Group Director Finance at a leading Media Group in Pakistan.



SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

From Ledgers to Leadership: Skills Every Accountant Will Need by 2030

"Beta, this profession doesn't change," a partner once said. He was a brilliant accountant. He was also wrong.

BY **CEZZANNE ALI, ACA**

Early in my articleship at a Big Four office in Islamabad, a partner once told me, half-joking, "Beta, this profession doesn't change. Numbers were numbers in 1980, and they'll be numbers in 2080." He was a brilliant accountant. He was also wrong. I've thought about that line often, especially now, working as a financial statement audit manager in the Netherlands, where I regularly see the finance function of large multinationals grappling with disclosures that go well beyond the traditional balance sheet. Having started my career in Pakistan and moved through different markets since, I've watched the same profession evolve at different speeds in different places. But the direction of travel is unmistakable, even where the pace of change varies.

The ledgers haven't disappeared. Everything around them has changed shape.

The Slow Realization

The shift didn't arrive with a bang. It crept in through small moments: a client's finance team

asking how confident they could be in numbers that used to sit entirely outside the audit's traditional scope; a junior colleague more fluent in automation tools than in manual reconciliations; a board discussion where "materiality" suddenly meant more than just financial thresholds.

That was when "future skills" stopped being a training-slide buzzphrase and became a professional survival plan, for me and for the members coming up behind me. Business reporting is expanding, and with it, the definition of what it means to be a competent, credible accountant. Our core promise, a "true and fair view" the market can trust, hasn't changed. But the range of evidence we're expected to understand and challenge has grown considerably.

So what does an accountant actually need in their toolkit by 2030? Not a wish list. A working reality.

1. Broader Reporting Literacy

Every accountant has heard of ESG and sustainability reporting by now. Fewer are comfortable engaging with how these new disclosures interact with, and increasingly influence, the financial statements we audit and prepare: impairment assumptions tied to climate risk, going-concern judgments shaped by transition plans, provisions linked to regulatory commitments. You don't need to become a sustainability specialist to remain relevant. You do need enough fluency to ask the right questions and recognise when non-financial assumptions are quietly driving financial outcomes. Pakistani businesses exporting to global markets are already feeling this pressure from buyers and lenders; it will only intensify.

2. Data Fluency

I once dismissed "data analytics" as a buzzword invented to sell dashboards. I was wrong. The accountants doing well today are the ones who can take a messy dataset, isolate the outlier that matters, and explain what it means, not just what it says. By 2030, comfort with tools like Power BI, basic SQL, and AI-assisted analytics won't be a specialization; it will be the baseline, the way Excel was for my generation.

3. Technology and AI Judgment

Generative AI can already draft a memo or flag inconsistencies in a trial balance. What it cannot do is exercise professional judgment or take accountability for an opinion. The accountants who matter most in 2030 won't be the ones who resist these tools out of fear, or the ones who trust the output blindly. They'll be the ones who use AI as a rigorous first draft, then apply the scrutiny only a trained, skeptical professional can provide. That combination, technological fluency paired with stubborn professional skepticism, is becoming the real differentiator.



The ledgers haven't disappeared. Everything around them has changed shape.

4. Strategic and Advisory Thinking

Compliance work is being automated, and that's not a tragedy. It frees us for the part machines can't do: advising a family business on restructuring before a generational handover, or helping a growing SME understand what its cash flow trends mean for next year. Businesses no longer want an accountant who simply reports what happened. They want a partner who can interpret what's likely to happen next. That demands commercial acumen and the confidence to sit at the table where decisions are made, not just where they're recorded.

5. Ethical Grounding in Fuzzier Territory

As reporting expands into subjective, forward-looking estimates, the room for manipulation expands too. Estimating a long-term transition risk or a contingent liability tied to future regulation is nowhere near as clean as reconciling a bank statement. This is exactly why ethics, always the foundation of our qualification, matters more, not less. The accountants trusted in 2030 will be the ones who hold a firm line even when the numbers are fuzzier and the pressure to please a client is real.

6. Cross-Disciplinary Communication

I've sat in meetings where an auditor, a risk specialist, and a data analyst described the same issue in three different vocabularies, and nobody understood each other for twenty minutes. The accountant of 2030 needs to be a translator, someone who can take technical financial information and explain it clearly to a board or investor who doesn't share our training. It's a harder skill to build than most technical ones, and just as valuable.

Why This Matters for Pakistan

Pakistan's economy is at an inflection point. Exporters need to meet rising reporting expectations to stay competitive in global supply chains. Banks are beginning to factor broader risk considerations into lending decisions. Having seen how quickly expectations can shift once regulators and markets move, I'd argue Pakistani accountants have a genuine advantage in preparing early rather than reacting late.

ICAP members have historically adapted well to change, from IFRS convergence to digital audit tools. This next transition, from being scorekeepers of financial value to trusted interpreters of a wider set of business risks, is not a threat to the profession. It's an invitation to become more relevant, not less.

The Ledger Never Really Changes, but We Do

That partner who told me numbers would always just be numbers wasn't entirely wrong. Debits and credits will still balance in 2030. What's changing is everything around that balance: what we're asked to understand, how confidently we can challenge it, and why the market needs our opinion in the first place.

The accountants who invest now in broader reporting literacy, data fluency, thoughtful use of

AI, advisory capability, and unwavering ethics won't just survive this transition; they'll define it. Somewhere in Pakistan right now, a young accountant is quietly learning to prompt an AI model the way my generation once learned to build a pivot table, and in five years, that habit will look less like a nice-to-have and more like the price of entry.

The businesses of 2030 won't just need someone to confirm that last year's numbers were correct. They'll need someone who can look at an uncertain, AI-assisted, half-financial and half-strategic picture and say, with earned authority, "here's what this actually means, and here's what I'd do about it." That is the accountant clients will call first. The numbers alone were never going to be enough. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

The CA of 2030: Skills for a Changing Profession

A student who starts articles this year will qualify around 2030. The job waiting for them will ask a question no textbook yet answers: so what does this number mean for the business?

BY **ADNAN MEHMOOD KHAN, FCA**

A student who registers for articles with an audit firm in 2026 may qualify as a Chartered Accountant around 2030 or 2031. The question we should be asking today is: what will that newly qualified CA actually be expected to do on entering the profession? The answer may look remarkably different from what many of us experienced at the start of our careers. Accounting, auditing, taxation and financial reporting will undoubtedly remain the heart, and the crown jewel, of the profession. But the environment in which Chartered Accountants operate is changing at a dramatic rate. Sustainability reporting, artificial intelligence, data analytics, cyber risk, robotic process automation and new assurance requirements are bringing new kinds of information into the boardroom, and accountants must be fully equipped to meet the needs of the decision-makers who rely on it.

Until recently, sustainability data was often treated as something separate from mainstream

financial reporting. A company might report its carbon emissions, energy consumption, water usage or social initiatives, while the finance team focused on the financial statements. That separation is now disappearing. Sustainability information can affect costs, cash flows, assets, liabilities, financing, investment decisions and the long-term viability of a business.

Consider a Pakistani textile company that reports annual electricity consumption of 10 million units and calculates the related carbon emissions. Because that figure will now be disclosed in the sustainability report, the accountant cannot simply accept it. The critical questions become: where did the 10 million units come from? Which meters were used? Who recorded the readings? Were any estimates made? What conversion factors were applied? Can the calculation be reproduced? These are essentially the same questions accountants have always asked about financial information. With that in mind, here are the skills every accountant will need by 2030.

1. Understanding Data and Its Controls

Financial information normally flows through established, automated systems such as SAP and other ERP and accounting software. Sustainability data may come from electricity bills, meter readings, production records, spreadsheets, suppliers and external consultants. The accountant therefore needs to understand the complete journey of a number, from its source to the final report. If a company says its carbon emissions fell by 9%, the accountant should ask whether production also fell, whether all factories and production units were included, and whether the company changed its calculation or conversion methodology.

This capability will matter all the more as Pakistan continues to digitalise. Tax information, invoices, banking transactions and other business data are increasingly generated electronically. The accountant of 2030 will need to be comfortable with data analytics, dashboards, automated controls and techniques that analyse entire populations of transactions rather than relying solely on traditional sampling. ICAP's Digital Assurance and Accounting Board is making commendable efforts here: cohort 21 of its data analytics training programme and cohort 7 of Mastering Intelligent Automation with Robotics & AI are currently under way.

2. Using AI Without Surrendering Professional Judgement

AI will become one of the most important tools for accountants and auditors. It can analyse thousands of transactions and identify unusual journal entries, which is particularly valuable in journal entry testing, a key procedure through which auditors gain comfort over an organisation's entire transaction ecosystem. It can also summarise large volumes of contracts, compare documents, identify trends and help prepare reports. The critical question is whether the accountant knows when AI output should be questioned.



The future CA is not just a number cruncher, but a translator of information into decisions, and of decisions into value.

Suppose an AI tool reviews 10,000 purchase transactions and flags 25 as unusual. The accountant cannot simply conclude on that basis that they are misstated. The accountant needs to ask why the system flagged them, what criteria were used, whether the underlying data was complete and whether there is a legitimate business explanation. This is the new normal, and a classic example of professional scepticism exercised in the era of AI.

Writing prompts may be relatively easy if you know your field, but judging the quality of the output will remain a professional responsibility. The accountant of 2030 must understand both the capabilities and the limitations of AI, while ensuring that professional judgement, ethics and accountability stay with the human professional.

3. Mastering Sustainability Standards

Accountants will need to understand sustainability standards with the same confidence they bring to accounting and auditing standards. IFRS S1 and IFRS S2 bring sustainability- and climate-related information closer to mainstream corporate reporting. Many of the underlying concepts, including governance, strategy and risk management, will be familiar. The canvas of information, however, will be different.

An accountant may need to understand Scope 1, 2 and 3 emissions, climate scenarios, transition plans and physical climate risks, and link each of them to financial consequences. Imagine a manufacturing facility in Sindh facing increasing flood risk. A sustainability report may simply state that flooding is a material climate-related risk, but the accountant should be able to work out the financial impact. If flooding halts production for 10 days, how much revenue could be lost? Could inventory be damaged? Would insurance costs rise? Would additional capital expenditure be required? Would the company's cash-flow projections need to change? Once these questions

are asked and answered, sustainability is no longer just an environmental issue; it becomes a financial, and ultimately a business, issue.

4. Understanding Technology, Cyber Risk and Controls

The finance function of 2030 will depend heavily on technology, creating a need to understand IT controls, cybersecurity, access management, system changes and data integrity. This does not mean the accountant must become a cybersecurity engineer, but he or she should be able to ask, and address, the basic questions. Who has access to the system? Who can change the data? Are changes authorised? Is there an audit trail? Are access rights reviewed regularly? What happens if the system is compromised?

5. Translating Information into Business Decisions

A sustainability report that is prepared, approved and filed away creates limited value. Its real value begins when the information changes a decision. Imagine a Pakistani manufacturer with Rs. 700 million available for investment. The board could invest the full Rs. 700 million in expanding an existing production line, or invest Rs. 250 million in energy-efficient machinery and solar power.

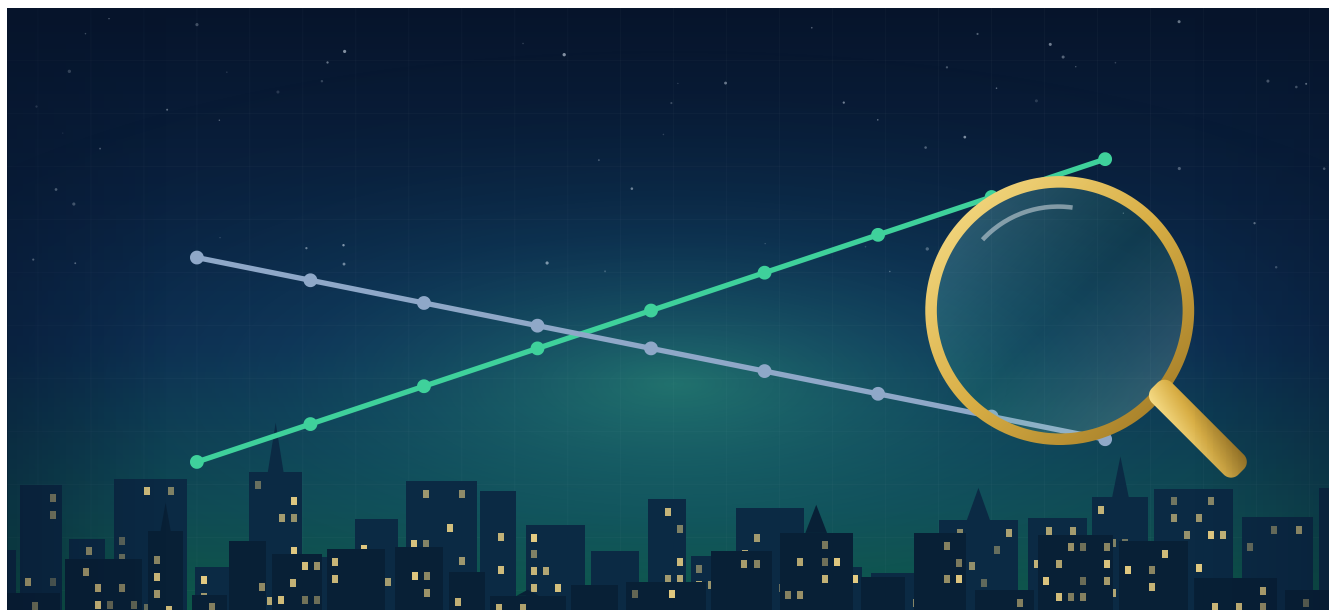
The board does not simply need to know that the second option is greener. It needs to know how much energy will be saved, what the annual cost saving will be, what the payback period is, what financing will be required, and how future energy prices and regulation could affect the decision.

This is where the accountant creates real value. Instead of simply reporting that carbon emissions fell by 11%, the accountant should be able to explain that a Rs. 250 million investment is expected to cut annual energy costs by approximately Rs. 25 million and, on the assumptions used, could pay for itself in around five years, and then explain the key assumptions and risks behind that calculation. That is the kind of professional value the accountant of 2030 should bring to the table.

The CA of 2030 will not be valuable simply for being able to prepare a report. The CA will be valuable for answering the question every board ultimately wants answered: “So what does this number mean for the business?” That may be the most important skill we need to develop in the next generation of Chartered Accountants. The future CA is not just a number cruncher, but a translator of information into decisions, and of decisions into value. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

The Next-Generation Accountant: Skills for a Changing World

Revenue up 15 percent, cash flow down. A reporting function prints both numbers. The accountant of 2030 finds out why, and what to do about it.

BY **WAQAS ALI, ACA**

Accountants have been associated with recording transactions, preparing financial statements, checking compliance and explaining what happened in the past. That description is becoming incomplete. By 2030, much of the repetitive work will be automated, while businesses will expect finance professionals to interpret data, challenge decisions, manage emerging risks and create confidence in information beyond traditional financial statements.

This transition is not speculative. The World Economic Forum's *Future of Jobs Report 2025* found that employers expect 39 percent of workers' core skills to change by 2030, with artificial intelligence and big data, networks and cybersecurity, and technological literacy among the fastest-growing skill areas. Technical accounting knowledge will remain the foundation, but professional value will increasingly depend on how that knowledge is combined with technology, judgment and business understanding.

Technology Fluency: Working with AI, not Against It

Artificial intelligence will probably have the most visible impact on accounting work. Tasks such as invoice processing, transaction coding, reconciliations, document extraction, variance identification and analytical review are increasingly capable of being automated. The competitive question is not whether accountants can calculate faster than machines; it is whether they can supervise technology intelligently.

A finance team closing monthly accounts, for example, may use an AI-enabled system to scan thousands of journal entries and identify unusual transactions. The accountant's responsibility then moves upward: assessing why an entry is unusual, determining whether it reflects an error, fraud risk or commercial event, and deciding what action is necessary. This requires understanding data quality, model limitations, privacy, controls and human review.

By 2030, accountants should be comfortable with advanced spreadsheets, enterprise systems, AI tools, robotic process automation and business-intelligence platforms. Knowledge of databases, data extraction and visualization will also be useful. Technology fluency will not replace accounting expertise; it will determine how effectively that expertise is applied.

Data Analytics: Turning Information into Decisions

Automation creates another change: when producing numbers becomes easier, explaining them becomes more valuable. Future accountants must move from reporting results to diagnosing performance.

Consider a company whose revenue grows by 15 percent while operating cash flow declines. A traditional reporting function may simply present both figures. A commercially capable accountant would investigate whether growth resulted from longer credit terms, aggressive discounting, slow collections, rising inventory or changes in customer mix. The accountant could then translate the analysis into actions involving pricing, credit policy, inventory management or working-capital targets.

Accountants will increasingly use dashboards and visualization tools to connect financial data with operational information such as customer behaviour, production volumes, procurement costs and market trends. The objective is not attractive charts. It is to identify relationships management can act upon. By 2030, the strongest finance professionals will convert large volumes of data into a commercial story.

Strategic Thinking and Business Partnering

As routine processing declines, accountants will move closer to business decisions. This requires broader understanding of strategy, markets, operations and risk.

A management accountant evaluating a new product should not stop at calculating its expected margin. The analysis may also consider competitor pricing, capacity constraints, foreign-exchange exposure, financing requirements, customer concentration and alternative uses of capital. Similarly, a CFO evaluating expansion into another country needs accountants who can

connect taxation, financial reporting, currency risk, cash flows and regulation with the commercial case.

This shift changes the accountant's identity from scorekeeper to business partner. Technical accuracy remains non-negotiable, but management increasingly needs professionals who can ask, "What does this number mean for the decision we are about to make?" Accountants who develop commercial awareness and scenario-analysis skills will be better positioned for leadership roles.



Technology can accelerate both good decisions and bad ones.

Sustainability Reporting: Expanding the Boundaries of Accounting

Corporate reporting is expanding beyond traditional financial measures. In June 2025, the IFRS Foundation reported that 36 jurisdictions had adopted, were using, or were finalising steps toward introducing ISSB sustainability disclosure standards. IFAC also embedded sustainability competencies into its International Education Standards, with revised requirements effective from July 2026.

The market is moving in the same direction. A study by IFAC and associated professional bodies covering 1,400 large companies across 22 jurisdictions found that 98 percent reported some sustainability information and 73 percent obtained assurance over at least part of those disclosures.

These developments create a practical field for accountants. A manufacturer may need to evaluate how carbon costs, water scarcity, energy prices or climate regulation affect production costs, assets, supply chains and future cash flows. Accountants can help establish measurement systems, strengthen controls over sustainability data, assess financial implications and support assurance. The discipline historically applied to revenue, inventory and provisions will increasingly be expected for material sustainability information.

Cybersecurity, Controls and Data Governance

Digital finance also creates vulnerabilities. Accounting departments manage bank accounts, payroll, supplier information, tax records, payment approvals and commercially sensitive data. Finance professionals can no longer treat cybersecurity as solely an IT responsibility.

Suppose a supplier appears to email revised banking details. If the request resulted from a compromised account, a payment may be correctly processed from an accounting perspective yet still become a financial loss. Accountants must understand access controls, segregation of duties, authentication, approval workflows, data protection and independent verification procedures.

The World Economic Forum identifies networks and cybersecurity among the fastest-growing skill areas through 2030. For accountants, this does not mean becoming cybersecurity engineers. It means understanding how digital risks affect financial control, audit evidence and organisational resilience.

Ethics and Professional Judgment in an Automated World

Paradoxically, greater automation will make human judgment more important. In July 2026, the International Ethics Standards Board for Accountants stressed that professional accountants remain responsible for judgments and decisions even when sophisticated technologies are used. Its guidance highlights risks arising from opacity, autonomy, dependence on data, scalability and speed.

An AI-generated tax interpretation, impairment assumption or audit explanation may sound convincing while containing incomplete reasoning. Accountants must verify evidence, challenge assumptions and recognize when technology is treated as more authoritative than it

deserves. Integrity, objectivity, confidentiality and professional skepticism remain essential because technology can accelerate both good decisions and bad ones.

Communication, Influence and Adaptability

The accountant of 2030 must communicate beyond finance. Boards, investors, regulators, engineers and operational managers do not need accounting jargon; they need implications.

When presenting an impairment assessment, an effective accountant should explain which assumptions drive the valuation, how sensitive the result is to changes, and what management should monitor. This requires clear writing, presentation, negotiation and confidence to challenge senior stakeholders constructively.

Adaptability ties every future skill together. Standards, regulations, technology and business models will continue changing. Accountants who treat qualification as the end of learning will struggle; those who continuously update their capabilities will remain valuable across reporting, audit, advisory, risk and leadership roles.

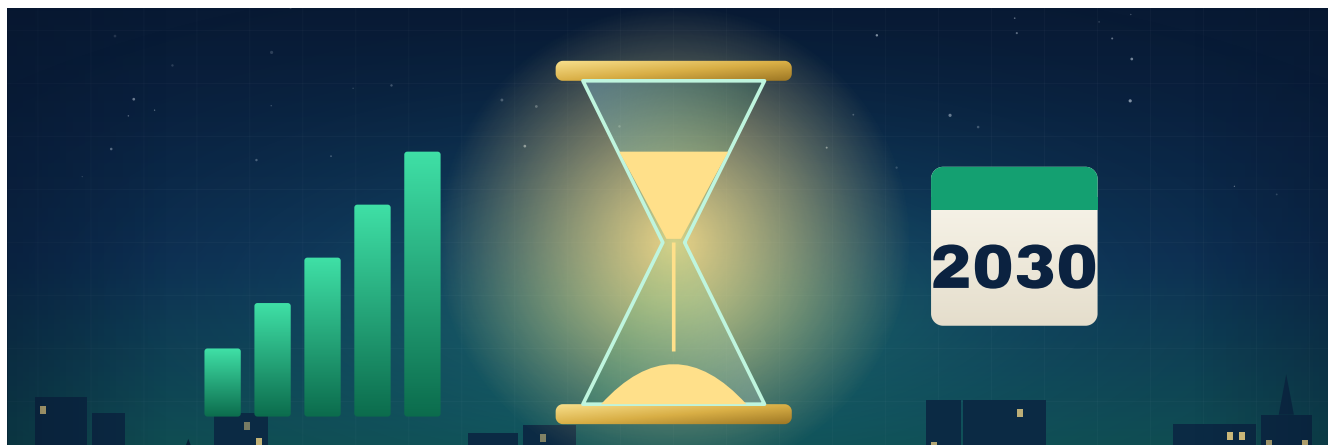
The Accountant of 2030

The future of accounting is not the disappearance of accountants but the redistribution of their work. Machines will increasingly handle repetition, while professionals will provide interpretation, control, assurance and judgment.

The accountant of 2030 will therefore be a hybrid professional: technically grounded, digitally capable, commercially aware, ethically disciplined and able to communicate with decision-makers. Global developments in AI, sustainability reporting, cybersecurity and workforce skills already show this direction. Accountants who prepare for it will move beyond explaining yesterday's numbers and become trusted advisers helping organisations decide what should happen tomorrow. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Beyond the Numbers: The Skills That Will Define the Accountant of 2030

Thirty-nine percent of core skills will change by 2030, and Pakistan's sustainability rules already have deadlines. Seven skills, in plain language, for the CA who wants to stay ahead.

