INTRODUCED ON 08.05.2026

[TO BE INTRODUCED IN SENATE]

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BILL

to amend the Pakistan Sovereign Wealth Fund Act, 2023

WHEREAS it is expedient to amend the Pakistan Sovereign Wealth Fund Act, 2023 (XLVIII of 2023), in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. **Short title and commencement.**—(1) This Act shall be called the Pakistan Sovereign Wealth Fund (Amendment) Act, 2026.

(2) It shall come into force at once.

2. **Amendment of section 2, Act XLVIII of 2023.**— In the Pakistan Sovereign Wealth Fund Act, 2023 (XLVIII of 2023), hereinafter referred to as "the said Act", in section 2,

(a) clause (d) shall be omitted;

(b) in clause (g),-

(i) sub-clause (iv) shall be omitted;

(ii) in sub-clause (v), for the full stop at the end, a semi-colon shall be substituted and the word "and" shall be added and thereafter the following new sub-clause shall be added, namely:-

"(vi) the performance objectives of the Fund."

(c) clauses (h) and (j) shall be omitted;

(d) after clause (k), the following new clause shall be inserted, namely:–

"(ka) "SOE Act" means State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023);"; and

(e) after clause (m), the following new clause shall be inserted, namely:-

"(ma) SWF-SOEs" Sovereign Welfare Fund-State Owned Enterprises means any entity or state-owned enterprise transferred to the Fund and any other entity owned or controlled by the Fund. Provided that the term "owned" or "controlled" shall be have the same meaning as defined in the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023);".

3. **Amendment of section 3, Act XLVIII of 2023.**— In the said Act, in section 3,

(a) in sub-section (4),-
 (i) clause (ii), shall be omitted;
 (ii) in clause (iii), for the word "assets", occurring for the second time, the word "shares" shall be substituted;
 (iii) clause (v) shall be omitted;
 (iv) in clause (vi), after the word "Funds", the words "which shall be treated in accordance with the provisions of the Act";

(b) after sub-section (9), the following shall be added, namely:-
"(10) The Central Bank, any state-owned enterprises, or state-owned or public entities of any kind may not contribute any funds or assets to the Fund.".

4. **Amendment of section 4, Act XLVIII of 2023.**— In the said Act, in section 4,-

(a) for sub-section (1), the following shall be substituted, namely:-
"(1) The objectives of the Fund shall be to contribute to sustainable economic development through the management of its funds and assets and achieving optimal use of them according to the best international standards and policies to maximize their value for future generations. The Fund, irrespective of the investment vehicle, shall operate on a commercial basis to achieve the return determined by the investment mandate of the Fund."; and

(b) after sub-section (1), amended as aforesaid, the following new sub-section shall be inserted, namely:-
"(1A) These objectives shall be achieved in the following manners, namely:-
 (i) holding and managing SWF-SOEs and creating value through their operational and financial improvement; and
 (ii) attracting foreign direct investment by facilitating and mobilizing co-investment in strategic commercial ventures, that generate financial returns as per the investment mandate of the Fund.".

5. **Amendment of section 5, Act XLVIII of 2023.**— In the said Act, in section 5,–

(a) the existing provision shall be numbered as (1), and after the words "with law", the expression "and subject to the prohibitions under sub-section (2) of section 30" shall be inserted;

(b) clause (b) shall be omitted;

(c) for clause (d), the following shall be substituted, namely:-

"(d) project development;";

(d) for clause (e), the following shall be substituted, namely:–

"(e) conducting of any kinds of commercial activities in domestic and foreign primary and secondary markets relating to shares of SWF-SOEs or sub-funds;";

(e) for clause (f), the following shall be substituted, namely:-
"(f) participating in domestic investments;";

(f) clauses (g),(h) and (j) shall be omitted;

(g) in clause (m), the words "and furnishing" shall be omitted;

(h) in clause (n), the words "solely or jointly" shall be omitted;

(i) clause (p) shall be omitted;

(j) for clause (q), the following shall be substituted, namely:-

"(q) provide financial advisory services in the privatization process;";

(k) clause (s) shall be omitted; and

(l) after sub-section (1), amended as aforesaid, the following new sub-section shall be added, namely:–

"(2) The Fund and sub-funds may not undertake the following:–

(a) incurring debt or borrowing in any way, or providing guarantees or collateral, including over SWF-SOEs shares or assets;
(b) lending to public or private entities, or any persons, foreign or domestic;
(c) participating in PPPs;
(d) acquire financial assets or instruments of any kind:

Provided that the Fund and any sub-funds may not be the sole investors in any project.".

6. **Omission of section 7, Act XLVIII of 2023.**— In the said Act, section 7 shall be omitted.