BY FARAZ ANWER, ACA

HIGHLIGHTS

- The CA who can connect a climate risk to a rupee figure will be one of the most sought-after professionals in Pakistan by 2030.
- The profession is not shrinking. It is shedding its skin. The question is whether you shed with it or get left behind.

If you qualified today, would you still be relevant in 2030?

There is a common scenario that many of us in this profession can relate to. A young accountant, head down, working through a pile of invoices or a reconciliation sheet. In just a few years, this image will look very different, not because there will be fewer accountants, but because this type of work will mostly be done by machines. This isn't a fear-based story; it is a clear fact highlighted by the World Economic Forum's *Future of Jobs Report 2025*. The report surveyed over 1,000 employers in 55 countries, and it found that 39% of workers' essential skills are expected to change by 2030.

Roles like accountants, accounting assistants, and payroll officers are among those expected to see the biggest drop in demand during this time. At

the same time, there will be a growing need for finance professionals who can offer strategic advice, understand sustainability data, and work effectively with AI tools. The message is straightforward: "The work is not disappearing; it is moving upwards."

For Chartered Accountants in Pakistan, this change is not a distant global trend; it is already arriving at their doorstep. The Securities and Exchange Commission of Pakistan (SECP), on the advice of the Institute of Chartered Accountants of Pakistan (ICAP), has officially adopted the IFRS S1 and S2 international sustainability disclosure standards.

What Is Actually Changing and Why It Matters

Let's start with what is already happening globally. According to a 2023 report by PwC, more than 45% of accounting tasks can now be performed using existing technology, not with futuristic tools, but with software already in use in offices worldwide. Tasks like reconciling accounts, data entry, matching invoices, and running payroll are already being done faster, cheaper, and with fewer errors by machines than by people. ICAP recognized this trend early and set up the Digital

Assurance and Accounting Board. This group brings together IT professionals, Chartered Accountants, and academics to examine the impact of technology on the profession.

So, what does this mean in practice? It means the accountant of 2030 will spend much less time on routine tasks that computers can handle and more time on work that requires human judgment, professional experience, and the ability to communicate clearly with decision-makers.

"Professionals who can embrace uncertainty, develop strong judgement skills, and continuously adapt their expertise will thrive even as specific tasks change or become automated."

This applies directly to the over 10,000 ICAP members and more than 75,000 students who are currently part of Pakistan's Chartered Accountant community.

Pakistan's Specific Situation: The Clock Is Already Ticking

When discussing global trends, Pakistan is often seen as a country that has time to prepare.

However, this is not the case when it comes to sustainability and climate-related reporting. The SECP's requirements are not just future goals or suggestions; they are mandatory with clear deadlines. Pakistan's largest listed companies must disclose sustainability-related risks and opportunities under IFRS S1 and climate-related risks under IFRS S2. These risks include physical risks such as floods, extreme heat, and water shortages, which are especially relevant for Pakistan, as the Global Climate Risk Index consistently ranks it among the countries most vulnerable to climate change.

These disclosures also include transition risks. In simple terms, this means considering how a company's costs and business model could be affected as countries around the world introduce stricter carbon regulations and as Pakistan shifts its energy mix.

But an important question remains. Who will prepare these disclosures? Who will explain to the Board of Directors what these standards require? And as the IAASB's sustainability assurance standard, which ICAP has committed to adopting, comes into force, who will provide assurance over the reported information? In well-developed

markets around the world, the answer is clear: **the Chartered Accountant.**



The CA who can connect a climate risk to a rupee figure will be one of the most sought-after professionals in Pakistan by 2030.

The Seven Skills — In Plain Language

Below are the skills that matter most for Pakistani CAs between now and 2030. These are drawn from WEF, ACCA, Deloitte, and ICAP research, and translated into what they actually mean in practice.

1. Understanding ESG and Sustainability Reporting

This is the single most important new skill area of the decade. You do not need to become an environmental scientist. You need to understand how IFRS S1 and S2 work, what data companies must collect and disclose, and how to link sustainability risks to financial numbers. In Pakistan, this means knowing how a flood-risk assessment translates into a potential liability on the balance sheet, or how a company's energy mix affects its cost of capital with international lenders who are applying their own green lending criteria.

2. Working with AI and Data Analytics Tools

According to PwC, 45% of accounting tasks are already automatable. The accountants who thrive will be the ones who know how to use the tools that are doing the automating, not fight them. This does not mean becoming a programmer. It means being comfortable extracting insights from data dashboards, understanding what an AI-flagged anomaly actually suggests, and knowing when a machine's output needs human review.

3. Giving Useful Advice to Decision-Makers

A report that sits in a drawer is worth nothing. Research from Harvard University found that 85% of professional success comes from the ability to communicate and build relationships, not from technical knowledge alone. For accountants, this means being able to walk a CEO or board member

through a financial risk, explain what a sustainability disclosure means for the company's share price, or make the case for a capital structure change in language that a non-accountant can act on. This skill is trainable. Most CPD programmes do not give it nearly enough attention.

4. Integrated and Non-Financial Reporting

Financial statements are no longer the whole story. The International Integrated Reporting Council's framework asks companies to account for six types of capital: financial, manufactured, intellectual, human, social, and natural. More and more investors, including the large funds that invest in Pakistani listed companies through the PSX, are making decisions based on this fuller picture. CAs who can help companies measure and report on all six capitals, and who can link non-financial performance to financial outcomes, are providing a service that was barely on the radar five years ago.

5. Knowing Enough About Technology to Ask the Right Questions

You do not need to be a cybersecurity expert. But when a company's entire accounting function runs on cloud-based software and its financial data sits on servers in three different countries, you need to know what questions to ask about access controls, data integrity, and breach risk. Both the SBP and SECP have issued cybersecurity guidelines in recent years precisely because digital financial infrastructure is now a regulatory concern. An internal auditor or external reviewer who cannot assess basic technology risks is working with a blind spot.

6. Spotting When the Numbers Are Used to Mislead

As sustainability reporting becomes mandatory in Pakistan, the pressure to produce favorable numbers will grow. The CA functioning as auditor,

internal auditor, or adviser must be willing and equipped to push back. This is not a new skill philosophically; professional skepticism has always been part of the CA's toolkit. What is new is applying it to non-financial data, climate models, and supply chain disclosures that are harder to verify than a bank statement.

7. Committing to Keeping Your Skills Current

The WEF identifies adaptability and continuous learning as among the most critical professional traits of the coming decade. For ICAP members, this means treating CPD not as an annual compliance requirement but as a genuine investment in staying relevant. The institutes and bodies that will serve their members best between now and 2030 are those that rapidly update their CPD offerings to cover sustainability, AI, and integrated reporting. Members who seek those courses rather than defaulting to what they already know will find that the profession's upheaval works in their favor, not against them.

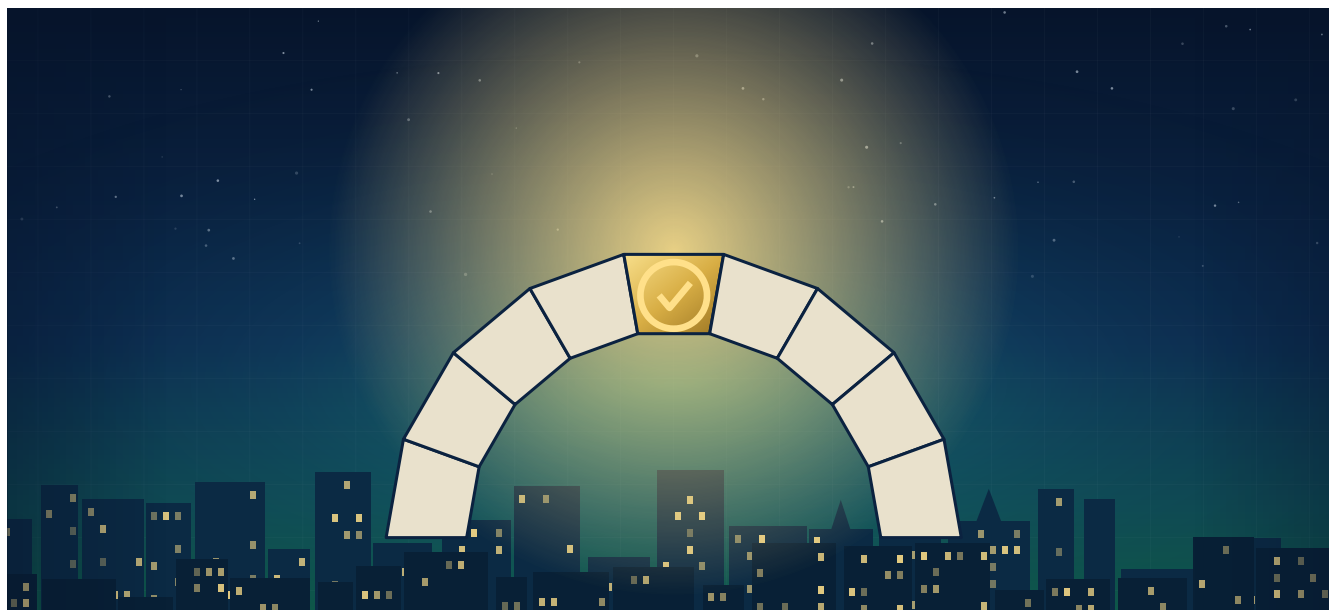
Built on Trust

None of this is cause for anxiety. The accounting profession has survived and thrived through every wave of technological and regulatory change in its history from the introduction of computers to the shift to IFRS, from the post-Enron audit reforms to the digital transformation of tax systems. It has done so because, at its core, the profession is built on something that does not automate easily: **trust**.

What 2030 demands is that we add new dimensions to that trust. Not just "*can I rely on these numbers*" but "*can I rely on this person to help me understand risks I cannot see yet, to tell me what our sustainability obligations actually mean, and to give me advice I can take to a board?*" The accountants who build those capabilities over the next four years will not be competing for relevance. They will be defining it. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Skills That Will Turn Trusted Information into Lasting Value

When AI can produce the first draft of almost anything, the accountant's edge moves somewhere else: to judgement, trust and the courage to say no.

BY RANA UMER NAFEEES, ACA

HIGHLIGHTS

1. Accountants must understand material sustainability-related risks and opportunities, data boundaries, climate scenarios and the controls required for credible disclosure.
2. AI may produce the analysis; professional accountability remains with the person who uses it.
3. Accountants must be willing to learn continuously, seek cross-functional experience and update skills.

By 2030, an accountant's value will no longer be measured mainly by the speed and accuracy with which reports are produced. Cloud platforms, automation and artificial intelligence will perform a growing share of transaction processing, reconciliations, analysis and first-draft reporting. This does not make technical accounting less important. It changes where professional advantage begins.

The accountant of 2030 must be able to turn data into decisions, connect sustainability with

enterprise value, build trust in digital systems, communicate insight and exercise sound judgement under uncertainty. Compliance will remain the profession's foundation, but the following capabilities will determine whether an accountant remains a reporter of history or becomes a creator of future value.

1. Technical Mastery with Integrated Judgement

Financial reporting standards, taxation, audit and internal controls will remain non-negotiable. However, memorising rules will not be enough. Future accountants must understand the economic substance of transactions, research unfamiliar issues, challenge estimates and explain how accounting choices affect the wider picture presented to stakeholders.

Integrated judgement means connecting financial reporting with strategy, risk, operations and sustainability. It also means documenting conclusions clearly and recognising when specialist advice is required. In a world of instant

answers, the ability to distinguish a plausible answer from a professionally supportable one will be a critical advantage.

2. Data, Analytics and AI Fluency

Accountants will need to work confidently with large and varied datasets. They should understand data lineage, quality, ownership and access; use analytics to identify trends and anomalies; and build dashboards and scenarios that support management action. Not every accountant must become a programmer, but every accountant should know how to interrogate a system and test whether its output is reliable.

AI literacy will be equally important. Generative tools can draft reports, summarise contracts, suggest journal entries and accelerate forecasting, but they can also reproduce bias, expose confidential data or present error with confidence. The future accountant must understand model limitations, validate outputs against evidence and maintain appropriate human review. AI may produce the analysis; professional accountability remains with the person who uses it.

3. Sustainability and Climate Competence

Energy use, emissions, workforce practices, governance and supply-chain resilience increasingly affect cash flows, asset values, financing and reputation. Sustainability competence is therefore becoming a core finance skill rather than a specialist add-on.

Accountants must understand material sustainability-related risks and opportunities, data boundaries, climate scenarios and the controls required for credible disclosure. More importantly, they must incorporate this information into budgets, forecasts, investment appraisals and risk management. A reliable energy baseline can identify savings; climate analysis can improve capital planning; and credible performance data can strengthen access to customers and finance. This is how sustainability reporting moves from compliance to value creation.

4. Commercial and Strategic Thinking

The future accountant must understand how the organisation actually creates value. That requires

knowledge of its business model, customers, pricing, operations, working capital, competitive position and capital allocation choices. Financial expertise becomes more useful when it is connected to the decisions made on the factory floor, in the sales pipeline and in the boardroom.



In a world of instant answers, the ability to distinguish a plausible answer from a professionally supportable one will be a critical advantage.

Rather than asking only whether spending is within budget, accountants should ask whether it builds productive capacity, reduces risk or earns an acceptable return. They must be comfortable with scenario planning and trade-offs, including situations in which the most attractive short-term result may weaken long-term resilience.

5. Digital Trust, Cybersecurity and Assurance

As finance relies more heavily on cloud systems, third-party data and AI-enabled processes, accountants must understand access management, data privacy, cybersecurity, automated controls and model governance. A technically correct report cannot be trusted if the systems and evidence supporting it are weak.

Assurance will also extend beyond historical financial statements. Stakeholders will seek confidence in sustainability metrics, digital processes and public claims. Accountants are well placed to provide that confidence because professional scepticism, evidence and independence are already central to the profession. The accountant of 2030 will increasingly serve as an architect of trust.

6. Communication and Influence

Insight has little value if decision-makers cannot understand or act on it. Future accountants must communicate complex matters in plain language, write concise recommendations and present ranges and uncertainty without creating false precision. They must also listen well enough to

understand the operational reality behind the numbers.

A strong accountant may need to explain a climate risk to a board, discuss production data with an engineer or challenge an optimistic forecast from a commercial team. Influence comes not from repeating the numbers, but from framing the issue fairly, showing the consequences and helping people make a better decision.

7. Adaptability, Ethics and Lifelong Learning

The qualification will remain a powerful foundation, but it cannot be the end of professional learning. Standards, technologies, business models and stakeholder expectations will continue to evolve. Accountants must be willing to learn continuously, seek cross-functional experience and update skills before change makes the need obvious.

Ethical courage will be especially important. Pressure may arise to accept an opaque AI result, overstate a sustainability achievement, conceal an unfavourable trend or prioritise speed over proper review. The future accountant must combine curiosity with independence of thought. New tools may change how work is performed, but integrity must continue to determine how professional choices are made.

Building These Skills in Pakistan

For Pakistan, these capabilities are urgently relevant. Businesses face high energy costs, climate exposure, limited capital and increasing scrutiny from lenders, investors and international customers. They need accountants who can bring rigour to digital transformation and sustainability without imposing unnecessary complexity or imported jargon.

Employers should expose trainees and finance teams to operations, strategy, technology and sustainability projects. Professional education should combine technical depth with real datasets, scenario analysis, communication and ethical decision-making. Accountants must also take responsibility for their own development. By building these skills now, the profession can strengthen investor confidence, improve business resilience and support Pakistan's competitiveness.

The Professional Advantage

The accountant of 2030 will not be defined by job title or specialist label. The defining advantage will be the ability to combine technical mastery, digital fluency, sustainability insight, commercial judgement and ethical leadership, and then to convert trusted information into action.

The accountants who create the greatest value will be those who use that foundation to help organisations make better decisions, manage uncertainty and earn lasting trust. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Beyond The Ledger: The Skills Accountants Will Need to Thrive In 2030

Will AI reduce accountants to screen-watchers, or make them unnecessary altogether? Neither. It will change what they spend their time on, and eight skills will decide who leads.

BY **JUNAID SUBHANI, FCA**

There is a persistent misconception about the accountant of the future. One view is that technology will reduce the profession to people supervising screens, checking numbers produced by software and following whatever an algorithm recommends. Another is that accountants themselves will gradually become unnecessary as artificial intelligence and automation take over the work of preparing accounts, processing transactions and producing reports.

Neither view captures what is actually happening. Technology is certainly changing accounting, but its greater effect may be on what accountants spend their time doing rather than on whether accountants are needed at all. Routine processes are increasingly capable of being automated, while the value of human professionals is moving towards interpretation, judgement, business advice, governance and decision-making.

The foundations of accountancy will remain familiar: accuracy, integrity, professional

competence and trust. What will change is the range of abilities required to apply those principles effectively. By 2030, the strongest accountants are likely to combine financial expertise with technology, data, commercial understanding and distinctly human capabilities such as communication, judgement and ethical reasoning.

1. Mastering AI and Automation

The first requirement will be a willingness to work confidently with technology.

Artificial intelligence, robotic process automation and cloud-based systems are already changing the way finance teams handle repetitive activities. Reconciliations, transaction processing, routine reporting and other structured tasks can increasingly be performed with limited manual intervention. The important question for accountants is therefore not whether technology will perform more accounting tasks, but whether

accountants will know how to use and supervise that technology effectively.

An accountant of 2030 will not necessarily need to become a software engineer. But they will need enough technological understanding to know what an automated system is doing, what information it is using, where its limitations lie and when its output should not be trusted.

That means becoming comfortable with accounting platforms, spreadsheet automation, data tools and, where relevant, query languages such as SQL. It also means developing an understanding of generative AI and learning how to use it responsibly.

The real advantage will come from combining automation with professional judgement. An accountant who can allow a system to handle repetitive work while personally checking unusual results, questioning assumptions and resolving exceptions will be considerably more valuable than one who either ignores technology or accepts its output without examination.

This direction is consistent with the wider transformation identified by professional accountancy bodies: technology is redistributing work between people and machines while creating greater opportunities for accountants to concentrate on analysis, business transformation and higher-value activities.

2. Turning Data into Strategic Insight

Technology can produce more information than ever, but information by itself is not insight.

Boards, investors and managers rarely need an accountant merely to tell them what happened last month. They increasingly want to understand why it happened, what might happen next and what should be done about it.

This makes analytical thinking one of the most important capabilities for the future accountant. The ability to examine large amounts of information, identify patterns, question unusual movements, develop forecasts and consider different scenarios will become increasingly valuable.

The accountant will therefore need to be comfortable with data visualization, statistical reasoning and analytical tools. But technical

analysis should not become an end in itself. Its purpose is to improve decisions.

A good future accountant might notice that costs have risen. A better one will identify the reason. A strategically minded accountant will go further and explain what the organization can do about it, what the financial consequences could be and which assumptions management should reconsider.

The real value lies not in producing more information, but in turning information into better decisions.

This shift from reporting information to interpreting it is already reflected in professional thinking about the future of accountancy. ACCA, for example, describes emerging opportunities around data-driven insight, business transformation and technology-enabled decision-making.

3. Protecting Digital Trust in an AI-Driven World

Financial information is among the most sensitive information held by an organization. As finance becomes increasingly digital, accountants will need to understand not only how information is produced but also whether it can be trusted.

Accountants will not become cybersecurity specialists simply because they work in finance. They will, however, need a working knowledge of areas such as access controls, data privacy, system security, data integrity and the risks associated with automated processes.

The same principle applies to artificial intelligence. If an organization relies on an AI-enabled system to classify transactions, identify unusual activity or support financial decisions, someone must be able to ask important questions. Where did the data come from? How was the result produced? What assumptions were involved? Can the decision be traced and reviewed? What happens when the system produces an incorrect answer?



The system produced this result. Now let us determine whether it deserves to be trusted.

The key areas accountants will need to understand are:

- Data integrity and privacy
- Cybersecurity and access controls
- AI governance and oversight
- Audit trails and traceability
- Reliability of automated outputs

This creates an increasingly important role for accountants as guardians of digital trust.

The accountant of 2030 may therefore find themselves involved in documenting automated processes, reviewing controls, assessing data quality and ensuring that important financial decisions remain subject to appropriate human oversight. The precise job titles may change, but the underlying responsibility will remain familiar: protect the reliability and integrity of information.

4. from ESG Awareness to Sustainability Assurance

Another major change is the growing importance of sustainability information. For many organizations, financial performance can no longer be considered in isolation from environmental and social factors. Investors, regulators, customers and other stakeholders increasingly want information about matters that can affect an organization's long-term performance and resilience.

This creates an important opportunity for accountants because many of the profession's traditional strengths are directly relevant: measurement, verification, controls, reporting and assurance.

The future accountant will therefore need more than a general awareness of ESG issues. They should understand how sustainability-related information is collected, measured, controlled and communicated, and how it can affect financial performance and business decisions.

This does not mean every accountant must become a sustainability specialist. It does mean that sustainability is becoming part of the wider information environment in which finance professionals operate.

IFAC has similarly emphasized the growing need for accountants to develop knowledge relating to sustainability data, reporting and assurance, alongside business understanding, behavioral competence and professional ethics.

5. Understanding the Business Behind the Numbers

One skill that deserves greater attention is the ability to understand the business behind the numbers.

The accountant of the future cannot afford to view financial statements as an isolated set of figures. This means developing commercial awareness, which includes understanding:

- How the organization creates value
- What drives revenue, costs and profitability
- What customers and competitors are doing
- Where the major business risks lie
- How financial decisions affect long-term performance

A finance professional advising a manufacturing company should understand production constraints. One working with a technology business should understand the economics of subscriptions, development costs and customer acquisition. Someone supporting a retail organization should understand pricing, inventory, margins and customer behaviour.

The more closely accountants understand the organization itself, the more useful their financial analysis becomes.

This is part of the broader movement towards accountants acting as business partners rather than functioning solely as record keepers. Professional accountancy research increasingly describes future roles in terms of business transformation, data-driven insight and technology-enabled organizational change.

6. Communicating, Influencing and Leading

An accountant may spend hours analyzing a spreadsheet, but the analysis has limited value if nobody understands what it means. The ability to explain financial information clearly will therefore become even more important.

Future accountants will increasingly communicate with people who have no formal financial training: operations managers, sales teams, engineers, entrepreneurs, directors and external stakeholders. They will need to turn complicated information into a clear explanation supported by appropriate charts, dashboards and plain language. But communication alone is not enough. Accountants will also need the confidence to influence decisions and, in many cases, lead people through change.

This means developing leadership, collaboration, negotiation and stakeholder-management skills. The accountant may be required to challenge a senior manager, explain an unpopular financial decision, coordinate different departments or persuade colleagues to adopt a new system.

The World Economic Forum's 2025 skills research similarly identifies analytical thinking, leadership and social influence, resilience, flexibility and agility among important skills for the evolving labor market, alongside rapidly growing demand for AI, big data and technological literacy.

Technical knowledge creates credibility; effective communication creates influence. The message is clear: technical competence may get an accountant into the room, but communication and influence will often determine how much impact they have once they are there.

7. Staying Ahead Through Continuous Learning

The accountant entering the profession today cannot assume that the tools, regulations or working methods they learn will remain unchanged throughout their career.

Accounting standards will evolve. Technology will change. New reporting requirements will emerge. Organizations will adopt different business models, and artificial intelligence will continue to alter the boundaries between human and automated work. For this reason, adaptability should not be treated as a vague personal quality. It is becoming a professional capability.

Accountants will need to become comfortable with learning continuously, experimenting with new tools and updating their knowledge before change becomes unavoidable. Those who regard every new system or regulation as an inconvenience may find themselves constantly

catching up. Those who treat learning as part of the profession itself will be better positioned to take advantage of change.

Continuous learning is already a prominent theme in research on the future of accountancy and the wider labor market. Accountancy bodies identify continuing skills development as an important feature of changing accountancy careers, while the World Economic Forum expects curiosity, lifelong learning and adaptability to remain increasingly important through 2030.

8. the Human Edge: Judgement, Ethics and Accountability

For all the discussion about technology, this may ultimately be the skill that matters most.

An AI system can process information at remarkable speed. It can identify patterns, generate explanations and produce recommendations. But the responsibility for an important professional decision does not simply disappear because technology was involved in reaching it.

Accountants will therefore need strong professional skepticism and ethical judgement. They must be prepared to question information that appears convincing, investigate results that do not make sense and challenge conclusions when the evidence does not support them.

This becomes particularly important when technology produces an answer that looks precise but is based on poor data, inappropriate assumptions or an unsuitable model. The future accountant should not be the person who says, "The system produced this result, so it must be correct."

The better response is: "The system produced this result. Now let us determine whether it deserves to be trusted."

That distinction captures why human judgement will remain central even as automation expands. Technology can assist professional work, but trust, accountability and ethical responsibility still require people.

Beyond the Ledger

Several other capabilities will matter as well, including project management, negotiation,

systems thinking and an awareness of emerging technologies such as blockchain and advanced analytics. But the pattern running through all of them is more important than any individual skill.

The accountant of 2030 will not be defined simply by their ability to prepare accounts. They will be expected to understand technology without being controlled by it, interpret data without losing sight of the business, communicate financial information without unnecessary complexity, and make professional judgements when the answer is not obvious.

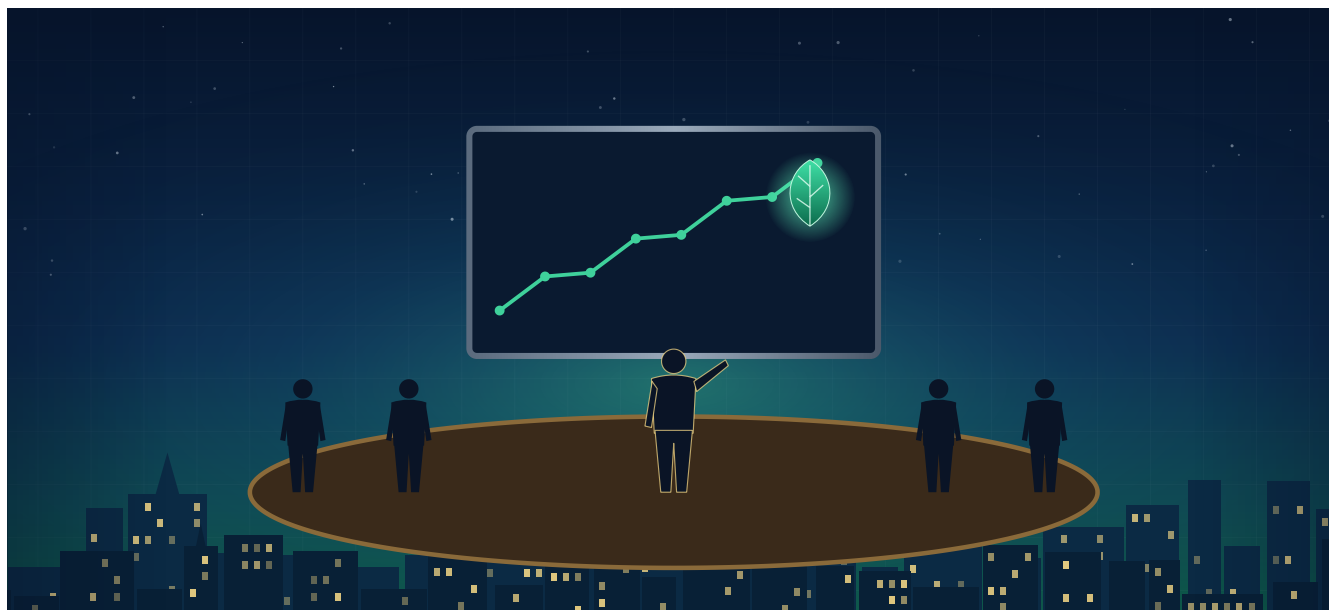
This does not mean that traditional accounting knowledge will become less important. On the

contrary, technology makes a strong professional foundation even more valuable. The real question is not whether technology will replace accountants, but whether accountants will be prepared to become the professionals that organizations need after technology has changed the work.

Those who begin developing that combination of technical knowledge, digital fluency, analytical ability, commercial awareness and human judgement now will be better positioned to lead the profession into 2030. The ledger will remain. But the role of the person behind it will be much broader. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Beyond Compliance: The Evolving Role of the Accountant

Picture a CFO presenting to the board in 2030. The questions won't stop at margins and EPS, and the person expected to answer the new ones will be an accountant.

BY **DUA BEHRAM, ACA**

Imagine a Pakistani CFO in 2030 presenting the company's annual performance to its board.

The questions may no longer be limited to revenue growth, margins, tax exposure or earnings per share. The board may also ask: How exposed are we to climate-related disruption? What are our emissions across the value chain? Could changing environmental requirements affect our exports? How reliable is the sustainability data being presented to investors? And what does all of this mean for cash flows, financing and long-term enterprise value?

Increasingly, the person expected to help answer these questions will be an accountant.

That future is already taking shape. Pakistan has adopted IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information*, and IFRS S2, *Climate-related Disclosures*, through a phased implementation framework. The Securities and Exchange Commission of Pakistan (SECP) commenced Phase I for qualifying listed companies for annual reporting periods beginning

on or after July 1, 2025, followed by Phase II from July 1, 2026 and Phase III from July 1, 2027.

Assurance requirements also begin from the second year of reporting for applicable companies.

For the accounting profession, therefore, sustainability reporting is not simply another compliance requirement. It signals a broader transformation in what accountants will be expected to know and do.

By 2030, technical accounting knowledge will remain essential—but it will no longer be enough.

1. Sustainability and Climate Literacy

The first new competency is sustainability literacy.

IFRS S1 requires companies to disclose sustainability-related risks and opportunities that could reasonably be expected to affect cash flows, access to finance or cost of capital. IFRS S2 extends this specifically to climate-related risks and opportunities. Accountants therefore need to understand concepts such as greenhouse gas

emissions, transition risks, physical climate risks, resource efficiency and sustainability-related metrics. They do not need to become environmental scientists. Their distinctive role is translating sustainability matters into **financial consequences**.

For example, water scarcity affecting a textile manufacturer is not merely an environmental issue. It could affect production capacity, input costs, capital expenditure, insurance, customer relationships and ultimately profitability. The accountant of 2030 must be able to connect those dots.

2. Data Analytics and Digital Fluency

Sustainability reporting introduces large quantities of information that traditionally sat outside the finance function.

Consider a Pakistani exporter supplying international brands. Management may need information on electricity consumption, fuel use, emissions, waste, water consumption and supplier practices across multiple facilities. Collecting data is only the beginning.

Accountants will increasingly need skills in data analytics, visualization, automated reporting systems and integrated enterprise platforms to test the reliability of information, identify trends and turn raw data into meaningful business insights. The profession is therefore moving from **recording transactions to interpreting interconnected datasets**.

3. Artificial Intelligence Literacy

Artificial intelligence will accelerate this transformation.

AI can already support activities such as document analysis, reconciliations, anomaly detection, forecasting and the processing of large volumes of structured and unstructured information. Its capabilities will almost certainly become more deeply embedded in finance functions before 2030. But using AI is not the same as exercising professional judgment. In a 2026 reflection on AI and financial reporting, the former IASB Chair emphasized that accounting involves more than applying rules and highlighted the continuing importance of judgment, communication, reflection and human

interaction in an increasingly AI-enabled environment.



Technology can process information but cannot assume professional responsibility for it.

Accountants therefore need to become intelligent users—and intelligent challengers—of technology. They must understand what an AI-generated conclusion is based on, recognize potential errors or bias, protect confidential information and know when human review is indispensable.

The valuable accountant of 2030 will not compete with AI at processing information. The accountant will **combine AI's speed with professional skepticism and human judgment**.

4. Integrated Thinking

Perhaps the most important capability will be seeing financial and non-financial matters as parts of the same business system. A decision to replace machinery with energy-efficient equipment, for example, can simultaneously affect capital expenditure, operating costs, emissions, regulatory exposure, financing opportunities and corporate reputation. Traditionally, several departments might examine these issues separately.

The future accountant will help connect them. This is consistent with the architecture of IFRS S1, which focuses on sustainability-related governance, strategy, risk management, and metrics and targets—not sustainability information in isolation.

The question therefore shifts from:

"What must we disclose?" to "What is this information telling us about the future of the business?"

That is the difference between **compliance** and **value creation**.

5. Strategic and Commercial Acumen

As technology automates more routine accounting processes, accountants will have more

opportunity—and greater responsibility—to influence business decisions.

That requires commercial awareness. A finance professional evaluating a new production facility, for example, may need to consider not only expected cash flows and return on investment but also energy requirements, climate exposure, supply-chain resilience and sustainability-linked financing possibilities. The accountant of 2030 must understand the business model well enough to explain how sustainability-related risks and opportunities affect strategy and enterprise value.

Finance professionals who develop this capability can evolve from reporters of historical performance into advisers on future performance.

6. Communication and Storytelling

The ability to produce technically accurate information has always mattered. By 2030, the ability to **explain what that information means** may matter just as much.

Boards, investors and management teams will need professionals who can convert complicated financial, operational and sustainability information into clear insights. Accountants will therefore require stronger presentation, writing and storytelling skills. The objective is not to make financial information entertaining. It is to make complex information understandable enough to support better decisions.

7. Ethics, Assurance and Professional Judgment

Finally, the profession's oldest skills may become some of its most valuable. Sustainability information can involve estimates, assumptions, methodologies and management judgments. As

such information becomes more important to investors and other stakeholders, organizations will face increasing pressure to demonstrate its reliability.

Pakistan's sustainability reporting framework itself reflects this development: assurance over sustainability-related financial information is required from the second year of reporting for companies falling within the phased implementation. Integrity, objectivity, professional scepticism and independence will therefore remain central. Technology can process information but cannot assume professional responsibility for it.

From Accountant to Value Creator

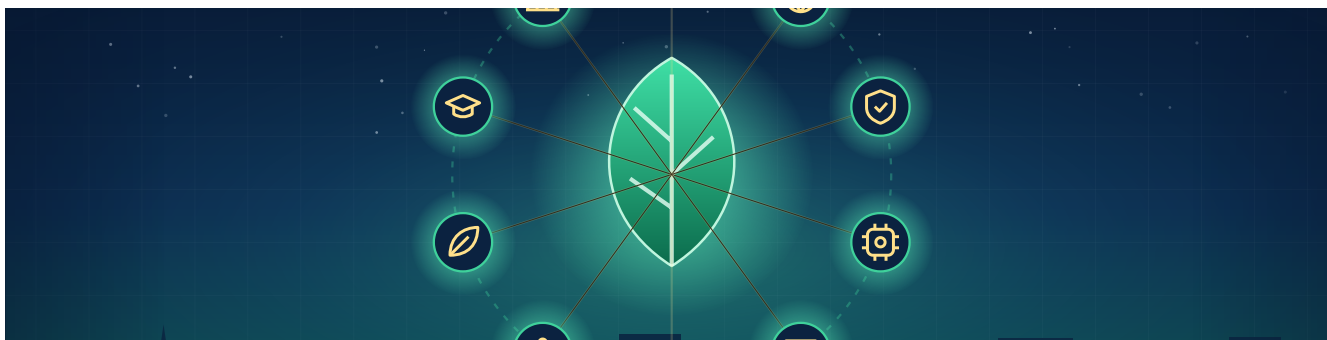
By 2030, the successful accountant is unlikely to be defined simply by the ability to prepare financial statements, calculate taxes or apply accounting standards. The future professional will be part **accountant, data analyst, technology user, sustainability adviser, strategist and communicator.**

For Pakistan, this transformation is particularly significant. Companies participating in global supply chains and capital markets will increasingly need credible information demonstrating how sustainability-related risks and opportunities affect their businesses. ICAP itself is already supporting capacity building around IFRS S1 and IFRS S2, including practical implementation, climate risk assessment and sustainability-related financial disclosures.

The profession has spent generations developing expertise in measuring the value that businesses have created. The defining skill of the next generation may be different: **helping businesses make better decisions today so they can continue creating value tomorrow.** ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Sustainability Skills Every Accountant Will Need by 2030

Ten capabilities, from ESG literacy and climate scenarios to paperless audit and AI, that will separate the accountant who reports sustainability from the one who creates value with it.

BY MUHAMMAD QUMMAR WAHEED, ACA

The role of accountants is changing rapidly. By 2030, accountants will be expected to do far more than prepare financial statements, calculate taxes, and maintain records. Growing concern about climate change, resource use, employee welfare, responsible governance, and long-term business resilience is changing how organizations measure success.

Sustainability reporting is no longer only a compliance requirement or a public-relations exercise. It is becoming an important source of information for investors, lenders, regulators, customers, and management. Accountants are well placed to connect sustainability performance with financial results and help businesses make better decisions.

To remain relevant, accountants will need a combination of financial expertise, sustainability knowledge, technological ability, professional judgement, and communication skills.

1. Understanding Sustainability and ESG Reporting

Accountants will need a practical understanding of environmental, social, and governance matters and how they affect business performance.

This includes:

- Greenhouse gas emissions and energy consumption

- Water usage and waste management
- Employee welfare, diversity, and workplace safety
- Supply-chain practices and human rights
- Corporate governance and ethical business conduct
- Climate-related risks and opportunities

Accountants must understand that sustainability information is connected with financial performance. For example, energy efficiency may reduce costs, environmental non-compliance may result in penalties, and poor labour practices may damage a company's reputation and future revenues.

2. Knowledge of Global Reporting Standards

Sustainability reporting is becoming more structured and standardised. Accountants should become familiar with major international reporting frameworks, particularly the sustainability disclosure standards issued by the International Sustainability Standards Board.

They should also understand how sustainability disclosures connect with International Financial Reporting Standards and the annual financial statements.

Knowledge of global standards will help accountants prepare information that is consistent, comparable, and useful to investors

and other stakeholders. It will also allow them to support businesses operating across different countries and regulatory environments.



AI can support professional work, but it cannot replace accountability.

3. Connecting Sustainability with Financial Performance

One of the most important skills will be the ability to convert sustainability information into financial and commercial insights.

Accountants should be able to assess how environmental and social matters may affect:

- Revenue and customer demand
- Operating and energy costs
- Asset values and useful lives
- Provisions and contingent liabilities
- Access to finance and borrowing costs
- Insurance expenses
- Capital investment decisions
- Long-term profitability and cash flows

For example, an accountant may help management compare the initial cost of energy-efficient machinery with its expected savings, environmental benefits, financing options, and long-term return.

This is where accountants move from reporting past results to creating future value.

4. Data Collection and Analysis

Sustainability reporting involves both financial and non-financial information. Data may come from production facilities, utility bills, human-resource systems, suppliers, logistics records, and environmental monitoring systems.

Accountants will need to know how to:

- Identify reliable data sources
- Establish suitable reporting controls
- Analyse environmental and operational information
- Detect unusual trends or inconsistencies
- Develop sustainability dashboards

- Connect financial and non-financial data
- Present information in a useful format

Microsoft Excel will remain important, while knowledge of Power BI, enterprise resource planning systems, and other data-analysis tools will provide an additional advantage.

5. Information Technology and Digital Reporting

Technology will play an essential role in collecting, processing, and reporting sustainability information. Accountants do not need to become software engineers, but they should understand how digital systems work.

They should have basic knowledge of:

- Accounting and ERP systems
- Cloud-based reporting platforms
- Databases and digital records
- Automated data collection
- System access controls
- Cybersecurity and data protection
- Integration between financial and sustainability systems

A good understanding of technology will help accountants evaluate where information comes from, how it is processed, and whether it is complete and reliable.

6. Sustainability Assurance and Paperless Audit

As sustainability disclosures become more important, investors and regulators will expect greater assurance over the information being reported.

Accountants and auditors should know how to:

- Evaluate sustainability reporting controls
- Verify electronic documents and operational data
- Maintain digital working papers
- Assess the reliability of non-financial evidence
- Use audit software and data-analysis tools
- Identify possible misstatements or greenwashing
- Maintain a clear electronic audit trail
- Protect confidential business information

Technology can help collect and analyse evidence, but professional judgement will still be necessary to determine whether that evidence is sufficient and reliable.

7. Climate Risk and Scenario Analysis

Climate-related events can affect supply chains, production, insurance, financing, and asset values. Accountants will increasingly be required to support management in assessing these risks.

They should understand the difference between physical risks, such as floods and extreme weather, and transition risks arising from changes in laws, technology, markets, and customer preferences.

Accountants should also be able to assist with scenario analysis, budgeting, forecasting, and stress testing to determine how different sustainability risks may affect future business performance.

8. Artificial Intelligence and Automation

Artificial intelligence and automation will help process invoices, analyse energy consumption, calculate emissions, identify unusual data, and prepare reports.

Accountants must understand how to use these tools responsibly and review their results. They should be able to identify errors, missing information, incorrect assumptions, or unreasonable conclusions generated by automated systems.

AI can support professional work, but it cannot replace accountability. The accountant will remain responsible for the accuracy, fairness, and reliability of the final report.

9. Communication and Business Understanding

Sustainability information can be complex. Accountants must be able to explain it clearly to

management, investors, regulators, and other stakeholders.

They should be able to:

- Prepare clear and balanced reports
- Explain risks and opportunities in simple language
- Present financial and sustainability information together
- Support management in setting measurable targets
- Avoid unsupported or misleading claims
- Recommend practical business improvements

Effective communication will allow accountants to influence decisions rather than merely report results.

10. Ethics, Professional Judgement, and Continuous Learning

Sustainability reporting requires honesty, objectivity, and professional scepticism.

Accountants must resist pressure to hide negative information or present environmental claims that are not supported by evidence.

They must continue updating their knowledge as reporting standards, technologies, regulations, and stakeholder expectations evolve.

From Compliance to Value Creation

By 2030, accountants will play a central role in moving sustainability reporting from compliance to value creation. Their responsibilities will include measuring sustainability performance, evaluating risks, improving internal controls, supporting investment decisions, and communicating reliable information.

Accountants who combine financial knowledge with sustainability expertise, digital skills, ethical judgement, and commercial understanding will help businesses become more resilient, responsible, and successful over the long term. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

The Accountant of 2030: Eight Capabilities for a Changing Profession

Some of the tools accountants will use in 2030 don't exist yet. Eight capabilities will prepare them anyway.

BY NISAR AHMED ALVI, FCA

Artificial intelligence (AI) and automation are reshaping the accountant's role, placing greater emphasis on analysis and business advice. Accounting software supports activities such as recording transactions, preparing routine reports, reconciling accounts and checking calculations. As these tasks become more automated, accountants can devote greater attention to interpreting information and advising businesses. ICAEW has identified data analytics, AI, business partnering and commercial awareness as increasingly important professional capabilities.

Preparing for 2030 requires accountants to build on their technical competence while strengthening their ability to learn, adapt and create value. Digital literacy, analytical skills, communication and sustainability knowledge can help professionals contribute to business efficiency and innovation.

The following eight capabilities provide a framework for this development:

Technological Understanding and Digital Literacy

Digital literacy extends beyond operating software. Accountants should understand how

financial applications, cloud platforms, reporting tools and enterprise resource planning (ERP) systems collect, process and present information.

They need not become professional programmers, but they should be able to interpret system outputs and use dashboards confidently. For example, Power BI can support the analysis of profit margins, customer trends, cash-flow forecasts and working-capital movements. Familiarity with blockchain-based ledgers and basic database queries may also be useful, depending on the role.

These capabilities support efficient working, remote collaboration and more effective use of financial information.

Understanding Artificial Intelligence and Automation

AI literacy requires an understanding of both the applications and limitations of automated tools. Depending on their responsibilities, accountants may benefit from familiarity with AI-assisted audit tools and predictive analytics.

Practical capabilities include writing clear prompts, reviewing automated transaction classifications, identifying inconsistencies, processing documents and interpreting outputs.

Accountants should treat AI as an analytical partner rather than a substitute for professional judgement.

Automation can release time for planning, analysis, client support and risk assessment. However, AI-generated outputs should be evaluated for errors, bias and limitations before they inform professional decisions. The ability to assess reliability is more important than simply accepting an answer because it was produced quickly.

Strategic Business Understanding

Finance professionals are well placed to contribute to data-driven decisions and business strategy. Their understanding of financial performance, forecasts and operational efficiency enables them to explain the implications of management's choices.

To provide useful advice, accountants should understand the organisation's business model, processes, growth objectives and industry landscape. They should also assess trends, risks and environmental factors that could affect performance.

This broader perspective connects financial analysis with organisational priorities. It enables accountants to look beyond historical results, evaluate business opportunities and support decisions that contribute to sustainable profitability.

Critical Thinking and Professional Judgement

Critical thinking helps accountants evaluate complex information and respond to unfamiliar circumstances. It involves examining evidence, questioning assumptions and considering alternative explanations before reaching a conclusion.



The ability to assess reliability is more important than simply accepting an answer because it was produced quickly.

Professional judgement is particularly important where transactions involve uncertainty,

competing interests, complex regulations or incomplete information. In areas such as asset impairment, provisions and climate-related risks, accountants must assess the reasonableness of estimates and the relevance of the information supporting them.

Professional scepticism requires attention to contradictory evidence and a willingness to challenge plausible but inadequately supported conclusions. Accountants should investigate whether findings are affected by inaccurate or unrepresentative data and explain the basis for their assessments.

The ability to investigate problems, evaluate evidence and recommend appropriate action will remain central to sound professional decisions.

Ethical Decision-Making

Ethical conduct remains essential when accountants use AI-powered analytics and automated systems. Professionals must act honestly and fairly, follow the applicable ethical standards and ensure that confidential information is accessible only to authorised users.

Appropriate safeguards include encryption, access controls and clear rules for collecting, storing and sharing data. Accountants should use systems that support the review and traceability of outputs, while maintaining clear responsibility for decisions.

They should also remain alert to data-privacy risks, opaque systems, misleading sustainability claims and financial crime, including money laundering. Technology should support ethical decision-making rather than weaken accountability. Efficiency must not come at the expense of confidentiality, fairness or professional integrity.

Communication, Data Storytelling and Leadership

Executives, employees, investors, regulators and clients have different levels of financial knowledge. Accountants should therefore adapt their language and level of detail to the audience while maintaining accuracy. Strong writing, presentation and data-visualisation skills help make complex analysis accessible.

Effective storytelling connects financial results with their causes, implications and possible responses. Rather than simply reporting a decline in profit, an accountant should explain the reasons and outline the actions management could consider.

The purpose is not merely to present figures, but to make their significance understood. Accountants who communicate clearly can strengthen confidence in their advice, support informed decisions and contribute more effectively to organisational leadership.

Sustainability Reporting and Assurance

Environmental and social concerns are increasingly relevant to shareholders, regulators and customers. Accountants should understand the sustainability standards, assurance practices and internal controls applicable to the organisations they serve. Depending on the jurisdiction and reporting framework, disclosures may address emissions, resource use, governance and workforce practices.