7. **Amendment of section 9, Act XLVIII of 2023.**— In the said Act, in section 9, after sub-section (1), the following new sub-section shall be inserted, namely:-

"(1A) The transfer of assets to the Fund shall be subject to the following conditions, namely:-

(a) where the assets are not being optimally utilized to create value for future generations; and

(b) where the assets have the potential to attract foreign direct investment in strategic commercial venture through co-investments.".

8. **Amendment of section 10, Act XLVIII of 2023.**— In the said Act, in section 10, sub-section (2) shall be omitted.

9. **Amendment of section 11, Act XLVIII of 2023.**— In the said Act, in section 11, sub-section (1), clauses (e) and (f) shall be omitted.

10. **Amendment of section 12, Act XLVIII of 2023.**— In the said Act, in section 12,-

(a) in clause (b), for the word "proposal", the word "recommendation" shall be substituted;

(b) in clause (f), the words and commas "the budget, the proposal for the distribution of profits," shall be omitted;

(c) after clause (h), the following new clauses shall be inserted, namely:-

"(ha) consider and decide any proposal for divestment by sale, as recommended by the Board;

(haa) approve investment mandate of the Fund;";

(d) in clause (j), before the word "proposal", the words "consider and decide any" shall be inserted;

(e) for clause (k), the following shall be substituted, namely:-

"(k) setting the remuneration of the Chairman and directors of the Board which may not be variable based on Fund performance but may include transportation allowance for meetings and Board meetings; and"; and

(f) for clause (l), the following shall be substituted, namely:–

"(l) consider any other matters which are presented by the Fund's Board to the Supervisory Council:

Provided that such matters fall within the powers and functions of the Supervisory Council.".

11. Amendment of section 14, Act XLVIII of 2023.— In the said Act, in section 14, for sub-section (1), the following shall be substituted, namely:-

"(1) The Supervisory Council, acting on the advice of the nomination committee, shall appoint the directors of the Board. The nomination committee shall be appointed by the Supervisory Council by drawing two members from the Supervisory Council and three members from the Advisory Committee.

Provided that any decision of the nomination committee shall require at least one vote from each set of members from the Supervisory Council and the Advisory Committee.

Provided further that the procedure adopted by the Supervisory Council for the purposes of this section shall be prescribed by rules, which shall be notified and shall comply with the principles of merit, transparency, openness and fairness.

Provided further that the Nomination Committee shall publish a notice that the process for the selection of the member(s) of the board of directors is initiated. The notice must include details about the application and selection process, the conditions to be met by the candidates, the selection criteria [having regard to the profile of competencies and skills needed at the Board] and the method of their evaluation. The Nomination Committee may also engage a reputable head-hunting agency, request applications by invitation, or identify candidates from databank of independent directors as notified by the SECP. For each directorship position, Nomination Committee shall propose to the Supervisory Council maximum three candidates, with the recommended order. The Supervisory Council decision to appoint a director shall be published, with an explanation if the selection does not follow the order recommended by the Nomination Committee.".

12. **Amendment of section 15, Act XLVIII of 2023.**— In the said Act, for section 15, the following shall be substituted, namely:-

"**15. Composition of the Board.-** (1) The Board shall consist of seven independent directors appointed by Supervisor Council from the private sector who have proven competence with at least ten years of experience in finance, investment management, banking, risk management, treasury, economics, accountancy, business management, law or any other field relevant to the Board's responsibilities. The Supervisory Council shall ensure that the Board as a group includes mutually complementing expertise and competences in view of the Fund's investment mandate and nature and complexity of its activities. The Supervisory Council shall designate one of the directors as Chairman of the Board who shall lead the Board and ensure its effective functioning, including proper information flow to the Board and communication with the Supervisory Council. In the absence of the Chair, any member of the Board may be mutually selected to convene the meeting of the Board.

(2) A person appointed to the Board shall meet the fit and proper criteria as provided in the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023).".

13. **Amendment of section 16, Act XLVIII of 2023.**— In the said Act, in section 16, for sub-section (1), the following shall be substituted, namely:-

"(1) Term of every director of the Board shall be four years from the date of his appointment. Director of the Board shall be eligible for reappointment for one additional term:

Provided that for the appointment of first board members, the Supervisory Council shall appoint three directors for three years.