Professional development in this area should focus on designing and evaluating reporting processes, strengthening controls and ensuring that disclosures are supported by appropriate evidence. These capabilities help reduce the risk of misleading information and material misstatements.

Accountants who understand sustainability concepts and reporting requirements will be better placed to support organisations with reporting, advisory and assurance needs.

Adaptability and Continuous Learning

Accountants must keep their knowledge of regulations, reporting standards and digital tools up to date. Some technologies used in 2030 may not yet exist, while certain current tools may become obsolete. Professional capabilities should

therefore evolve alongside responsibilities in strategy, sustainability reporting and data analysis.

Continuous learning can combine formal qualifications, independent study, hands-on training and short professional courses.

Accountants can strengthen their capabilities by gaining practical experience with automation and AI tools, attending webinars and reading professional publications.

These activities should support the Continuing Professional Development (CPD) required by relevant professional bodies and help accountants apply new knowledge effectively in their work.

Judgement, Curiosity and Responsibility

Preparing for 2030 requires accountants to combine technical knowledge with technological competence, ethical discipline, strategic thinking and effective communication. ICAP's evolving learning initiatives reflect the growing importance of AI, data analytics, governance, ethics and sustainability reporting.

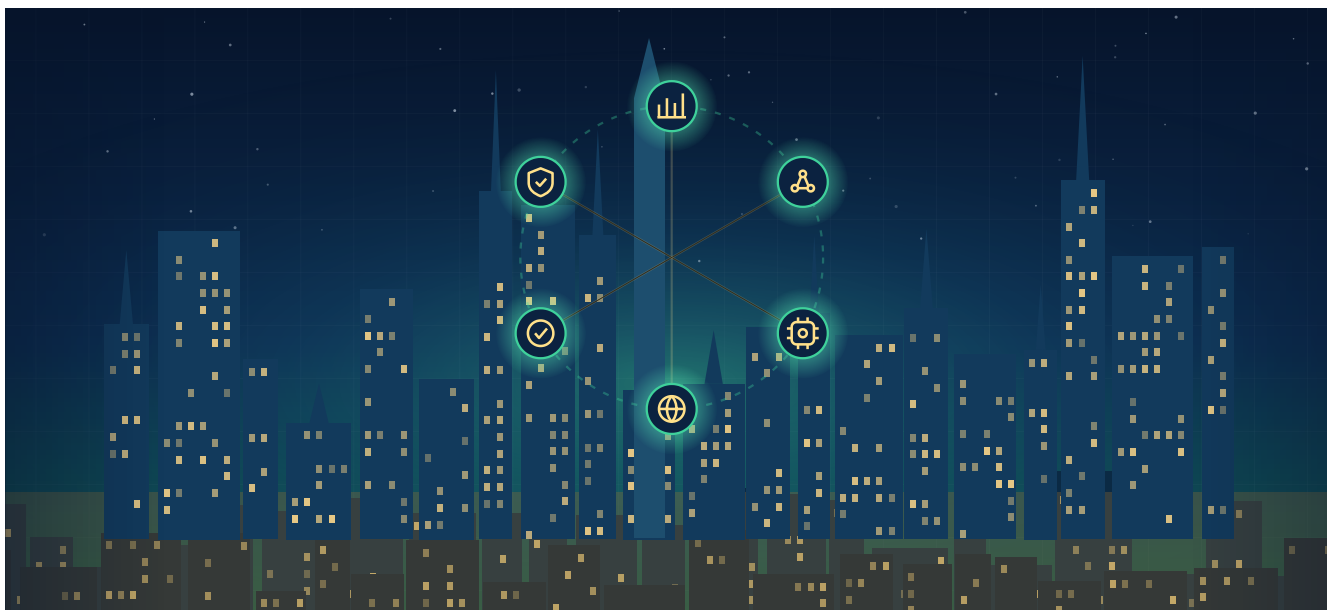
Professional relevance will depend not only on understanding new tools, but also on using them with judgement, curiosity and responsibility. Accountants who continue to develop these capabilities will be better equipped to adapt to change, support their organisations and preserve the trust on which the profession depends. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

The Accountant of 2030: Skills for a Technology-Driven Future

From ERP rollouts to Saudisation targets, a view from the Gulf on how fast the ground is moving under accountants, and which skills will hold firm.

BY MUHAMMAD AKBAR KHAN, ACA

The accounting profession is undergoing a remarkable transformation across the public and private sectors. Organisations are increasingly implementing enterprise resource planning (ERP) systems such as SAP, Oracle and Microsoft Dynamics to meet evolving regulatory requirements and to provide the timely, accurate information that supports strategic decision-making.

At the same time, organisations are adopting artificial intelligence (AI) and business intelligence (BI) to automate accounting processes, analyse data and generate meaningful reports. These technologies will change the accountant's role and the way finance operates. By 2030, accountants will need to combine traditional accounting knowledge with technological, analytical and business skills. The accountant of 2030 will be a technology-driven finance business partner, capable of automating routine transactions, analysing financial and operational information and supporting management in strategic decisions.

Over the past decade, I have witnessed significant digital transformation in government services and the banking sector, driven by the introduction of IFRS, VAT, e-invoicing, corporate income tax and zakat, among other regulatory reforms. These developments have reshaped the business and regulatory landscape, requiring organisations to strengthen their financial reporting, tax compliance and governance frameworks. Meanwhile, many family-owned businesses are evolving into professionally managed, publicly listed companies.

As businesses become more sophisticated and more closely scrutinised, expectations of accountants will change too. The profession is moving beyond traditional financial reporting towards providing strategic insight, improving business performance and supporting sustainable growth. Accountants who keep developing their skills and embrace new technologies will remain relevant in 2030.

Digital Transformation and ERP

Organisations increasingly rely on ERP systems for real-time financial and operational information that enables faster, better-informed decisions. Beyond regulatory compliance, these systems can help reduce production waste, optimise inventory and achieve operational excellence.

This will redefine the accountant's role. Accountants can no longer rely solely on traditional accounting knowledge; they must understand how ERP systems integrate financial and operational processes, and how the information they generate can be used to improve business performance.

By 2030, accountants should know enough to take part in ERP implementation and system optimisation, and understand how technology can improve finance processes and create value for their organisations.

Expectations in the GCC

The transformation is particularly relevant in the Gulf, where regulatory reform, digitalisation and workforce localisation are reshaping the finance function. In Saudi Arabia, routine bookkeeping roles are being localised, while organisations place greater emphasis on specialised financial and technical expertise. The current Saudisation requirement in finance is 50%, rising to 70% by 2028. Expatriate accountants will increasingly need to move beyond bookkeeping and transaction processing and contribute specialised expertise. These professionals will play a vital role in helping organisations transform their finance functions, improve operational efficiency and strengthen governance, in support of the broader objectives of Saudi Vision 2030.

A growing number of companies across the Gulf are seeking stock exchange listings to access capital and support long-term growth. The requirements of stock exchanges and the Capital Market Authority (CMA) have become more demanding, including full compliance with International Financial Reporting Standards (IFRS) and timely financial disclosure.

Institutional investors, business leaders and other stakeholders will increasingly demand tailored

reports to support their investment and business decisions.



The accountant's focus in 2030 will therefore shift from what happened in the past to what may happen in the future and what action should be taken.

These evolving expectations will significantly expand the role of accountants in both industry and audit firms. Accountants will need to understand not only accounting and reporting requirements but also the technology infrastructure behind financial reporting, and be capable of helping to implement, manage and optimise financial systems.

Artificial and Business Intelligence

Competition within the accounting profession will intensify, requiring accountants to develop skills beyond traditional financial reporting. They will be expected to understand and use AI effectively to automate routine accounting activities, improve efficiency, reduce manual errors and enhance the quality of financial information, particularly as reporting deadlines tighten.

Understanding AI tools alone will not be enough. Accountants should actively help redesign business processes to take advantage of AI-driven capabilities. End-to-end automation can streamline repetitive tasks, accelerate processing, improve accuracy, strengthen internal controls, reduce operating costs and minimise the risk of human error and fraud.

Accountants will also need to be proficient in BI and data analytics tools, able to turn raw financial and operational data into meaningful insight through interactive dashboards, advanced analytics and data-driven reporting. These capabilities will enable them to identify trends, monitor key performance indicators (KPIs) and give management timely, actionable information.

Budgeting and Forecasting

Tomorrow's accountants will need strong capabilities in budgeting, financial modelling and

forecasting. They should be able to develop long-term financial projections, including five- to ten-year budgets and forecasts, assess different business scenarios, and identify potential financial risks and opportunities.

The accountant's focus in 2030 will therefore shift from what happened in the past to what may happen in the future and what action should be taken. By evaluating scenarios and their impact on revenue, profitability and cash flow, accountants can provide valuable insight for operational and strategic decisions.

In short, the traditional accountant will become a business partner, expected to advise the CEO and senior management on product profitability, cost optimisation and value creation, while evaluating how different scenarios would affect the company's top and bottom lines. To remain relevant in this rapidly evolving environment, accountants must keep up with emerging technologies and develop expertise in AI.

Communication Skills

Technical expertise alone will not be sufficient for the accountant of 2030. Strong communication, presentation and public speaking skills will become equally important. Accountants must be able to explain complex financial and business matters to the board, the audit committee,

shareholders and other stakeholders if they are to influence business decisions.

Start Building These Skills Today

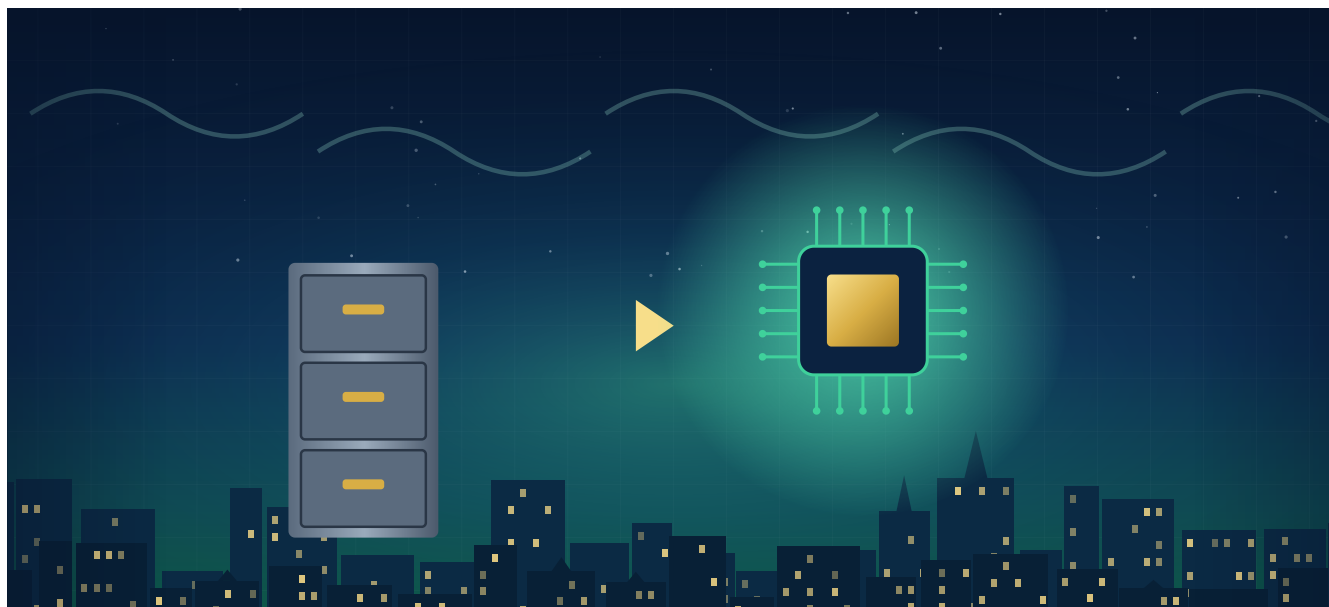
The finance profession is undergoing a fundamental transformation, and the pace of change is expected to accelerate. Traditional accounting tasks will increasingly be automated. Technology will not eliminate the need for accountants, however; it will reshape their role and the expectations placed on them.

To remain relevant and create value, accountants must commit to continuous learning, acquire new competencies and embrace emerging technologies. The accountant of 2030 will work beyond the traditional boundaries of the profession: understanding ERP systems and data analytics, using AI, developing budgets and forecasts, evaluating business scenarios and providing forward-looking insight, supported by the business acumen and communication skills of a trusted adviser to management.

These capabilities will increasingly be expected by 2030. We should therefore start developing them today, not only to remain relevant in a rapidly changing profession, but to increase our influence on, and participation in, business decision-making. ■

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SUB-TOPIC 04 · SKILLS EVERY ACCOUNTANT WILL NEED BY 2030

Skills Every Accountant Will Need by 2030: From Financial Record Keeper to AI-Enabled Business Advisor

“The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.” What Drucker’s warning means for the accountant of 2030.

BY MUHAMMAD FAIZAN, FCA

The accounting profession is entering a defining decade. For more than a century, accountants have been regarded as custodians of financial records, compliance specialists, and stewards of organizational governance. While these responsibilities will remain important, the skills required to perform them are undergoing a profound transformation. Artificial intelligence (AI), advanced analytics, cloud-based enterprise systems, automation, and digital reporting technologies are rapidly reshaping how finance functions operate. The World Economic Forum estimates that 39% of workers' core skills will change by 2030, with AI, big data, technological literacy, and analytical thinking among the fastest-growing competencies across industries. This transformation is not eliminating accountants; it is redefining their value.

Traditionally, a large portion of an accountant's day was devoted to transaction processing, reconciliations, ledger maintenance, and report preparation. Today, many of these activities are

being automated through platforms such as SAP S/4HANA, Oracle Fusion, Microsoft Dynamics 365, and cloud accounting solutions. McKinsey estimates that generative AI and related technologies could automate activities that currently consume between 60% and 70% of employees' working time, creating significant opportunities for finance professionals to focus on higher-value responsibilities.

AI Literacy: Understanding the Systems That Generate the Numbers

The most important skill every accountant will need by 2030 is AI literacy. Contrary to popular belief, this does not mean learning software development or becoming a data scientist. It means understanding how AI models function, how data quality affects outcomes, where automation can create efficiencies, and where human judgment remains indispensable. Accountants will be expected to evaluate AI-generated outputs, identify risks, and ensure compliance with financial and ethical standards.

Leading professional services firms such as PwC, Deloitte, EY, and KPMG have already embedded AI into audit, tax, and advisory functions. These firms now use intelligent systems to review large volumes of transactions, identify unusual patterns, and support risk assessments more efficiently than traditional approaches. ACCA research involving more than 900 finance leaders also indicates a substantial increase in organizational investment in AI capabilities and strategic involvement of finance professionals in AI adoption initiatives.

A practical example can be seen in Microsoft's finance function, where AI and automation are increasingly integrated into financial planning, forecasting, and reporting processes. Similarly, JPMorgan Chase has invested heavily in AI technologies to analyze documents, improve operational efficiency, and strengthen decision-making across financial operations. These examples demonstrate that accountants are no longer expected merely to prepare information; they are expected to understand and govern the systems that generate it.

From Producing Reports to Explaining Them

Equally important will be the ability to analyze and interpret data. Tools such as Microsoft Power BI, Tableau, SQL, and AI-enabled analytics platforms are increasingly becoming part of the standard finance toolkit. The future accountant will spend less time producing reports and more time explaining what those reports mean for organizational performance and future strategy.

Several global organizations already illustrate this evolution. Amazon utilizes sophisticated analytics to optimize inventory management, forecast demand, and improve profitability across its global operations. Unilever employs advanced financial data analytics to monitor performance across multiple markets and support strategic resource allocation. In Pakistan, leading banks and telecommunications companies increasingly rely on data-driven dashboards that enable finance teams to monitor profitability, customer trends, and operational efficiency in real time. The common theme across these organizations is that accountants are becoming interpreters of business intelligence rather than simply producers of financial statements.



The profession is not becoming less relevant because of AI; it is becoming more influential.

Strategic Business Partnering

Another defining capability for 2030 will be strategic business partnering. Finance professionals are increasingly expected to contribute directly to executive decision-making. Whether evaluating a new investment opportunity, assessing expansion plans, optimizing supply chains, or reviewing pricing strategies, accountants are becoming trusted advisors to senior management. The experience of multinational corporations clearly supports this trend. At Tesla, finance professionals play a critical role in evaluating capital investments, production expansion, and operational efficiencies. At Apple, financial analysis influences product strategy, investment decisions, and shareholder value creation. The accountants who thrive in such environments are those who understand not only accounting standards but also business models, competitive dynamics, and long-term value drivers. The future profession will reward commercial thinking as much as technical expertise.

Guarding Data and Measuring Sustainability

Financial information is among the most sensitive assets any organization possesses. As payment systems, financial databases, and reporting processes become increasingly interconnected, the risks associated with cyberattacks continue to grow. Accountants are now expected to participate in safeguarding data integrity, monitoring control environments, and identifying operational vulnerabilities. Global financial institutions such as HSBC and Citibank have strengthened investments in digital risk management and cybersecurity frameworks to protect financial assets and customer information. The accountant of 2030 will therefore need a solid understanding of cybersecurity principles alongside traditional financial controls.

Sustainability and ESG reporting represent another significant area of growth for the profession. Investors, regulators, lenders, and stakeholders increasingly evaluate organizations based not only on financial performance but also on environmental and social impact. Companies such as Microsoft, Unilever, and Nestlé have already integrated sustainability metrics into mainstream corporate reporting, recognizing that long-term value creation extends beyond financial results alone. As reporting requirements continue to evolve, accountants will be responsible for measuring carbon footprints, evaluating sustainability initiatives, and assuring the reliability of non-financial disclosures. This shift is creating an entirely new dimension of accounting expertise that scarcely existed a decade ago.

The Human Advantage

Despite these technological advances, human capabilities will become more important rather than less. Analytical thinking, problem solving, communication, and ethical judgment will distinguish exceptional accountants from average ones. The World Economic Forum identifies analytical thinking among the most important future workplace skills, highlighting the continued importance of human reasoning in an increasingly automated environment. Technology can process information at unprecedented speed, but it cannot fully understand business context, stakeholder concerns, or strategic priorities. The ability to ask the right questions, challenge assumptions, and communicate insights effectively will remain uniquely human strengths.

As renowned management thinker Peter Drucker observed, "The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic." This statement perfectly captures the challenge facing today's accounting professionals. The skills that created success in the past may not guarantee relevance in the future. A second insightful observation comes from Alvin

Toffler, who wrote, "The illiterate of the twenty-first century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." For accountants, lifelong learning will become a professional necessity rather than a personal choice.

The history of business transformation offers a valuable lesson for accountants who resist change. A notable example is Kodak, where finance and accounting teams were highly optimized for traditional reporting but struggled to support the company's transition to digital business models. While not solely an accounting failure, the inability of finance leadership to adapt quickly to technology-driven strategic decision-making contributed to broader organizational decline. The clear message for the profession is that the greatest threat is not technological disruption itself, but the failure to continuously develop the skills, adaptability, and forward-looking mindset required to remain relevant in an increasingly technology-driven business landscape.

From Record Keepers to Trusted Advisers

By 2030, the most successful accountants will combine financial expertise with AI literacy, advanced analytics, digital systems knowledge, cybersecurity awareness, sustainability reporting capabilities, strategic thinking, and strong communication skills. Routine bookkeeping and transaction processing will increasingly be handled by intelligent technologies, while accountants move closer to the centre of organizational decision-making. The profession is not becoming less relevant because of AI; it is becoming more influential. Those who embrace change and continuously strengthen their capabilities will evolve from financial record keepers into trusted business advisors, helping their organizations navigate complexity, drive innovation, and create sustainable value in an increasingly digital world. ■

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SUB-TOPIC 05

05 Digital Trust, Cybersecurity and Assurance

Sixty CVs, one free chatbot and an eleven-second decision nobody recorded. Unapproved AI use is already happening in most organisations, and it is a governance gap, not an IT problem.

1 ARTICLE IN THIS SECTION

109 | The Eleven-Second Decision: Why Unapproved AI Use Is a Governance Gap, Not an IT Problem

Muhammad Hasnain, FCA



SUB-TOPIC 05 · DIGITAL TRUST, CYBERSECURITY AND ASSURANCE

The Eleven-Second Decision: Why Unapproved AI Use Is a Governance Gap, Not an IT Problem

Sixty CVs, one free chatbot, a ranked shortlist in eleven seconds. No policy forbade it and no log recorded it. When the auditor asks, your answer will be a guess.

BY MUHAMMAD HASNAIN, FCA

It is twenty to five on a Thursday. A manager in your HR department has sixty CVs to shortlist before a morning panel. She opens a free chatbot in a browser tab, pastes in the applications and has a ranked shortlist in eleven seconds. She is good at her job and she did not think she was doing anything unusual, because nobody ever told her she was. No policy prohibited it, no system blocked it, no log recorded it.

The same afternoon, someone in procurement pasted three sealed-bid summaries into it and asked which offered better value. Someone in legal ran a forty-page agreement through it and worked from the summary. Someone in communications produced a donor update in the organisation's own voice, and nobody could say afterwards which parts were true.

Three months later, your auditor asks whether personal data left the organisation's control during the year. You will answer honestly, which means you will answer with a guess. That is the problem. Not the chatbot. The guess.

IT Owns the Tools, not the Judgements

The instinctive response is to route AI to IT, and that instinct is only half right. IT owns real ground: tool inventories, access controls, monitoring, licensing and where data sits. Give them the mandate and budget for that, and stay out of their way.

The second half is not theirs to carry. IT can tell you which tools are installed. What IT cannot tell you is whether a shortlist quietly filtered out every candidate with a gap in employment, whether a clause was summarised accurately or merely plausibly, or whether the analyst who wrote your commentary understood it. Those are judgements and they belong to the people who make them. Nobody has drawn the line between the tools IT can see and the calls only the business can make, and that space is where unapproved AI lives.

That gap is not an HR problem or a finance problem. It is the same gap in every function, and it stays invisible until somebody asks: a rejected

candidate wanting to know how the shortlist was drawn, an unsuccessful bidder asking to see the evaluation, a director who recalls the meeting differently from the minute, a customer asking you to substantiate a claim.

Three exposures sit underneath all of it:

- Confidential data leaves your control under terms nobody has read.
- Unreviewed output enters the record, with nothing defining who checks it.
- The risk has no owner, so everybody assumes it belongs to somebody else.

Each of them ends, sooner or later, at somebody's signature, and no regulator has ever accepted the tool as the author.

Why Your Usual Controls Will not Catch This

Reminding people to check their work will not fix this. Two of the controls the organisation depends on most simply stop working here.

You cannot check the work afterwards. Almost every process we run assumes a task can be repeated and give the same answer, which is how a decision gets explained months later. These tools behave differently. Ask the same question twice and you get two different answers, and unless somebody saved the session there is nothing to go back to. The record must therefore be made while the work is done: whoever uses the tool keeps the input, the output and the amendments on the file, at the time.

A second reader is not a second opinion. Maker-checker works because two people think about the problem independently. That breaks when one produces confident, well-written output and the other simply reads it, because the same neat explanation that caused the error also persuades the reviewer. Automation bias compounds the problem: someone who has found nothing wrong ten times stops looking on the eleventh.

One further point saves a good deal of wasted effort. AI does not need a new line in the risk register, because AI is not a discrete risk. AI is a severity and velocity multiplier on exposures you already carry: confidentiality, reporting accuracy, third-party dependency, employment practice. Entered once with a single owner, the entry belongs to nobody. Mapped against the risks AI

amplifies, ownership lands with the managers who already carry them.



A policy nobody verifies does not reduce the risk; it converts an unmanaged risk into an accepted one, and records that the organisation knew.

The Pressure Will Come from a Counterparty, not a Regulator

It is tempting to assume nothing at home yet applies. A national policy on artificial intelligence now exists, an authority has been created to give the digital agenda institutional shape, and our market and banking regulators have begun setting expectations on how models are supervised. Data protection legislation has been drafted and redrafted for years without reaching the statute book. None of this will produce an enforcement notice next quarter, and all of it tells you the direction.

The nearer pressure is commercial. If you export, serve foreign clients or sit inside a group, the request for evidence of your AI governance will arrive from a customer's procurement team, a donor or a lender long before any regulator here asks for it, and it will name a standard rather than pose a question. Nor is this limited to agreements you have yet to sign: read the confidentiality and data processing terms already in force, and ask whether an unlogged chatbot session sits inside them.

A Policy That Fits on Three Pages

The tempting middle path is a carefully worded email asking staff to exercise judgement, filed and forgotten. A policy nobody verifies does not reduce the risk; it converts an unmanaged risk into an accepted one, and records that the organisation knew. Knowledge without control is harder to defend than ignorance. What a management committee can approve this quarter needs five things and fits on three pages. Scale each to the organisation you run. The tests beneath each are what a committee or internal auditor should apply to judge whether it is really in place.

1. Establish what is actually in use

Require every function head to declare each tool in use and the purpose it serves. Run it as an amnesty with a stated closing date, so that disclosure carries no penalty and non-disclosure eventually does.

2. Classify the data, then licence a sanctioned alternative

State without qualification what may not be entered into a public tool: personal and employee data, customer and donor records, price-sensitive information, remuneration data, tender documents, draft financial statements and privileged advice. Prohibition without provision simply displaces the activity onto personal devices, beyond both your monitoring and your indemnity.

This is effective when prohibited data classes are clearly defined, the policy requires no interpretation, all users acknowledge it, and a sanctioned AI tool is available with contractual assurance that inputs are excluded from model training.

3. Set human-in-the-loop thresholds by document class

Define three tiers: usable as generated, requiring evidenced review, or prohibited. Map every material document class, require review for external-facing outputs, document the reviewer and scope, and ensure reviewers can effectively challenge AI-generated content.

4. Subject vendors and models to due diligence

Add four questions to procurement and renewal checks: Where is data processed? Is it used for training? How are model changes communicated? What assurance does the vendor provide, and against which standard? Apply these checks to embedded AI functionality as well.

5. Establish an incident and escalation route

Set a single reporting point, ensure non-retaliation, and maintain a documented process for logging, assessing and closing incidents. Agree escalation thresholds with the audit committee in advance.

What the Board Should See Each Quarter

A policy the board never sees again is a filing exercise. Ask management for four indicators on one page, reported with the trend rather than the position alone:

- **Declared tools against approved tools**, which shows whether the inventory is holding or the gap is reopening.
- **Incidents reported and their resolution status**, which shows whether the escalation route is trusted.

A sustained nil return is a warning, not a comfort.

Governance Is the Accelerator

There is a persistent belief that policy slows adoption. Anyone who has watched a promising initiative die in review knows the opposite is closer to the truth. People use these tools quietly precisely because nobody has told them what is allowed, and quiet caution is the enemy of productivity and control alike. Draw the red lines, provide an approved tool inside them and everything within them becomes fast, visible and defensible.

The organizations that move quickest will not be the ones with the best models. They will be the ones that can answer three questions on one page: what are we using, who approved it, and who checks the output. If you cannot answer those today, you have your next agenda item. And your colleague still has that browser tab open. ■

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SUB-TOPIC 06

06 Pakistan's Capital Markets and Investor Confidence

Record returns and record retail accounts sit alongside frontier-market status and foreign outflows. Four perspectives on what it will take to turn market performance into lasting confidence, and public money into public trust.

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SUB-TOPIC 06 · PAKISTAN'S CAPITAL MARKETS AND INVESTOR CONFIDENCE

Capital Markets: Engines of Growth or Hunting Grounds for the Few?

The KSE-100 returned 335 percent in three years and retail accounts hit a record. Yet only 0.2 percent of Pakistanis own shares and foreign money keeps leaving. Whose market is it?

BY ABID RAZA, ACA

Pakistan's capital markets present a striking paradox. The KSE-100 delivered a cumulative return of 335% in PKR terms (347% in USD) over FY24–FY26. Retail investor accounts rose a record 48% to 583,052 by the end of FY2025-26 and crossed 600,000 in July 2026. Market capitalisation recovered from a trough of roughly \$22 billion in mid-2023 to \$59.23 billion by end-March 2026 and approximately \$68.8 billion by May 2026. Yet Pakistan remains classified as a Frontier Market by both MSCI (since 2021) and FTSE Russell (since 2024), while foreign portfolio investment has continued to record net outflows. **Domestic exuberance coexists with international skepticism.** This divergence poses a fundamental question: **are Pakistan's capital markets genuine engines of economic growth, or venues that still favour those with superior information or influence?**

The Depth Deficit

Participation remains the most glaring structural weakness. Stock-market participation stands at

roughly 0.2% of the population, compared with 14.6% in India, 4.5% in Bangladesh and 4.4% in Sri Lanka. Pakistan's market capitalisation remains a fraction of India's and only modestly ahead of Bangladesh's. The market-capitalisation-to-GDP ratio has fallen from peaks of 46% in 2007 to around 13% today, well below India's approximately 122% and Sri Lanka's 24%. The Buffett Indicator sits at 13.1%, below its long-term average of 17.77%. The ratio is not, by itself, a definitive measure of market development, particularly in a frontier-market economy. However, alongside Pakistan's low investor participation, concentrated ownership and limited free float, it reinforces the broader picture of an equity market that remains relatively shallow compared with the size of the economy. **When markets are shallow, volatile and perceived as skewed toward insiders, capital migrates to deeper, more transparent venues.**

Volatility, Manipulation and the Trust Deficit

High volatility is both a symptom and a cause of weak investor trust. The KSE-100 has exhibited annualised volatility of approximately 30% in USD terms, roughly three times that of the Dow Jones Industrial Average. Index-level swings, however, understate the risk faced by retail investors at the individual-stock level. In 2025, a listed sugar company with no meaningful operations saw its share price rise more than 200% on speculative activity; its board itself described the move as purely speculative. In the same period, a listed textile company's shares rose approximately 132% in a month with no material announcement, prompting a formal exchange inquiry. With free float in some names as low as 10%, relatively modest capital can move prices dramatically.

Enforcement records show recurring patterns of wash trading, pump-and-dump schemes, market cornering, spoofing and coordinated activity. In one recent brokerage case (2025–2026), alleged investor fraud ran to several hundred million rupees, further eroding market confidence. **Trust is the indispensable currency of capital markets, and Pakistan's supply remains persistently low.** When retail participants reasonably fear that a rumour or coordinated trade can erase a large portion of their capital in days, the market ceases to function as a broad-based wealth-creation mechanism.

Structural Deficiencies: Concentrated Ownership and Low Free Float

A large proportion of listed companies remain family-controlled, with sponsors often holding the overwhelming majority of shares. Overall free float remains low (commonly estimated in the mid-to-high 20s percent range), and only a minority of companies maintain free float above 50%. Low free float reduces liquidity, concentrates influence and creates fertile ground for price manipulation. Minority shareholders face persistent obstacles to meaningful board representation.



Trust is the indispensable currency of capital markets, and Pakistan's supply remains persistently low.

The textile stock mentioned above, with a free float of only about 10%, illustrates the dynamic. Its share price more than doubled within 30 days in mid-2025, a 132% surge, without any material announcement, and over the following year gave back most of those gains. This trajectory is consistent with classic low-float dynamics: rapid price inflation on limited volume followed by a sharp correction under regulatory scrutiny and market forces. **Such ownership patterns discourage both domestic institutional investors and foreign funds that require depth, transparency and predictable governance.**

Foreign Investment: The Confidence Gap

Despite strong local-currency returns, foreign portfolio flows have remained negative. **Currency risk is the dominant deterrent:** the rupee depreciated from approximately Rs105 in 2017 to around Rs279 in March 2026. A 50% gain in rupee terms can be wiped out entirely by a one-third fall in the rupee's value against the dollar. Foreign ownership of free float has fallen sharply from levels near 25–27% in 2017 to the low-to-mid single digits in recent years. Additional factors include reduced weight in global benchmarks after the MSCI and FTSE reclassifications, external-account pressures, and a lingering perception of policy and institutional unpredictability.

Foreign capital requires more than episodic index rallies; it requires exchange-rate stability, credible enforcement, policy continuity and macroeconomic discipline. **Until those conditions are more firmly established, Pakistan's market will continue to be viewed primarily as a speculative rather than a core investment destination.**

The Islamic Finance Clarity Gap

Uncertainty over religious permissibility remains a significant barrier to broader market participation. SECP's Shariah-compliance screening classifies roughly 57–58% of listed securities (about 64–65% of market capitalisation) as compliant. In practice, technical criteria and periodic reclassifications often create confusion, with many investors treating a “non-compliant” label as a religious prohibition rather than a screening guideline. For a population in which religious considerations strongly shape financial decisions, this ambiguity suppresses the

mobilisation of domestic savings into equities, reinforcing shallow participation and limiting patient capital for productive enterprise. Clear communication from regulators and scholars that classification is a tool for informed choice, not a religious verdict, together with accessible education via mosques, digital platforms and simplified materials, is essential to channel this untapped pool into the market, deepen participation and support genuine capital formation.

The Path Forward: From Compliance to Value Creation

Transforming capital markets into engines of inclusive growth requires coordinated action on several fronts:

- 1. Credible proactive enforcement** — Transition existing regulatory frameworks from theoretical mandates into consistent, on-the-ground practice. Visible enforcement engenders public trust more quickly than introducing new legislation, and actions must be proactive, anticipating manipulation rather than merely reacting after a loss.
- 2. Higher free float and better governance** — Encourage progressive increases in free float and strengthen minority-shareholder protections.
- 3. Institutional capacity** — Ensure SECP, PSX and related bodies have the resources, independence and technical expertise for effective oversight.
- 4. Investor education** — Address the perception that equity investing is speculation or gambling through accessible financial-literacy programmes and proactive enforcement.
- 5. Policy continuity and macroeconomic stability** — Sustained fiscal discipline, credible monetary policy and successful IMF programme implementation reduce uncertainty. Pakistan's

sovereign ratings (S&P B, Fitch B-, and Moody's Caa1) have improved; the S&P upgrade from B- to B in July 2026, Pakistan's highest in eight to nine years, was driven by reform progress, reserves recovery, and fiscal consolidation. Building on this trajectory would lower the cost of capital.

- 6. Clarity on Shariah screening** — Regulators and scholars should jointly communicate that classification is a screening tool, not a religious verdict.
- 7. Refocus on capital formation** — Markets must channel savings into productive enterprise rather than facilitate returns for a relatively narrow set of participants.

Engines for the Many

Pakistan's recent equity rally and the surge in new retail accounts demonstrate that domestic appetite for opportunity remains strong. The simultaneous reality of frontier-market status, foreign outflows, high volatility, concentrated ownership and unresolved questions of trust and Islamic-finance clarity reveals a market that still serves a relatively narrow set of participants more effectively than the many.

The choice is not between regulation and growth, but between superficial compliance and genuine value creation. Rebuilding institutional trust, deepening free float, enforcing rules consistently and proactively, educating potential investors and clarifying the Islamic-finance dimension are all achievable.

Pakistan has the potential to build a deeper, more transparent and more inclusive capital market. Realising that potential requires collective will from regulators, policymakers, market participants and investors themselves. **The question remains: will Pakistan's capital markets remain venues that favour the few, or become engines of growth for the many? ■**

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SUB-TOPIC 06 · PAKISTAN'S CAPITAL MARKETS AND INVESTOR CONFIDENCE

Pakistan's Capital Markets and Investor Confidence: Why Sustainability Disclosure Is Turning into a Pricing Signal

Investors are starting to price sustainability information the way they price earnings. For Pakistani companies, poor disclosure is becoming a cost of capital.

BY MUHAMMAD AHMAD, ACA

For most of the last decade, a listed company's annual report told investors one story: what the business earned, what it owned, and what it owed. The sustainability section, where it existed at all, sat somewhere near the back, alongside the chairman's photograph and a page of corporate social responsibility spending. That arrangement is now changing, and the change is being driven less by conscience than by capital. Investors, lenders, and index providers are starting to price sustainability information the way they price earnings information, and Pakistan's capital markets are being pulled into that shift whether individual boards are ready or not.

A Roadmap That Has Quietly Become a Deadline

The Securities and Exchange Commission of Pakistan set this in motion in 2022, when it launched its ESG Regulatory Roadmap and formed a joint task force with the Pakistan Stock Exchange and the Pakistan Institute of Corporate

Governance. What began as guidance has hardened into a timetable. The first tranche of listed companies, those crossing thresholds on turnover, assets, and headcount, is now required to report under IFRS S1 and IFRS S2 for periods beginning on or after 1 July 2025. The second tier follows from July 2026, the third from July 2027, and by then the requirement extends beyond listed entities to unlisted public interest companies as well. Auditor assurance on this reporting becomes mandatory from each company's second year under the new standards.

The sequencing matters for how finance teams should think about this. A CFO who treats 2026 or 2027 as a distant compliance date is misreading the market. Investors do not wait for a rule to bind before they start asking the questions that rule anticipates. Analysts covering PSX-listed banks and exporters are already building climate exposure and governance quality into their engagement notes, well ahead of the formal reporting cycle catching up with them.

What Are Investors Actually Asking For?

It helps to be precise about what "investor confidence" means in this context, because the phrase gets used loosely. Institutional investors, particularly foreign portfolio investors evaluating Pakistani equities against regional alternatives, are not asking companies to be virtuous. They are asking for information that lets them price risk correctly. A textile exporter's exposure to European carbon border adjustments, a cement manufacturer's water usage in a water-stressed province, a bank's loan book concentration in carbon-intensive sectors: these are financial questions with sustainability inputs, not sustainability questions with financial side effects.

This is precisely the reframing that IFRS S1 forces. The standard does not ask companies to report on sustainability performance in the abstract. It asks them to disclose sustainability-related risks and opportunities that could reasonably be expected to affect cash flow, access to finance, or cost of capital. That framing puts the disclosure squarely inside the finance function's existing vocabulary, which is exactly why accountants, rather than communications or CSR departments, are increasingly the ones drafting it.



A sustainability report that contradicts or cannot be reconciled to the audited accounts does more damage to investor trust than no report at all.

The Cost of Capital Argument, Made Concrete

Pakistani companies routinely complain about a high cost of capital, and much of that complaint is fair given the macroeconomic backdrop of the last several years. But cost of capital is not set by policy rate alone. It reflects the risk premium investors attach to a specific company, and information gaps widen that premium. A company that cannot answer a lender's questions about its climate risk exposure, its board's oversight of sustainability matters, or its supply chain governance forces that lender either to price in a margin for the unknown or decline the facility altogether.

Development finance institutions and multilateral lenders active in Pakistan have moved further and faster on this than domestic commercial banks, but the direction is consistent across both. Green and sustainability-linked financing structures, where the pricing of a loan or bond is explicitly tied to disclosed sustainability metrics, are no longer a novelty in Pakistani corporate finance. Companies that can produce credible, assured sustainability data are simply better positioned to access these structures on favourable terms than companies that cannot.

The PSX Angle

The Pakistan Stock Exchange has its own stake in this. A market seeking to attract foreign portfolio inflows and improve its standing among frontier and emerging market peers needs its constituent companies to meet the disclosure baseline that international allocators now expect as a matter of course. PSX's participation in the ESG task force alongside SECP was not incidental. Index providers and passive fund managers increasingly screen on ESG data availability before they screen on ESG performance; a company that discloses poorly can be excluded from consideration entirely, regardless of how it would actually score if the information existed. For a market the size of Pakistan's, competing for a limited pool of foreign allocation, that exclusion risk is not abstract.

Where the Accountant's Role Actually Sits

None of this makes the accountant a sustainability officer. It makes the accountant the person responsible for ensuring that sustainability disclosure meets the same standard of rigour, consistency, and auditability that financial disclosure has always been held to. That is a significant shift in practice, even if it is not a shift in principle. Emissions data pulled from a facilities team's spreadsheet needs the same controls, documentation, and management sign-off that a revenue figure would require before it goes into a report an auditor will eventually be asked to assure. Boards that assign this work to whoever has spare capacity, rather than building it into the finance function's existing control environment, will find the assurance requirement arriving in year two considerably more painful than it needed to be.

The Risk of Treating This as a Filing Exercise

The companies most likely to struggle are not the ones lacking good underlying practices; they are the ones that treat sustainability reporting as a document to be produced once a year rather than a data discipline to be built into ongoing operations. Investor confidence is not won by a well-written report that arrives once annually. It is won by disclosure that is consistent year on year, defensible under audit, and connected credibly to the numbers already sitting in the financial statements. A sustainability report that contradicts or cannot be reconciled to the audited accounts does more damage to investor trust than no report at all.

From Filing to Financing

The direction of travel in Pakistan's capital markets is now reasonably clear. Sustainability

disclosure is moving from a voluntary, communications-led exercise to a mandatory, finance-led one, with assurance requirements that will eventually put it on the same footing as the financial statements themselves. For chartered accountants, this is not a peripheral compliance task to be delegated outward. It sits at the centre of how Pakistani companies will access capital, price risk, and hold the confidence of investors who now have little patience for boards that cannot answer straightforward questions about the risks sitting on their balance sheets. ICAP's own recommendation of the IFRS Sustainability Disclosure Standards to SECP reflects that recognition. The profession that has spent a century building the credibility of financial reporting is now being asked to do the same for sustainability reporting, on a considerably shorter timeline. ■

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SUB-TOPIC 06 · PAKISTAN'S CAPITAL MARKETS AND INVESTOR CONFIDENCE

From Market Growth to Investor Confidence: Strengthening Pakistan's Capital Markets

T+1 settlement, digital trading, record retail accounts: Pakistan has built the plumbing of a modern market. What it still has to build is confidence.

BY **KHIZAR HAYAT, FCA**

Pakistan's capital market has undergone significant change in recent years. What was once heavily dependent on manual processes has increasingly moved towards digital platforms, sophisticated information systems, electronic trading and faster settlement mechanisms. Technology has improved the way trades are executed, portfolios are managed and transactions are settled, creating a more connected and efficient marketplace.

The shift towards real-time systems and improved transparency in securities holdings has also strengthened the infrastructure supporting the market. The successful implementation of a T+1 settlement cycle in February 2026 represents another step towards bringing Pakistan's market infrastructure closer to international practices.

Yet modern infrastructure alone cannot create a deep and resilient capital market. The next stage of development must focus on something equally important: **investor confidence**.

From Market Activity to Market Confidence

A growing number of transactions or a rising index can indicate increasing market activity, but investor confidence depends on more than short-term price movements. Investors need to believe that markets operate transparently, that rules are consistently applied, that information is reliable and that companies are supported by sound fundamentals.

Pakistan's equity market has demonstrated periods of strong performance. The KSE-100 index recorded an increase of 18.4% during the period from June 30, 2025 to March 31, 2026, outperforming several major regional markets over the same period. However, index performance should be viewed in context. Market movements can be influenced by economic conditions, interest rates, political developments, geopolitical events, liquidity and investor sentiment, sometimes overshadowing the underlying performance of listed companies.

This raises an important question: **how can Pakistan convert periods of market performance**

into sustained confidence and long-term investment?

The answer lies in strengthening the fundamentals of the market.

Making the Investment Climate More Attractive

A more robust investment climate requires progress on several fronts.

First, Pakistan needs to continue improving the competitiveness of its equity market relative to regional markets. Strong market performance can attract attention, but sustained participation requires companies with credible growth prospects, reliable disclosures and attractive investment opportunities.

Second, the primary market needs greater depth. A healthy IPO market gives companies access to capital while providing investors with opportunities to participate in business growth. Improving the quality and diversity of new listings, strengthening disclosure standards and making the IPO process more accessible can help broaden the market.

Third, market indices should increasingly reflect underlying economic and corporate fundamentals rather than being driven predominantly by short-term information shocks. This does not mean eliminating volatility, which is an inherent feature of capital markets. Rather, it means creating conditions in which valuations, earnings, governance and long-term growth prospects have greater influence over investment decisions.

Finally, stronger correlations between market valuations and business fundamentals can help build confidence among both domestic and international investors.

Encouraging Long-Term Investment

One of the challenges facing emerging capital markets is the tension between short-term trading and long-term investment.

Short-term price movements can create opportunities, but excessive concentration on rapid gains can also amplify volatility. Investors who enter the market without adequate understanding of risk may find themselves exposed when prices move sharply in either direction.

Long-term investment, supported by appropriate diversification and informed portfolio selection, can provide a more sustainable foundation for market development. Institutional investors, pension funds, mutual funds and other long-term pools of capital can play an important role in this process.

The objective should not be to eliminate active trading. Instead, Pakistan needs a market in which different investor categories can participate according to their objectives, risk tolerance and investment horizons.



A stronger capital market is not built by performance alone.

Digital platforms can support this transition by providing investors with better information, analytical tools and educational resources. Investor portals should increasingly become self-learning platforms that explain products, risks, market movements and portfolio characteristics in accessible language.

Widening Participation

A deeper capital market also requires broader participation.

Pakistan can explore ways of increasing public participation while maintaining appropriate protections for existing shareholders and ensuring that corporate ownership and management structures remain transparent.

Greater retail participation should be accompanied by stronger investor education. New investors need to understand that market returns are not guaranteed and that higher potential returns generally involve higher risks.

The market can also benefit from clearer segmentation of securities and investment products. Investors should be able to distinguish between established blue-chip companies, growth-oriented businesses, higher-volatility securities and income-oriented investments. Digital platforms can assist by presenting this information clearly and helping investors make decisions based on their individual objectives.

Technology as an Enabler

Technology will remain central to the next phase of capital-market development.

Automated systems can improve execution, settlement, reporting and risk monitoring. Artificial intelligence and advanced analytics may also provide new opportunities for market surveillance, investor education and decision-support tools.

However, greater automation must be accompanied by appropriate safeguards. Technology should improve accessibility and efficiency without compromising transparency, cybersecurity or investor protection.

The future capital market is therefore likely to be one in which technology and human oversight work together. Trading platforms, brokers, financial institutions and regulators will need to ensure that automated systems operate within clearly defined parameters and that investors understand how these systems function.

Attracting Foreign Investment

Pakistan's capital market also has an important role to play in attracting international capital.

The country has continued to develop instruments for participation in international capital markets, including Eurobonds, Global Medium-Term Note programmes, international Sukuk and PKR-denominated, US-dollar-settled bonds.

Attracting foreign investment, however, requires more than creating financial instruments. International investors look for predictable regulations, transparent markets, reliable financial information, efficient settlement systems and mechanisms for resolving disputes.

Pakistan can therefore strengthen its position by improving connectivity with international market participants and continuing to align market infrastructure with global standards.

Foreign direct investment can also be supported through clearer investment windows and stronger institutional arrangements. Greater integration with international investors should be accompanied by appropriate safeguards so that capital flows contribute to sustainable economic

development rather than merely short-term market activity.

Linking Performance with Fundamentals

Investor confidence ultimately depends on whether market performance can be supported by credible economic and corporate fundamentals.

Confidence can be influenced by interest rates, availability and cost of capital, market liquidity, corporate profitability, regulatory consistency and the availability of attractive investment opportunities. It can also be affected by broader economic and geopolitical developments.

For this reason, a rising index should not be treated as the sole measure of capital-market development. Equally important are the number and quality of listed companies, market depth, liquidity, institutional participation, IPO activity, disclosure quality and the ability of investors to access reliable information.

The objective should be to build a market where growth is supported by fundamentals rather than driven primarily by short-term sentiment.

The Way Forward

Pakistan's capital market has already made important progress in moving from traditional processes towards faster, more technology-enabled systems. The implementation of T+1 settlement, the development of digital trading infrastructure and growing integration with global financial markets demonstrate this evolution.

The next challenge is to translate infrastructure and market performance into lasting investor confidence.

A more robust investment climate could be built around four priorities: **stronger fundamentals, wider participation, greater transparency and deeper integration with global markets.**

Pakistan can also strengthen the market by improving the quality of IPOs, encouraging long-term institutional investment, expanding investor education, developing more sophisticated digital platforms and ensuring that market regulation keeps pace with technological change.

Ultimately, capital-market development is not simply about achieving higher index levels or increasing trading volumes. It is about creating a

marketplace where companies can raise capital efficiently, investors can make informed decisions and market performance reflects genuine economic and corporate value.

The real measure of progress will therefore be whether Pakistan can move from periods of

market growth towards a deeper and more resilient investment ecosystem.

A stronger capital market is not built by performance alone. It is built when performance, transparency, technology and fundamentals work together to create lasting investor confidence. ■

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SUB-TOPIC 06 · PAKISTAN'S CAPITAL MARKETS AND INVESTOR CONFIDENCE

From Tax Collection to Public Trust: Rethinking Financial Accountability in Pakistan

A Friday sermon about Zakat raises a sharper question for accountants: when citizens pay, how clearly can they see what their money achieves?

BY TALHA BIN KHALID, ACA

A recent address by my local imam made me think about taxation from a perspective I had not seriously considered before. His broader point was that Muslims are obligated to pay Zakat and that the increasing burden of additional taxes reflects how far modern economic systems have moved from an ideal Islamic model.

Whether one agrees with that conclusion or not, the comment raises a question that is perhaps more relevant to accountants, auditors and policymakers than the religious debate itself: **if the state requires citizens to contribute a significant portion of their income and consumption toward public finances, how clearly can those citizens see what their money ultimately achieves?**

Historically, Islamic public finance was not based on Zakat alone, and scholarly views differ on the circumstances in which additional taxation may be justified. But there is a principle on which there should be much less disagreement: where public authorities collect resources in the name of public

necessity, accountability for the use of those resources should be strong.

Pakistan already has formal mechanisms of public financial accountability. Article 78 of the Constitution provides that federal revenues form part of the Federal Consolidated Fund, while the Auditor-General of Pakistan publishes audit reports on the accounts of the Federal Board of Revenue. Yet the ordinary taxpayer still experiences a significant disconnect between paying tax and seeing the outcome of that contribution.

Not an Accounting Problem, a Trust Problem

This is not simply an accounting problem. It is a trust problem.

A salaried individual may have income tax withheld, pay sales tax on consumption and bear various duties and levies throughout the year. Yet when that person uses a private hospital, sends children to a private school, arranges backup

power or encounters poor local infrastructure, a natural question arises: what did my taxes actually pay for?

The answer is difficult because taxation is pooled. A taxpayer cannot trace one rupee of personal tax to one hospital, school or road. That is understandable from a public-finance perspective, but it weakens the psychological connection between contribution and public value.

The concept of tax morale helps explain why this matters. OECD research links long-term voluntary compliance with trust in government, perceptions of fairness, taxpayer awareness and the quality of public services. Enforcement can collect tax, but trust helps sustain a tax system.

Making Public Spending Visible

This leads to a question worth debating: **can Pakistan make public expenditure feel more visible without undermining the government's ability to allocate resources nationally?**

One possible approach would be to strengthen the corporate-style governance of major public development functions. Health, education, infrastructure, water and similar areas could be managed through professionally governed public entities or funds with clear mandates. These bodies would not necessarily be privately owned; they could remain state-owned while operating under stronger transparency requirements.



An unmodified audit opinion does not necessarily mean that taxpayers received value for money.

Each major entity could publish annual financial statements, independent audit reports, project-level expenditure, procurement information, budget-versus-actual performance and measurable operating outcomes. Instead of merely announcing that billions were allocated to a programme, the public should be able to see how much was actually received, how much was spent on administration versus service delivery, which projects were completed, which were delayed, what cost overruns occurred and what the auditor reported.

Clean Accounts Are not the Same as Value for Money

For accountants, however, there is another important distinction: **an unmodified audit opinion does not necessarily mean that taxpayers received value for money.**

A large infrastructure project may be properly recorded, supported by documentation and legally authorized, yet still represent a poor economic decision. Financial statement audit answers whether the accounts are fairly presented. Public accountability must go further and ask whether resources were used economically, efficiently and effectively. Pakistan's Public Finance Management Act itself defines financial propriety in terms that include value for money and the economic, efficient and effective use of resources.

That means stronger financial reporting should be complemented by meaningful performance and value-for-money reporting.

A Debatable Idea: Taxpayer-Directed Contributions

I would take the idea one step further, although this part is deliberately more debatable: **what if taxpayers were allowed to direct a limited portion of their tax liability toward broad development categories such as healthcare, education, infrastructure, water or poverty alleviation?**

The majority of tax would still remain within the national pool. That is essential. Defence, debt servicing, courts, administration, national infrastructure and redistribution cannot depend on which causes happen to be popular among taxpayers.

Allowing citizens to allocate all of their taxes would also create serious inequalities. Wealthier areas generate more tax, while poorer areas often require greater public expenditure. A functioning state must redistribute resources rather than simply return them to the communities from which they were collected.

But a limited taxpayer-directed component could serve a different purpose: **engagement.**

Imagine paying Rs. 500,000 in annual tax and later receiving a statement showing that Rs. 50,000 of the taxpayer-directed component went to a national health fund. The same portal could show

the fund's audited financial statements, completed projects, key performance indicators and major budget variances.

Would this make people more willing to pay tax? Would it strengthen the sense that taxation is a contribution to a functioning society rather than simply an amount deducted from income?

There are valid arguments against such earmarking. It can reduce budget flexibility, create administrative complexity and favour visible services over less popular but equally necessary functions. So the proposal should not be treated as a ready-made policy prescription. The larger idea is more important.

Pakistan's tax debate often focuses on widening the tax base, raising collection targets and enforcing compliance. These issues matter. But perhaps we also need to ask what happens after the money is collected.

What Happens Next

The accounting profession can contribute to that conversation. Our role should not end at asking whether expenditure was recorded correctly. We

should also advocate for reporting that allows citizens to understand where public money went, what outcomes were achieved, how performance compared with budget and whether major public institutions delivered value.

A sustainable tax system ultimately requires more than enforcement. It requires a fiscal relationship in which citizens can see a credible connection between the money they contribute and the society that contribution is meant to build.

Perhaps the question is therefore not only, 'How can Pakistan collect more tax?' It is also: 'How can Pakistan make taxpayers trust what happens next?'



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SUB-TOPIC 07

07 Young Professionals' View: What Will Define the CA of the Future?

The generation entering the profession now will write its next chapter. Young CAs, and one millennial mentor, on what will define the Chartered Accountant of the future.

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SUB-TOPIC 07 · YOUNG PROFESSIONALS' VIEW

The CA Who Wasn't Trained for This: What Will Define the Chartered Accountant of the Future?

Danone's board fired Emmanuel Faber for putting sustainability first. Months later he was chosen to write the world's sustainability rulebook. Pakistan's young CAs will make that rulebook real.

BY ALI RAZA LAKHO, ACA

In March 2021, Danone's board ousted its chairman and CEO, Emmanuel Faber, after activist investors ran out of patience with sluggish sales and margin growth. Faber had spent years pushing Danone toward a "multi-stakeholder" model: carbon-linked earnings targets, biodiversity coalitions, France's first certification as an "Enterprise à Mission." None of it saved him. The market's verdict was blunt: sustainability is nice, but it doesn't pay the dividend.

Then, eight months later, something almost perverse happened. At COP26 in Glasgow, the IFRS Foundation announced the creation of the International Sustainability Standards Board, the body that would sit alongside the IASB and write the accounting-grade rules for sustainability disclosure worldwide. A month after that, in December 2021, it named their inaugural chair: Emmanuel Faber. The same conviction that got him removed from a boardroom got him handed

the pen for a new global standard. By June 2023, that pen had produced IFRS S1 and S2, the standards now being phased into Pakistan's own reporting requirements.

That whiplash (punished by markets one year, put in charge of writing the market's new rulebook the next) is not a footnote. It is the clearest illustration available of the shift this issue's theme describes: sustainability reporting moving from a discretionary compliance gesture to something regulators and investors expect to be measured, assured, and relied upon. And it is young chartered accountants, not standard-setters in Glasgow, who will have to make that promise real in audit files across Pakistan.

Pakistan's Own Version of the Same Shift

Pakistan is not watching this from a distance. The SECP's amendment inserting Regulation 10A into the Listed Companies (Code of Corporate

Governance) Regulations, effective June 2024, made boards formally responsible for overseeing sustainability risks and opportunities, a governance duty, not a voluntary gesture. The SECP has since moved to adopt IFRS S1 and S2 in a phased manner, with the first cohort of companies reporting from periods beginning January 2025, the second from 2026, and the third from 2027, and, tellingly for our profession, a requirement for statutory auditor assurance starting from each company's second year of reporting. The Pakistan Stock Exchange has been building toward the same point from the market side since 2021, through an ESG Task Force chaired by Dr Shamshad Akhtar, and more recently through revised ESG disclosure guidelines aligned with the Pakistan Green Taxonomy.

None of this is entirely new territory for Pakistani accountants, even if the language is. ICAP and ICMAP have jointly run the Best Corporate and Sustainability Report Awards since 2000, long before "ESG" entered the local vocabulary, and companies like Engro Corporation were already being recognized for dedicated sustainability reporting back in 2014. What has changed is the stakes: what used to be a competition for a certificate at an awards dinner is becoming a mandatory disclosure with an audit signature attached to it.



A sustainability report that reads beautifully but cannot support its own numbers is a red flag no different from an unusually smooth set of financial statements.

A Generation That Already Expects This

There is a temptation among senior practitioners to treat sustainability as an add-on skill for accountants to acquire later, once the "real" technical grounding is done. Global research on the incoming generation suggests the opposite is closer to the truth. ACCA and IFAC's global study of 9,000 young people aged 18 to 25, published as "Groundbreakers", found a generation broadly unconvinced that business is doing enough on climate change, and unusually candid about wanting employers who act rather than simply

state values. That scepticism is becoming part of technical competence, not a distraction from it. A CA entering the profession today already assumes a company's environmental and social footprint is as legitimate a subject of scrutiny as its revenue recognition policy. The profession does not need to sell this generation on sustainability; it needs to give them the technical tools to audit it properly.

That is a meaningful difference from how earlier waves of change were absorbed. When IFRS was rolled out, or risk-based auditing replaced substantive-heavy approaches, the profession retrained itself gradually, often reluctantly. Sustainability assurance is arriving at the same time as a workforce that already believes it matters, an alignment that, used well, could compress a decade of grudging adoption into a few years of genuine capability-building.

What Actually Needs to Change

None of this requires the CA of the future to become a climate scientist. It requires three narrower, achievable shifts. First, comfort with non-financial evidence: emissions factors, water-use data, supply-chain attestations. This is information that does not sit neatly in a general ledger but still needs to be tested for reasonableness and traced to source. Second, fluency across frameworks that used to belong to specialists (GRI, the now-absorbed TCFD pillars, and IFRS S1/S2), enough to know which one a client's stakeholders actually expect. Third, and least discussed, the judgement to recognize greenwashing: a sustainability report that reads beautifully but cannot support its own numbers is a red flag no different from an unusually smooth set of financial statements, and young auditors will need the confidence to say so to senior clients.

ICAP has already taken a clear position here: recommending the adoption of IFRS S1 and S2 to the SECP signaled that the Institute sees sustainability assurance as core accountancy work, not an adjacent specialism to be outsourced to consultants. The next step is making sure that signal reaches the training curriculum and CPD calendar before it reaches the exam syllabus by accident, three years too late.

The Value in "Value Creation"

The theme running through this issue, moving from compliance to value creation, is easy to state and hard to live. Emmanuel Faber found that out the hard way at Danone before the market's institutions effectively admitted he had been early rather than wrong. Pakistan's young chartered accountants are being handed a rarer opportunity: to enter this shift while the rulebook is still being written, rather than inheriting it as a settled compliance checklist a decade from now.

That is what will define the chartered accountant of the future: not a new job title, but the same old

professional skill: independent, evidenced judgement, applied to a wider and more consequential set of numbers. The profession does not need to reinvent the CA. It needs to let this generation grow into a role that, without much ceremony, has already started arriving.

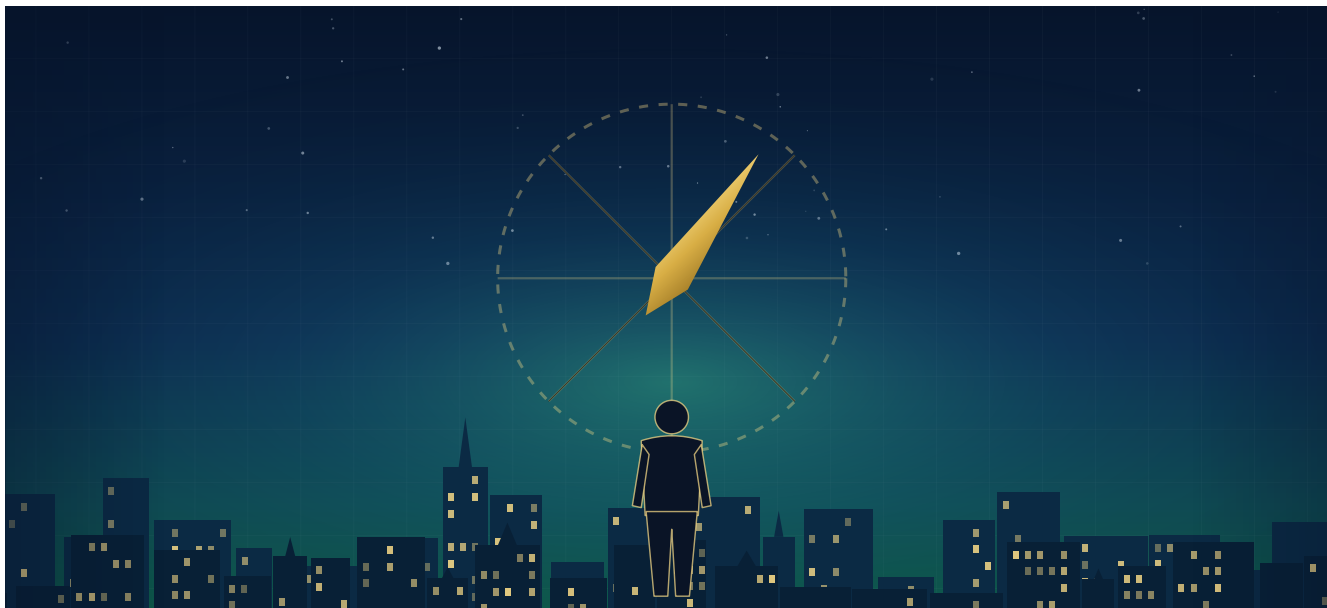
The question is no longer whether the CAs of the future will remain relevant. The more important question is: what will organizations need the CA to do that technology cannot?

This is where the CA of the future will be defined.



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SUB-TOPIC 07 · YOUNG PROFESSIONALS' VIEW

What Will Define the CA of the Future?

We trained through currency crises, tax upheaval and the arrival of automation. From inside that generation, a young CA on what will actually define the profession.

BY MUHAMMAD ARSLAN, ACA

At almost every professional gathering, the same question is raised in one form or another: what will the Chartered Accountant of the future look like? The question is usually answered with references to technology. Yet for those of us who have qualified recently, and who are building our careers in the middle of this change, the answer feels considerably broader than software.

Our generation entered the profession at an unusual moment. We trained through a period of economic uncertainty, currency pressure, rapid tax reform, tighter financing conditions and the arrival of automation in processes that were manual only a few years earlier. That experience has shaped a particular view of what the profession is becoming. The technical foundation of the Chartered Accountancy qualification remains as relevant as it ever was. What is changing is the range of expectations placed on the person who holds it.

The Mandate Has Widened

For decades, the value of the profession was understood largely in terms of accuracy, compliance and assurance. Those responsibilities remain central, and no amount of technology reduces their importance. What has changed is that organisations now expect finance functions to contribute earlier and more directly to decisions. Boards want to understand not only what the numbers report, but what they imply. Lenders ask sharper questions. Regulators expect better documentation. Management wants analysis at the speed at which decisions are actually taken.

The result is a widening mandate. The CA of the future will still be a preparer and a reviewer, but will increasingly also be an interpreter, an adviser and a source of challenge within the organisation. Young professionals recognise this in practical terms: the work that earns credibility today is rarely the work of simply closing the books on time. It is explaining what the close revealed.

Judgement Will Remain the Core

There is understandable anxiety in our cohort about automation. In our own experience, however, technology has mostly removed the parts of the work that never developed us in the first place: repetitive reconciliations, manual schedules, repeated extraction of the same data in different formats. What it has not touched is judgement.

An automated output may be produced quickly and presented convincingly, and still be wrong. Assumptions may be inappropriate. Data may be incomplete. Controls around a system may be weak. Someone must decide whether a result is reliable, whether an estimate is reasonable, whether a disclosure is adequate and whether something material has been missed. That responsibility cannot be delegated to a tool, and it is precisely where the profession's training is strongest. Professional scepticism will define the CA of the future far more than familiarity with any particular application.

Digital Awareness, not Technical Mastery

This does not mean that young professionals can afford to be indifferent to technology. It means the expectation should be set correctly. Not every CA needs to write code or build models in a data platform. Every CA does need to understand how data originates, how systems process and store it, where controls sit, how automated outputs should be reviewed and what can go wrong.

In practice, the skills that have proved most useful early in a career are unglamorous: working confidently with large data sets, understanding the logic of an ERP environment, documenting a process clearly, testing whether a report actually reconciles to the source. These are not specialist capabilities. They are the modern equivalent of knowing how a ledger works, and they will be assumed rather than admired in the years ahead.



Qualification is the point at which independent learning begins rather than concludes.

Understanding the Business, not Only the Balances

A further distinction is emerging between professionals who understand accounting and professionals who understand the business that the accounting describes. Margins, pricing, working capital cycles, supply chains, customer concentration, contractual exposure and cost behaviour are not peripheral matters. They explain the numbers.

Young professionals who take the time to understand operations find that their technical advice becomes far more useful. A variance analysis becomes a conversation about procurement. A cash-flow forecast becomes a discussion about credit terms. This commercial understanding is difficult to acquire from a textbook and easy to acquire through curiosity, and it will increasingly separate the trusted adviser from the competent reporter.

A Particular Relevance for Pakistan

In Pakistan, these expectations arrive with additional urgency. Many organisations operate with compressed margins, careful liquidity management and a demanding regulatory and tax environment. Documentation requirements are expanding. Reporting timelines are tightening. Businesses that once managed with a purely transactional finance function are finding that this is no longer sufficient.

For young professionals here, this creates real opportunity. Because finance teams are often lean, responsibility arrives early. A newly qualified professional may find themselves involved in forecasting, lender discussions, system implementation and governance matters far sooner than a peer in a larger market would. That exposure is demanding, but it builds exactly the judgement the profession will need. The growth of technology-enabled services and outsourcing also means that Pakistani CAs are competing, and contributing, in an international market. Standards of communication and quality are therefore no longer local questions.

Communication: The Undervalued Skill

If there is one area our generation consistently identifies as underdeveloped, it is communication.

Technical accuracy carries no influence if it cannot be explained. A well-reasoned position that a board does not follow has limited practical value.

The CA of the future will need to write clearly, present concisely and explain complex matters to people who do not share the same technical vocabulary. Equally important is the ability to raise concerns constructively — to challenge an assumption, question a classification or resist an unrealistic timeline while maintaining the relationship. This is a professional skill, not a personality trait, and it deserves the same deliberate development as any technical subject.

Ethics and the Public Interest

Finally, and most importantly, the qualities that will define the profession are not new at all. Financial information supports investor confidence, lender decisions, taxation, regulatory oversight and public trust. That responsibility does not diminish because processes become faster or systems become more sophisticated. If anything, it becomes harder to discharge, because the volume of information is greater and its origins are less visible.

Independence, integrity and the willingness to hold a difficult position are the profession's foundation. Young professionals inherit that obligation on the day they qualify. It is what distinguishes a Chartered Accountant from a well-equipped analyst, and it will remain the profession's most durable advantage.

What Young Professionals Believe Will Matter Most

- Sound technical judgement, applied to information that others have produced
- Digital awareness sufficient to question systems, data and automated output

- Commercial understanding of the business behind the financial statements
- Clear communication, including the confidence to raise difficult issues
- Ethical resolve and a genuine sense of public interest responsibility
- A settled habit of continuous learning, long after qualification

A Habit of Continuous Learning

None of the above can be acquired once and retained indefinitely. Standards are revised, tax law changes, reporting expectations expand and tools are replaced. The most useful discipline our generation can build is not knowledge of any single framework, but the routine of learning something new regularly and without being asked to. Qualification is the point at which independent learning begins rather than concludes.

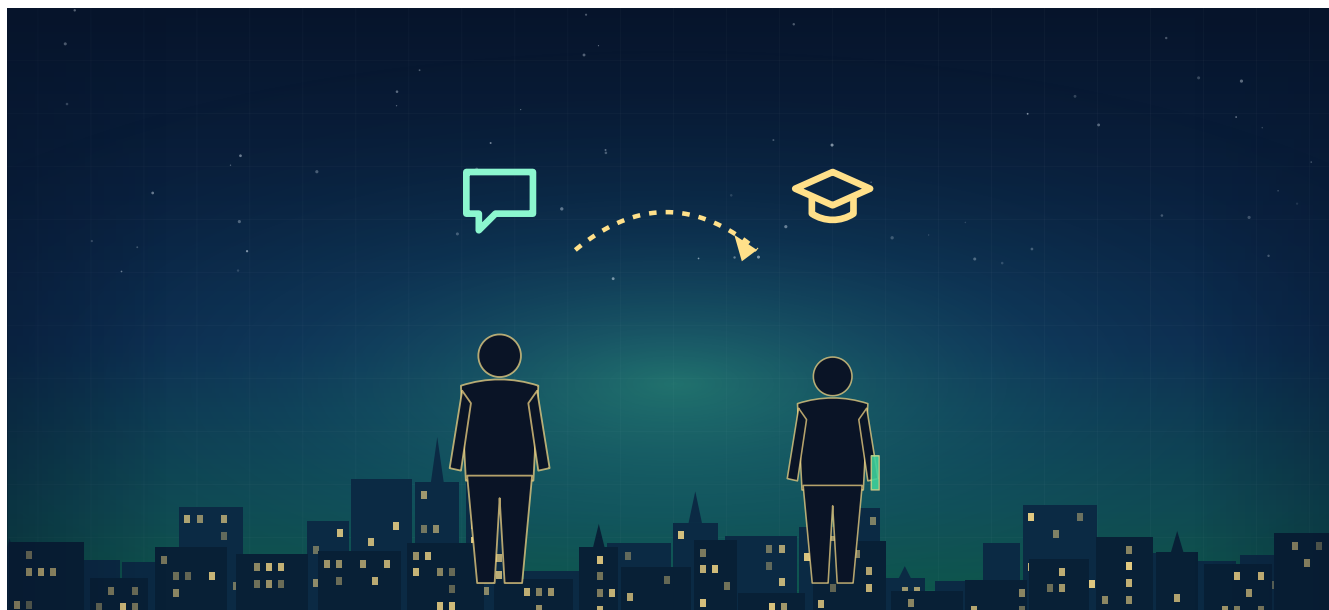
Defining the CA of the Future

The profession has adapted many times before: to new reporting standards, to changes in regulation, to rising governance expectations and to successive waves of technology. It has adapted because its foundations are principled rather than procedural.

So what will define the CA of the future? Not the software they use, and not the volume of data they can process. It will be judgement exercised over information they did not personally prepare, understanding of the business they serve, clarity in explaining what they conclude and the integrity to stand behind it. Technology will change how the work is done. The reason the work is trusted will remain unchanged — and it is the responsibility of those of us early in our careers to make certain of that. ■

Muhammad Arslan, ACA

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SUB-TOPIC 07 · YOUNG PROFESSIONALS' VIEW

Beyond “What’s Wrong with Gen Z?”: Rethinking the Workplace

Trainees quit during probation and ask pointed questions about growth. Before asking what’s wrong with Gen Z, a millennial partner asks what his own generation built.

BY KASHIF ADEEL, FCA

As a millennial in my early forties, I often hear this question from my seniors and former colleagues in firms and industry, especially when I refer a student for training or a job opportunity. Their concern is understandable: many trainees leave during probation or shortly afterwards in search of better prospects, and Gen Z increasingly treats leaving a job not as a setback but as a strategic move. They are not grateful merely for being given an opportunity to learn; instead, they ask pointed questions about growth pathways, the working environment, future prospects, and the potential for meaningful employment in a market where training opportunities are already limited and increasingly difficult to secure.

However, the question itself is misplaced. The real task is to understand why Gen Z behaves differently, accept how past choices shaped the environment, and change mentoring, career design and work culture so both generations thrive together.

Why Does Gen Z Move Faster?

Gen Z grew up in a world of instant feedback, on-demand learning and widespread use of digital technologies and AI. They use social media and generative tools to learn technical skills quickly, compare salaries and roles in real time, and build portable portfolios of micro-credentials. Economic pressures, including inflation, uncertain job markets and the pandemic’s wake, make them pragmatic. In Pakistan, local realities make it even harder. Though the CA qualification still carries prestige and helps turn family expectations into reality, migration prospects, remittances, and private-sector pay gaps lead many young professionals to view early career moves as practical stepping-stones rather than betrayal. If a lateral move gets them better pay, autonomy or mental-health space, they’ll take it.



Do that, and the next generation will be an asset to tap, not a problem to solve.

What It Means for CA Firms and Industry

In CA firms and industry teams, the effects are operational. Short tenures disrupt client continuity and make knowledge transfer slower. Trainees and juniors expect rapid skill development, frequent feedback and meaningful work. They are less willing to endure long periods of repetitive compliance work that offer little visible learning. They also expect access to digital tools and clear guidance from the firms or employers. For Pakistani firms, the implications are even more significant since traditional training models emphasize long apprenticeships and billable hours, while Gen Z seeks skill-based milestones and flexibility.

We Helped Create This Environment

Millennials and current leaders are not blameless. We led digitization, introduced hybrid work, and normalized flatter hierarchies. These changes were largely necessary and positive, but they also raised expectations. At the same time, many firms continued to emphasise metrics that reward attendance and billable hours, and training remained content-heavy rather than coaching-oriented. This resulted in a generation that expects speed, feedback and purpose entering workplaces still structured for a different era.

How to Mentor Gen Z

Mentoring needs to be redesigned to suit the faster pace of work and to be mutually beneficial.

- **Micro-mentoring and reverse mentoring.** Replace annual reviews with short, frequent developmental conversations. Pair seniors with juniors in reverse-mentoring relationships so both sides learn. Gen Z teaches AI tools and digital workflows; seniors teach judgement, client handling and ethics.
- **Active support, not just advice.** Mentors should actively support high-potential trainees and juniors by providing client opportunities, recommending stretch assignments, and

advocating for their promotions. This kind of support reduces the need for young professionals to look elsewhere for growth.

- **Skill-based milestones.** Define 6–12-month competency goals (e.g., data-analytics module, audit automation task, ESG reporting basics) and map them to visible rewards (e.g., project choice, learning budgets, or role progression).
- **Authorised AI use and learning pathways.** Provide curated AI tools, micro-courses and time for upskilling. Encourage credential stacking (short certificates in analytics, automation, ESG) and recognise them in appraisal.
- **Rethink career architecture.** Offer lateral career paths alongside the traditional partner route, such as technical specialist, advisory consultant, data/tech lead, or client-facing roles. Make movement between these paths normal and transparent. This reduces the 'climb or leave' mindset and helps firms retain valuable institutional knowledge.
- **Culture and wellbeing.** Balance flexibility with client needs through core hours and clear handover protocols. Normalize mental health support and learning leaves. Design policies that respect social norms and work needs while offering real flexibility.

Practical Steps for Pakistani Firms and Professional Bodies

- **Onboarding sprints.** Short, practical onboarding that places juniors on client work with structured and supportive supervision accelerates learning and engagement.
- **Partner with ICAP, other professional bodies and universities.** Co-design learning modules that embed AI literacy, ESG, risk management and soft skills.
- **Pilot and measure.** Run small pilots (reverse mentoring, lateral career routes, micro-credentials) in one office, measure retention and client outcomes, then scale what works.
- **Leverage diaspora and industry links.** Use alumni networks and international partners for mentorship, secondments and exposure to advisory roles.
- **Invest in systems.** Build clear policies for structured handovers, strong knowledge-capture processes and alumni networks that

keep former staff involved as contractors or mentors.

A New Social Contract

So, what is wrong with young folks? Nothing intrinsic. What's changing is the social contract

between employer and employee. For Pakistan's accountancy profession, this is an opportunity to adapt mentorship, modernize training, and design careers that are flexible yet based on professional standards. Do that, and the next generation will be an asset to tap, not a problem to solve. ■

Kashif Adeel, FCA

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SUB-TOPIC 07 · YOUNG PROFESSIONALS' VIEW

The CA of the Future: Beyond Numbers, Towards Insight

When machines can process every transaction, what makes a CA valuable? The answer is interpretation, judgement and trust.

BY **USAMA MAJEED, ACA**

Every generation of Chartered Accountants inherits a profession shaped by the one before it, and every generation reshapes it in turn. For decades, CAs have been synonymous with financial accuracy, professional integrity, audit, taxation and compliance — foundations that remain indispensable. Yet artificial intelligence, automation, evolving investor expectations and growing sustainability risks are reshaping what businesses expect from finance professionals.

Boards increasingly need CAs not only to report what has happened, but also to help determine what should happen next. The traditional role of the CA as a guardian of compliance and financial reporting is evolving into one that combines technical expertise with technology fluency, strategic insight, sustainability awareness and ethical leadership.

A New Professional Identity: From Technical Expert to Trusted Interpreter

Historically, professional competence was built around mastery of accounting, auditing, taxation

and financial reporting. These foundations remain critical, but technical knowledge alone will no longer define the value of the future CA.

Artificial intelligence, automation and data analytics can now process transactions, analyse large datasets, identify patterns and generate reports at unprecedented speed. This raises an important question: what will make the CA valuable when machines can perform many traditional tasks?

The answer lies increasingly in professional judgment and interpretation.

Imagine a dashboard showing declining profit margins, an analytical model identifying emerging credit risks and a sustainability report highlighting climate-related exposure. The future CA will be expected to connect these signals and translate them into meaningful business insight. What do they mean for the organization? Which risks are material? Which assumptions should management challenge?

The CA therefore becomes less of a producer of information and more of a trusted interpreter of information. Technology may generate an answer, but the professional must still assess whether the data is reliable, the assumptions are reasonable and the conclusion makes sense in the broader context of the business.

The future professional will not compete with machines at processing information. Instead, technology will create more space for the CA to focus on judgment, analysis and decision-making.

From Compliance to Value Creation

Compliance will remain at the heart of the CA profession, but the role is increasingly extending beyond reporting what has happened to explaining what it means for the business and what should happen next.

This shift is particularly visible in sustainability reporting. Investors, regulators and other stakeholders increasingly want to understand how environmental, social and governance (ESG) factors may affect an organization's resilience, financial performance and future prospects. IFRS S1 reflects this changing landscape by focusing on sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance or cost of capital.

Consider a manufacturer exposed to rising energy costs, water scarcity or supply-chain disruption. These may appear to be sustainability concerns, but they can also create operational and financial risks affecting investment, procurement, production and ultimately cash flows.



***Compliance tells us where we stand.
Insight helps determine where we go.***

The CA is well positioned to connect these dimensions. Expertise in measurement, controls, materiality, reporting and assurance can help turn sustainability information into reliable, decision-useful insight.

This represents an important evolution in the profession: compliance remains the foundation, but value creation is becoming the broader purpose.

Compliance tells us where we stand. Insight helps determine where we go.

What Will Define the CA of the Future?

Young professionals entering the profession increasingly see the CA as more than a technical specialist. They envision a professional who combines accounting expertise with technology, sustainability, strategic thinking and the ability to communicate with confidence.

This points towards a **T-shaped CA**: deep expertise in accounting, assurance and professional standards, supported by broader capabilities in technology, sustainability, data, strategy and communication.

Sustainability expertise will become increasingly important as sustainability information becomes more closely connected with financial performance, risk and business strategy. Future CAs will need to understand how to measure, report and assure sustainability information while assessing its implications for long-term value.

Digital and data literacy will be equally important. CAs will increasingly work alongside AI and analytical tools while retaining responsibility for challenging outputs, understanding their underlying assumptions and ensuring that technology is used responsibly.

Strategic and commercial thinking will distinguish professionals who move beyond compliance. The ability to connect financial and non-financial information, identify risks and opportunities, and translate analysis into decisions will increasingly define the CA's contribution.

Communication will be just as important as technical competence. Whether addressing a board, client, regulator or investor, the ability to explain complex matters clearly and persuasively will determine whether professional insight translates into action.

Together, these capabilities reflect a broader professional identity: the future CA must be comfortable moving between numbers and narratives, systems and strategy, financial performance and long-term value.

Trust: The CA's Enduring Advantage

Trust is the foundation on which the CA profession has been built. As the role of the CA expands into advisory, sustainability, data and strategic decision-making, this foundation becomes even more important.

The CA designation carries an expectation of trust. That trust requires the willingness to challenge assumptions, question unsupported conclusions and highlight risks even when doing so is uncomfortable. The future CA will therefore act not only as an analyst or adviser, but also as a guardian of confidence in corporate information.

This becomes particularly important as sustainability reporting expands. Stakeholders need confidence that ESG information is measured consistently, supported by appropriate controls and presented without misleading claims. The profession's experience in assurance, evidence and professional skepticism gives CAs a natural role in protecting the credibility of this information.

Integrity, independence and professional skepticism are therefore not outdated concepts — they are enduring advantages. Technology can process information and models can generate predictions, but professional judgment is still

required to determine whether information is reliable, whether conclusions are reasonable and whether they are presented fairly.

Redefining the CA of the Future

The CA of the future will be defined neither by technical knowledge alone, nor by the ability to use the latest technology. The profession's future lies in bringing these capabilities together — combining technical expertise with judgment, sustainability awareness, digital fluency, strategic thinking and clear communication.

For young professionals, this evolution represents an opportunity to expand what it means to be a CA. The qualification remains the foundation, but its greatest value will come from applying that knowledge to complex decisions and connecting financial information with the wider realities of business.

The most valuable CA of the future may not be the person who simply knows the most numbers. It may be the person who can connect the numbers to the wider story of the organization — its risks, opportunities, people, technology, sustainability and future.

The future of the CA lies not in doing more with numbers, but in creating more value from them. ■

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SUB-TOPIC 07 · YOUNG PROFESSIONALS' VIEW

From Vouchers to Algorithms: What Will Define the CA of the Future?

Twenty years ago an auditor could hold the voucher. Today the transaction may never have touched paper. Where, then, should the accountant look?

BY **ASHARAB BASHIR CHATTHA, ACA**

Twenty years ago, an auditor could inspect a voucher, examine its supporting documents and verify the signatures evidencing its approval. Today, that same transaction may be generated automatically, approved through a digital workflow, transmitted through an interface, posted into an ERP and ultimately presented through a dashboard without a traditional voucher ever existing.

Where, then, should the accountant look?

The question may sound simple, but it captures a much larger shift in our profession. The accountant's questions have not changed. What has changed is the environment in which we must answer them.

As a young Chartered Accountant, I find this change more exciting than intimidating. Our qualification gives us a strong technical foundation, but the more exposure I gain to systems, processes, technology and business, the more I realise how much there still is to learn. Perhaps that itself will be one of the defining

characteristics of the CA of the future: knowing that qualification cannot be viewed as the end of learning. In many ways, it is only the beginning.

Consider the Pakistani farming industry. The objective of cultivation has not changed, but the tools have, moving from manual labour and animal-drawn ploughs to tractors, mechanised irrigation and mobile-based information services. Accounting should evolve in the same way. The principles may remain constant, but the tools cannot.

Our core principles of integrity, stewardship, professional scepticism, accountability and reliable reporting should remain timeless. But the tools through which we apply those principles cannot remain anchored in a paper-based world.

This distinction matters. Modernising the profession does not mean replacing accounting knowledge with technology. It means combining that knowledge with an understanding of the environment in which today's transactions are actually created.

Where Transactions Are Born Now

Pakistan has produced generations of technically competent Chartered Accountants. The rigour of our qualification remains one of its greatest strengths. Yet the environment into which young accountants now enter is changing faster than traditional education and professional training models.

In many organisations, financial information no longer originates within finance. A sales transaction may begin in a point-of-sale system. Inventory movements may originate in a warehouse application. Payroll may flow from an HR system. Procurement, production and banking systems may all feed information into an ERP before finance ultimately sees the accounting impact.

At the same time, our broader educational ecosystem still often rewards the ability to reproduce a known answer more than the ability to investigate an unfamiliar problem. Technological adoption within organisations is also uneven. In some places, sophisticated systems operate alongside manual spreadsheets, duplicated processes and controls designed for an earlier era.



We should be able to distinguish between a process worth automating and one worth eliminating.

John Maynard Keynes wrote in the preface to *The General Theory of Employment, Interest and Money*:

“The difficulty lies, not in the new ideas, but in escaping from the old ones.”

That observation is particularly relevant today. The answer is not simply to add an AI course, an ERP module or a data analytics class to an otherwise unchanged approach to learning. We also need to reconsider how accountants are trained to think.

We have become very good at teaching accountants how to account for a transaction. We now need to become equally good at understanding how that transaction is created,

controlled, transmitted and analysed inside a digital organisation.

Behind Every Debit and Credit

My own exposure to ERP implementation and finance transformation has changed the way I look at accounting entries.

A number appearing in the general ledger is often the final outcome of a much longer business process. Before reaching finance, information may have passed through purchasing, inventory, production, sales or another operational function. Automated rules may have determined the account, cost centre, tax treatment or valuation. Interfaces may have transferred the information between different applications. The debit and credit remain important, but they are no longer the whole story.

The accountant increasingly needs to ask: Where did this data originate? What process created it? Who could modify it? What controls operated before it reached the ledger? Did the interface transmit everything completely? Can the final report be reconciled with the underlying transactions?

Knowing the accounting entry remains essential. Understanding the process and system that created that entry is becoming equally important.

This does not mean every accountant needs to become a programmer or systems engineer. It means we should understand technology well enough to ask the right questions, work effectively with specialists and retain professional ownership of the financial outcome.

Efficiency at the Wrong Thing

Technology also creates another risk: the risk of becoming extremely efficient at doing something that should not be done in the first place.

Peter Drucker captured this decades ago when he wrote:

“There is surely nothing quite so useless as doing with great efficiency what should not be done at all.”

That thought feels even more relevant in an age of automation and artificial intelligence. When implementing a new ERP or automating a finance process, the easiest approach is often to reproduce

what already exists (the same report, the same approval, the same reconciliation, only electronically). But digital transformation should also give accountants the confidence to ask why.

The CA of the future should not merely help organisations automate processes. We should be able to distinguish between a process worth automating and one worth eliminating.

Answers Are Cheap; Judgement Is Not

Information that once required hours of searching can increasingly be retrieved within seconds. Regulations can be searched, datasets analysed and draft interpretations produced with remarkable speed. But obtaining an answer and understanding whether that answer is right are two very different things.

As access to information becomes easier, the value of professional judgment does not diminish. It increases. Someone still needs to challenge assumptions, evaluate evidence, recognise exceptions, understand context and ultimately take responsibility for the conclusion.

Technical knowledge therefore becomes more important, not less. We cannot effectively challenge an automated answer if we do not understand the principles against which that answer should be tested.

The same challenge is already extending beyond traditional financial reporting. Sustainability reporting, for example, will increasingly require accountants to deal with operational and non-financial information, understand where that data originates, assess the controls surrounding it and provide confidence to stakeholders who rely upon it.

The Principles Will Remain

So, what will define the CA of the future?

I do not believe it will be one particular piece of software, programming language or AI platform. Most of the tools we use today will evolve, and some will eventually disappear. What will endure is a combination of technical excellence, professional judgment, systems and data literacy, commercial understanding, curiosity and the ability to keep learning.

The auditor of the future may rarely hold the physical voucher with which this article began. Yet the responsibility will remain unchanged. It is to establish whether the transaction is genuine, authorised, complete, accurately measured and faithfully reported. The tools will change. The questions will evolve. The principles will remain. The CA of the future will be defined by the ability to carry those enduring principles confidently into a world that refuses to stop changing. ■

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SPECIAL FEATURE

SF Reforming State-Owned Enterprises

A comparative study of Pakistan's State-Owned Enterprises (Governance and Operations) Act 2023 against the world's leading SOE governance frameworks.

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Dr Qaiser Rafique Yasser & Abdul Rahim Suriya, FCA



SPECIAL FEATURE

Reforming State-Owned Enterprises: Pakistan's 2023 Act in Global Context

Pakistan's SOE Act 2023 compares respectably with its global peers on paper. Set against New Zealand, the Philippines, Brazil and Norway, the harder question is who holds the power.

BY DR QAISER RAFIQUE YASSER & ABDUL RAHIM SURIYA, FCA

1. Background

State-owned enterprises (SOEs) occupy an important place in most public finances. They hold public capital, employ public servants, carry sovereign guarantees and deliver services on which citizens depend, yet they are expected to behave like corporate entities. Where that expectation is not backed by a governance framework, the result is familiar: accumulating losses, opaque compensation, boards populated by the influential personalities they are meant to hold to account, and subsidy that flows without measurement. Pakistan's federal SOE portfolio has for decades been a case in point, functioning as a persistent claim on the exchequer rather than a source of return to it.

The State-Owned Enterprises (Governance and Operations) Act, 2023 is the most serious legislative attempt to change that. Enacted in January 2023, it is a comprehensive statute, thirty-seven sections across eleven chapters, with six

schedules, applying to public sector companies under the Companies Act 2017 and to bodies corporate owned and controlled by the Federal Government, including several created under special statutes. It states a commercial purpose, requires three-year rolling business plans and published Statements of Corporate Intent, prices social mandates through negotiated Public Service Obligation Agreements rather than burying them in enterprise accounts, mandates a majority of independent directors and separates chairman from chief executive, **grants boards operational autonomy from standing ministerial instructions, imposes full IFRS-compliant reporting and published performance-against-target summaries**, and establishes a Central Monitoring Unit in the Finance Division.

Three and a half years on, this is no longer a paper reform. The law is in force, the SOE Ownership and Management Policy has been notified, the Central Monitoring Unit has been functional since December 2023 and is publishing consolidated reports, boards have been reconstituted under the

fit-and-proper criteria in Schedule IV, and the founding statutes of prominent SOEs, such as the National Highway Authority, Pakistan Post, the Pakistan National Shipping Corporation and the Pakistan Broadcasting Corporation, have been amended to bring them within the regime. Measured against the OECD Guidelines on the Corporate Governance of State-Owned Enterprises, the Act maps onto the first three pillars with unusual fidelity for a South Asian jurisdiction, in part because it was drafted with the Guidelines explicitly in view. Very few middle-income countries had a framework this complete a decade ago, and the achievement is worth stating plainly before any assessment of what remains to be done.

New Zealand's 1986 Act, the ancestor of the genre, shows what an externally benchmarked performance standard does that a cost-recovery standard cannot. The Philippines, a middle-income democracy that faced a strikingly similar problem of sprawling government-owned corporations, shows what happens when the monitoring function is given statutory standing, nomination powers and a scorecard system. Brazil shows where the money actually leaks and what it takes to legislate against it. Indonesia and South Africa show the holding-company route to separating the owner from the regulator. Sweden, Norway, Denmark, Germany and the United Kingdom show that a dedicated statute is not indispensable at all where the ownership function is professionalized and politically insulated.

This paper sets Pakistan's Act against that record. It proceeds in five steps. It first sets out the Act's own architecture and load-bearing provisions. It then examines the comparators, beginning with the New Zealand parentage of the Act's core instruments and the Philippine Governance Act of 2011 as the closest institutional analogue, before drawing lessons from Brazil, Indonesia and South Africa, and situating all of them within the two broad models the OECD identifies across roughly fifty surveyed jurisdictions. It offers a comparative table of governance frameworks, a gaps analysis of five design and implementation issues, and a survey of leading empirical research on state ownership published in top journals between 2017 and 2026, which supplies the evidence base for what board composition, ownership type and governance design actually do to enterprise

performance. It closes with five specific, drafting-ready proposals, most of which require amendment of a subsection or the exercise of a power the Act already grants rather than new primary legislation.

2. the SOE Act 2023

The SOE Act 2023 runs to thirty-seven sections across eleven chapters, with six schedules. It applies to public sector companies (section 2(54)) as defined in the Companies Act 2017 and to other corporate bodies owned and controlled by the Federal Government, including those created under special statutes. Regulators with licensing or tariff functions are excluded, as are health and education providers, and the Federal Government retains a power to exclude any other enterprise by notification for reasons recorded. Schedule I extends the Act, wholly or partly, to Pakistan Railways, the Pakistan Post Office, PASSCO, Pakistan State Oil and companies licensed under section 42.

The Act's design is familiar from modern SOE statutes around the world. Its load-bearing elements are as follows:

A Statement of Purpose: Section 7 requires every SOE to operate efficiently and for a commercial purpose, with the primary objective of generating sufficient revenues to cover its costs and be financially sustainable. Section 5 sets out general principles: prudent management, measurable performance, responsible management, transparent performance, monitored performance, competitive neutrality and protection of minority shareholders.

Forward Planning Instruments: Section 8 obliges each board to adopt a three-year rolling base business plan before the start of each financial year and to publish an annual Statement of Corporate Intent in the form prescribed by Schedule III covering business goals, performance measures, borrowing, dividend policy and the financial impact of any public service obligations.

Priced Social Mandates: Section 7(4) read with Schedule II prevents government from simply directing a commercial SOE to perform a loss-making public function. Government must propose, the enterprise may respond that the proposal is inconsistent with its primary objective, the parties must then negotiate in good

faith and record the outcome in a binding Public Service Obligation Agreement specifying the service, its estimated cost, the revenue payable and how performance will be monitored.

Board Reconstruction: A majority of every board must consist of independent directors (section 12); however, civil servants, legislators and political office-holders are disqualified from independent directorships (section 11). Chairman and chief executive must be separate persons (section 15). A Board Nominations Committee identifies candidates through advertisement, invitation or head-hunters, applying the fit and proper criteria in Schedule IV (sections 10 and 16). No person may sit on more than five SOE boards at a time, and an independent director may not serve beyond nine years.

Operational Autonomy: Section 17 grants boards autonomy and provides that no administrative or standing instruction of any Division applies to an SOE without prior Federal Government approval, with pre-existing instructions deemed rescinded after six months unless ratified. Section 18 empowers the board to appoint the chief executive on a performance-based contract, monitored against agreed measures.

Transparency Obligations: The Act requires IFRS-compliant audited accounts, an audit committee chaired by an independent director, an annual report in the Schedule VI form within four months of year-end, a published summary comparing actual performance against Statement of Corporate Intent targets, and a half-yearly report.

Indemnity of Directors and Officers: Section 23 bars suit or prosecution against directors, the chief executive or employees for acts or omissions in good faith and with due care. The protection is necessary if professionals of standing are to accept appointment and take real commercial decisions, and it is bounded by its own terms. The Act shields directors for what they decide while Chapter 10 attaches no penalty to what they fail to do, so enforcement rests entirely on administrative persuasion.

Central Monitoring Unit: Section 31 establishes a Central Monitoring Unit in the Finance Division (functional since December 2023), responsible for maintaining an electronic database, analyzing performance, reporting at least half-yearly to

government and publishing a consolidated annual report.

3. Selected SOE Laws Around the World

THE NEW ZEALAND PARENTAGE

The State-Owned Enterprises Act 1986 is the ancestor of most of what follows, and the resemblance is not accidental. New Zealand corporatized departments into companies held by shareholding Ministers, required each to publish a Statement of Corporate Intent, and crucially provided that where government wanted a non-commercial service, it would pay for it explicitly rather than bury the cost in the enterprise's accounts. Pakistan's Statement of Corporate Intent, its three-year business plan, its Public Service Obligation Agreement and its published performance-against-target summary all follow this model.

The divergence is in the objective clause, and it matters more than it appears. New Zealand requires every state enterprise to operate as a successful business and, to that end, to be as profitable and efficient as comparable businesses that are not owned by the Crown, while exhibiting social responsibility. That is a relative, externally benchmarked standard: the comparator is the private market, and failure is visible. Pakistan's SOE Act section 7(3) sets a far lower bar: a commercial SOE need only generate sufficient revenue to cover costs and be financially sustainable. Breaking even is not a commercial objective; it is the avoidance of a fiscal emergency. An enterprise earning a one per cent return on a hundred billion rupees of public capital fully satisfies section 7(3) while destroying value at scale, and nothing in the Act flags it.

New Zealand also keeps politicians off boards, as do Australia, Denmark, the Netherlands and Norway. Pakistan does this in part: section 11 disqualifies serving government officials, legislators and political office-holders from independent directorships. But ex-officio directors, typically secretaries and other government officials, remain on boards, and the Board Nominations Committee that identifies independent candidates is chaired by the Minister in Charge, with the Secretary of the administrative Division and a Finance Division representative as its other two members. The

committee that selects the independent element of the board is therefore composed entirely of the interests from which independence is sought.



The law is a scaffold; the institution is the building.

THE PHILIPPINE GOVERNANCE ACT 2011

For Pakistan, the most instructive comparison is not New Zealand, a high-capacity state with a small portfolio, but the Philippines, a middle-income democracy that faced a strikingly similar problem: a sprawling set of government-owned corporations with opaque compensation, weak accountability and a habit of absorbing subsidy.

The Government-Owned or Controlled Corporations (GOCC) Governance Act of 2011 created the Governance Commission for GOCCs as a central advisory, monitoring and oversight body attached to the Office of the President. The Commission does not merely collect information. It evaluates each corporation's performance and relevance and determines whether it should be reorganized, merged, streamlined, abolished or privatized. It oversees the selection and nomination of directors, sets compensation standards and operates a performance scorecard system that links subsidy to measurable outcomes.

Pakistan's Central Monitoring Unit is the functional analogue, and it is a much weaker one. It is a unit within the Finance Division rather than a body corporate with its own mandate. Its output is analysis and recommendation; the decisions belong to the Federal Government and Cabinet committee on SOEs. It has no power to nominate, no power to set compensation, no power to trigger rationalization, and no power to compel anything beyond the production of information under section 32. Section 33(3) does permit the Federal Government to establish a body corporate to discharge these functions. The statutory hook for a Pakistani equivalent of the Governance Commission (GCG) therefore already exists, but it has not been used.

It is worth noting that even the Philippine Commission, considerably better armed, has been petitioning its Congress for stronger powers,

including subpoena, contempt and disciplinary authority, and express power to consolidate and rationalize corporations. If a body with the GCG's mandate finds itself under-equipped, the position of a monitoring unit inside a finance ministry is unlikely to be adequate.

LESSONS FROM BRAZIL, INDONESIA AND SOUTH AFRICA

Brazil's Law 13.303 of 2016 answers a question Pakistan's SOE Act largely leaves open: where does the money actually leak? The Brazilian statute governs not only board composition and reporting but procurement and compliance, mandating public bidding as the default and requiring integrity programs and audit committees reporting directly to boards. It reaches federal, state and municipal enterprises alike.

Pakistan's SOE Act moves in the opposite direction on this point. Section 17(2) allows SOEs to maintain independent procurement policies approved by the Federal Government and complying with the Chartered Institute of Procurement and Supply's global standards, with PPRA rules applying only to the extent directed. The commercial logic is real (PPRA procedures are ill-suited to a competing enterprise), but in a system where procurement is a principal channel of loss, substituting a professional standard for a statutory regime without a corresponding enforcement mechanism is a considerable act of faith.

Indonesia and South Africa illustrate a different structural answer: the state holding company. Indonesia amended its 2003 BUMN Law in 2025, creating a separate SOE Regulatory Agency and moving operating assets into the Danantara holding vehicle, thereby splitting the regulator from the owner. South Africa's pending National State Enterprises Bill would establish State Asset Management SOC Ltd as a single holding company with the State as sole shareholder, consolidating shareholdings and phasing thirteen major enterprises, Eskom, Transnet, SAA and Denel among them, out of line-ministry control.

4. Two International Models

Across roughly fifty surveyed jurisdictions, the OECD finds that states organize their enterprise ownership through one of two broad approaches.

About half legislate a dedicated SOE or public enterprise statute. The other half rely on ordinary company law, supplemented by a published state ownership policy and a professionalized ownership unit. Sweden, Norway, Denmark, Germany and the United Kingdom take this route, and their SOE portfolios are among the better-governed in the world.

That second fact deserves emphasis at the outset, because it disposes of a comforting assumption. A statute is neither necessary nor sufficient. Norway

has no SOE Act and excellent SOE governance; several jurisdictions have elaborate SOE Acts and dismal SOE performance. What separates them is whether the ownership function is exercised by a body with the competence, information and political insulation to exercise it well. The law is a scaffold; the institution is the building.

Within the legislating half, Pakistan's SOE Act 2023 belongs to a recognizable lineage. The table below situates it.

TABLE 1: SOE GOVERNANCE FRAMEWORKS COMPARED

Jurisdiction	Principal Instrument	Ownership / Oversight body	Distinguishing Feature
Pakistan	SOE (Governance and Operations) Act, 2023; SOE Ownership and Management Policy 2023	Central Monitoring Unit, CF Wing of Finance Division; Cabinet Committee on SOEs	Comprehensive; oversight unit sits inside the Finance Division without independent statutory powers, and the Act carries no penalty provisions.
New Zealand	State-Owned Enterprises Act 1986	Shareholding Ministers (Finance + Portfolio); Treasury monitoring	The template for the genre. Requires each SOE to be as profitable and efficient as comparable private businesses, and pays explicitly for non-commercial services.
Philippines	GOCC Governance Act of 2011 (RA 10149)	Governance Commission for GOCCs (GCG), attached to the Office of the President	A dedicated commission with statutory power to recommend reorganization, merger, abolition or privatization, and to set compensation standards.
Brazil	Lei das Estatais (Law 13.303/2016)	SEST, within the Ministry of Management; Sectoral boards	Extends beyond governance into procurement, compliance and integrity; applies at federal, state and municipal levels alike.
Indonesia	Law 19/2003 on BUMN, as amended by Law 16/2025	BP BUMN (SOE Regulatory Agency, 2025); Danantara holding company	Separates the regulator from the owner by moving operating assets into a sovereign holding company.
South Africa	National State Enterprises Bill (B1-2024)	Proposed State Asset Management SOC Ltd	Would consolidate shareholdings in a single state holding company, phasing entities out of line-ministry control.
China	Law on State-Owned Assets in Enterprises (2008)	SASAC	Steward of state assets rather than corporate governance of companies.
Sweden / Norway / United Kingdom	No dedicated SOE statute; ordinary company law plus a published ownership policy	Professional ownership units (e.g. UK Government Investments; Norway's Ownership Department)	Demonstrates that a statute is not indispensable where the ownership function is professionalized and politically insulated.

5. Gaps Analysis

Set against the comparators, five design and implementation gaps stand out.

GAP 1: THE VETO POWERS OF EX-OFFICIO DIRECTORS

Section 22(2) provides that five categories of decision (appointment and removal of the chief executive, approval of the Statement of Corporate Intent and business plan, sale of sizeable assets, approval of the annual budget, and sale of company assets) require a three-fourths majority which must include the vote of the nominee director representing the Federal or Provincial

Government. This gives a single government nominee a veto over precisely the decisions the rest of the Act is designed to insulate from government.

This is difficult to reconcile with section 12(2), which requires a majority of independent directors, and with section 17, which grants the board autonomy. No comparator statute contains an equivalent. It is the single provision most at odds with the Act's own stated architecture, and the tension it creates has already surfaced in practice: reporting during 2026 indicated that the government sought to amend section 18 to recover the power to appoint chief executives

after some boards declined to accept its nominees. A law that grants autonomy and simultaneously preserves a veto over its exercise will be tested at exactly these moments.

GAP 2: AN ENFORCEMENT CHAPTER WITHOUT ENFORCEMENT

Chapter 10 is titled “Enforcement”. It establishes a Cabinet Committee on SOEs (CCoSOEs) to monitor implementation, directs the administrative Division to coordinate compliance, and confers rule-making and directive powers. It creates no offence, prescribes no penalty, imposes no consequence for a board that fails to adopt a business plan, publish a Statement of Corporate Intent, submit an annual report on time or respond to a Central Monitoring Unit notice. Section 23 additionally indemnifies directors and officers for acts done in good faith and with due care. Compliance therefore rests entirely on administrative pressure. Where enterprises have historically been able to absorb reputational cost, that is a thin instrument.

GAP 3: AN EXCLUSION POWER THAT SWALLOWS THE SCOPE

Section 3(1)(c) permits the Federal Government to exclude any SOE from complete or partial application of the Act by notification, subject to policy criteria and recorded reasons, with a proviso that exclusion must not undermine the Act’s objectives. Combined with the sovereign wealth fund carve-out, this makes the Act’s coverage a matter of executive discretion. By contrast, New Zealand’s SOE Act uses a schedule of named enterprises amendable only by Parliament, which costs flexibility but buys certainty about who is inside the perimeter.

GAP 4: COMPETITIVE NEUTRALITY AS PRINCIPLE ONLY

Section 5(f) lists competitive neutrality among the general principles, and section 4(2)(g) requires the ownership policy to provide a framework for it. Neither creates a mechanism. There is no complaints route for a private competitor disadvantaged by an SOE’s access to sovereign guarantees, tax treatment or regulatory forbearance, and nobody charged with adjudicating such a claim. Australia’s competitive neutrality arrangements, which include a dedicated complaints office, indicate what an operative version looks like.

GAP 5: THE HARMONISATION BACKLOG

Section 36(4) required the Federal Government, within one year, to initiate legislation bringing the laws of statutory SOEs into conformity with the Act. Four entities (the National Highway Authority, the Pakistan Postal Services Management Board, the Pakistan National Shipping Corporation and the Pakistan Broadcasting Corporation) were amended by ordinance in late 2023, separating chairman and chief executive and inducting independent members. The remaining statutory enterprises have proved harder. The structural benchmark for amending the laws of the nine remaining statutory SOEs was missed, and has been reset more than once, most recently to end-August 2026. Until that work is finished, some of the largest and most loss-making entities in the portfolio remain governed by their own founding statutes rather than by the Act.

TABLE 2: TOP-JOURNAL RESEARCH ON STATE-OWNED ENTERPRISES 2017-2026

S#	Study	Journal	Research area	Country of data	Key findings
1	Boubakri, El Ghoul, Guedhami & Megginson (2018)	Journal of Corporate Finance	Corporate finance effect of government ownership on firm market valuation	Publicly listed corporations in East Asia (cross-country panel)	Government-owned firms show higher market valuation than non-government-owned firms, but the relationship is non-linear rather than uniformly positive. The value premium extends even to closely held firms where the government is only a second block-holder.
2	Chen, El Ghoul, Guedhami & Nash (2018)	Journal of Financial and Quantitative Analysis	Agency costs of state ownership; corporate cash holdings and the value of cash	Newly privatized firms across 59 countries	Consistent with agency theory, state ownership is positively and robustly related to corporate cash holdings state-influenced firms hoard cash. The strength of country-level institutions conditions how markets value that cash: as state ownership rises, investors discount the value of cash holdings more heavily in countries with weaker institutions.

S#	Study	Journal	Research area	Country of data	Key findings
3	Lazzarini & Musacchio (2018)	Corporate Governance: An International Review	Corporate governance arrangements in publicly listed SOEs and performance differences versus private firms	Large panel of listed SOEs, majority- and minority-owned, across multiple countries and industries	Using matching methods combined with difference-in-differences estimation to control for the endogenous choice of state ownership, the study finds that the SOE-private performance gap is not a fixed consequence of state ownership. The paper argues state ownership has been "reinvented" into hybrid forms whose performance must be judged on governance design rather than ownership label.
4	Jia, Huang & Man Zhang (2019)	Academy of Management Journal	Interaction of public governance and corporate governance; agency risk in SOE innovation	Chinese SOEs responding to state pro-innovation policies	Agency risk in SOEs does not only cause under-investment in innovation; it also distorts its composition, with managers pursuing the quantity of innovation (patent counts) at the expense of novelty. Better corporate governance tools alignment of managerial incentives and stronger monitoring reduce this distortion, as does higher-quality public governance regulating the state as principal.
5	Kubo & Phan (2019)	Pacific-Basin Finance Journal	Type of state owner (line ministry vs. sovereign wealth fund) and firm performance	Listed firms in Vietnam	State ownership of listed firms is positively related to firm performance, and the relationship is non-linear. Crucially, the effect varies by the type of state owner: firms perform best when the controlling state shareholder is a sovereign wealth fund (SCIC) rather than a ministry.
6	Cuervo-Cazurra, Grosman & Megginson (2023)	Journal of International Business Studies	Internationalization of state-owned firms and sovereign wealth funds; governments' non-business objectives	Review of the international literature (multi-country)	Synthesizes research on state-owned firms and sovereign wealth funds operating abroad, arguing that governments pursue non-business objectives through these vehicles and exercise a form of discreet power that conventional corporate governance frameworks do not capture.
7	Santangelo & Symeou (2024)	Journal of International Business Studies	Home-country pro-market reforms and SOE entry into liberalized host markets	Global telecommunications industry (cross-country)	Home-country reform conditions how host markets receive SOEs. Higher levels of home-country market liberalization and privatization reduce the likelihood that state ownership deters entry into countries with a strong free-market logic. Liberalization mitigates an SOE's market legitimacy deficit; privatization mitigates its political legitimacy deficit.
8	Baltrunaite, Cannella, Mocetti & Roma (2025)	The Journal of Law, Economics, and Organization	Causal effect of a statutory board-composition reform on SOE governance and performance	Companies controlled by public entities in Italy	Exploits a reform binding on SOEs but not on minority-public-ownership companies, permitting difference-in-differences estimation. Female presence on SOE boards increased while the share of former politicians fell. New directors largely replaced older and less talented men, rejuvenating boards and raising board quality.
9	de Pilla, Peci & Leite (2025)	Journal of Business Ethics	State ownership, government political ideology and corporate social performance	Twelve-year panel of 150 Brazilian listed firms, including 41 SOEs	State ownership is positively associated with the social dimension of corporate social performance, but only where the state is the majority shareholder and thus able to shape enterprise goals. The effect is moderated by political ideology: the more right-leaning the government, the weaker the effect of majority state ownership.
10	Curi, Mancuso & Scarpa (2025)	Finance Research Letters	Bibliometric mapping of the SOE research field; identification of themes and gaps	Global	Maps the field into four themes: determinants of SOE performance, corporate finance, corporate governance, and globalization. Sustainability-related SOE research remains nascent, and integrating sustainability into SOE governance is flagged as the key gap.

6. What the Comparison Suggests

Five changes follow from the comparative record, in rough order of difficulty.

Raise the Objective Standard: Section 7(3) could be amended to adopt the New Zealand formulation: a commercial SOE should be required to be as profitable and efficient as comparable enterprises not owned by the State. Cost recovery is a floor, not an objective, and a relative benchmark makes

underperformance visible without further machinery.

Give the Central Monitoring Unit Statutory Standing: Section 33(3) already permits the establishment of a body corporate to discharge the Unit's functions. Exercising that power, and equipping the resulting body with the GCG's core competences over nomination, performance evaluation and rationalization recommendations, would convert a reporting function into an ownership function.

Repeal or Confine the Nominee Director's Veto: If a supermajority for major decisions is thought desirable, let it be a supermajority. Conditioning it on one particular director's vote reintroduces at board level the political control the Act removes at ministry level.

Put Enforcement into the Enforcement Chapter:

Personal liability for directors who fail to file, publish or disclose (modest, graduated and enforceable) would do more for compliance than any further guidance. Brazil's statute and the Companies Act 2017 both offer drafting precedents.

Close the Sovereign Wealth Fund Perimeter: The Act's governance, monitoring and transparency provisions should apply to enterprises held by the Fund. A holding company is a legitimate structural choice (Indonesia and, prospectively, South Africa have made it), but in both cases the holding vehicle is subject to a governance regime, not exempt from one.

7. the OECD Guidelines and the SOE Act 2023

The State-Owned Enterprises (Governance and Operations) Act, 2023 maps onto the first three OECD pillars with unusual fidelity for a South Asian jurisdiction, largely because it was negotiated as an IMF structural benchmark and drafted with the Guidelines explicitly in view.

The ownership-policy requirement is directly transposed: Section 4 obliges the federal government to prepare, at least once every five years, an SOE ownership and management policy giving effect to the objectives that shareholding responsibilities are clarified, that the government acts as an informed and active shareholder, and that fiscal risks are effectively managed, with the policy covering, inter alia, the role of the CMU, the electronic SOE database and public access to it, guidelines for the board nominations committee including diversity and board composition, evaluation of ex-officio and independent directors, cooling-off periods, conflict-of-interest regulation, a competitive neutrality framework, a public sector obligation management framework, and monitoring of contingent liabilities. That enumeration is close to a clause-by-clause rendering of OECD Chapters I-VI.

The centralized monitoring function likewise responds to the OECD's professionalization logic: a

Central Monitoring Unit was established in the Ministry of Finance for performance monitoring of SOEs, and the Act's discipline was extended to entities created under special statutes by amending the laws governing the National Highway Authority, Pakistan Post, PNSC and Pakistan Broadcasting Corporation to separate the offices of chairman and chief executive, induct independent members with security of tenure, and bring them within the SOE Act's reporting regime. On competitive neutrality and public service obligations, the subordinate framework is equally faithful. The 2023 Policy requires that rules applied to enterprises in domestic markets be neutral, that competing enterprises be subject to equivalent rules irrespective of ownership, location or legal form, and that commercial SOEs not regulate the markets in which they operate; it also requires the CMU to publish an annual risk analysis report on SOE contingent liabilities under Section 4(1)(c). Pakistan's triage mechanism, under which the federal government retains only those SOEs determined to be of strategic, security or social importance, is a direct operationalization of the OECD's insistence that rationales for ownership be evaluated, disclosed and periodically reviewed.

8. Closing Remarks

Judged as a drafting exercise, the SOE Act 2023 compares respectably with its international peers. It contains most of what the OECD Guidelines on the Corporate Governance of State-Owned Enterprises call for: an ownership policy, a clear objective, board independence, priced public service obligations, IFRS reporting, and a central monitoring function. Very few middle-income countries had as complete a framework a decade ago.

Judged as an allocation of power, it is more equivocal. The Act removes political control at several points and returns it at others through the composition of the nominations committee, through the nominee director's veto, through the exclusion power, and through the carve-out of the most valuable enterprises into a separate vehicle. The comparative record suggests that these are not peripheral drafting details. The jurisdictions that have made SOE reform work, whether by statute like New Zealand and the Philippines or without one like Norway and the United Kingdom,

all did the same underlying thing: they created an ownership function that could say no to a minister and survive. ■

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IN THEIR WORDS

VOICES FROM THIS ISSUE

“Every other executive in the room is, quite legitimately, an advocate for a position. The CFO alone is required to be an advocate for the truth.”

TALHA KHAN GIMMI, ACA · PAGE 46

“The final test remains straightforward: did the information lead to a better decision?”

SYED MOIN AHMED ZAIDI, ACA · PAGE 22

“Repeated use does not turn a spreadsheet into a controlled reporting tool, nor does an established methodology become reliable merely because it went unchallenged in the previous cycle.”

MUHAMMAD HUNAIN, FCA · PAGE 56

“Trust is the indispensable currency of capital markets, and Pakistan’s supply remains persistently low.”

ABID RAZA, ACA · PAGE 113

“A policy nobody verifies does not reduce the risk; it converts an unmanaged risk into an accepted one, and records that the organisation knew.”

MUHAMMAD HASNAIN, FCA · PAGE 109

“A sustainability report that reads beautifully but cannot support its own numbers is a red flag no different from an unusually smooth set of financial statements.”

ALI RAZA LAKHO, ACA · PAGE 127

“Some jobs get automated away. This one's getting promoted.”

MASOOD ZAMAN, ACA · PAGE 71

“The law is a scaffold; the institution is the building.”

DR QAISER RAFIQUE YASSER & ABDUL RAHIM SURIYA, FCA · PAGE 143

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THE PAKISTAN ACCOUNTANT

The Quarterly Magazine of the Institute of Chartered Accountants of Pakistan

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