14. **Amendment of section 17, Act XLVIII of 2023.**— In the said Act, in section 17,-

(a) in sub-section (1),–

(i) in the marginal heading, after the expression "responsibilities,", the words "and meetings" shall be inserted; and

(ii) after the word "Fund", the words "as a collegial body" shall be inserted;

(b) after sub-section (1), amended as aforesaid, the following new sub-section shall be inserted, namely:-

"(1A) **Board Meetings.**— The Board shall meet at least once in every two months or at other times the Board deems necessary having Chair and three other members present and decisions shall be taken by majority. The chair shall exercise the casting vote in case of equality of votes. The Board shall adopt its procedures, including the conduct of meetings in electronic format.";

(c) in sub-section (2),-

(i) in clause (a), after the word "to", the words "asses and" shall be inserted;

(ii) in clause (d), after the word "to", occurring for the first time, the words "consider and approve proposals to" shall be inserted;

(iii) clause (c) shall be omitted;

(iv) for clause (i), the following shall be substituted, namely:-

"(i) to approve the annual budget of the Fund and ratifying the financial statements payment of revenues to the Federal Government under section 30 for submission to the Supervisory Council;";

(v) in clause (j), for the word "approval", the word "information" shall be substituted;

(vi) in clause (n), after the word "issue", the word "of" shall be omitted;

(vii) after clause (n), the following new clause shall be inserted, namely:-

"(na) to consider and approve nominations made by the Nomination Committee established under section 21(e) for appointment of members of the boards of SWF-SOEs and members of the boards of sub-funds under section 26;";

(viii) in clause (u), after the word "CEO", the expression "and regularly monitor the CEO's performance against agreed performance indicators" shall be inserted;

(ix) clause (v) shall be omitted; and

(x) in clause (w), for the full stop at the end, a semi colon and the word "and" shall be added and thereafter the following new clause shall be added, namely:-

"(x) to establish and oversee the effectiveness and integrity of risk management systems and internal controls.".

15. **Amendment of section 18, Act XLVIII of 2023.**— In the said Act, in section 18,-

(a) in clause (e), the word "and" at the end shall be omitted;

(b) after clause (f), the following new clauses shall be added, namely:-

"(g) has been a shareholder, member of the board of directors, CEO, member of Advisory Committee, investment manager, or employee of the Fund or SWF-SOEs, or any entity or undertaking owned or controlled by the Fund or SWF-SOEs, or in which the Fund or SWF-SOEs has a substantial interest as defined under section 2(1) and section 2(7) of the Companies Act, 2026;

(h) shareholder, member of the board of directors, CEO, or employee of any other entity or undertaking that have a significant interest in the entities mentioned in clause (g);

(i) has been in a commercial, financial, or other business relationship, including as an auditor, legal representative, advisor or contractor, or has been an owner or director or CEO of an entity in such business relationship with the entities mentioned in clause (g) other than the Fund and SWF SOEs, except for regular products and services under general conditions applied to other subjects in the market; and

(j) is a close relative, as defined under the Companies Act 2017, of a person mentioned in clauses (d), (e), (g), (h) and (i):

Provided that a person specified in clause (d), clause (e) and clauses (g) to (j) will be eligible for an appointment after expiry of two years since he ceases to hold such an office or relationship.";

(b) in the Explanation, after the word "Pakistan", the words "including a judicial officer and a member of the Armed Forces of Pakistan" shall be inserted.

16. **Amendment of section 19, Act XLVIII of 2023.**— In the said Act, in section 19,-

(a) in sub-section (1), in clause (iii), after the word "thereunder", the words "or found guilty of misconduct as provided under section 13(2) of the SOE Act" shall be inserted;

(b) in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that in case the office of the director becomes vacant for any reason thereof, a new director shall be appointed within thirty days to serve the remaining term.".

17. **Amendment of section 20, Act XLVIII of 2023.**— In the said Act, in section 20,–

(a) in sub-section (1),–

(i) for clause (b), the following shall be substituted, namely:-

"(b) exercise their duties in the best interest of the Fund, and thereby promote the success of the Fund;"; and

(ii) in clause (e), before the word "avoid", the words "comply with the code of conduct and" shall be inserted; and

(b) after sub-section (2), the following new sub-section shall be added, namely:–

"(3) The Board has the right of access with respect to all of the Fund's affairs and may conduct any investigations it deems necessary in order to fulfil its responsibilities under the Act. To fulfil the Board's responsibility to oversee the management, the CEO shall before each Board meeting, and promptly in case of material developments concerning the achievement of the Fund's objectives, report to the Board on main issues related to–

(a) the administration and management of the Fund;

(b) the implementation of the Board's decisions and policies; and

(c) the Fund's financial status, and submit relevant information and documentation to the Board. In line with the rules determined by the Board procedures under section 17, directors shall have a right of initiative to call for Board meetings and table agenda items. During Board meetings, directors may seek information and demand explanations from the CEO to fulfil their fiduciary duties.".

18. **Amendment of section 21, Act XLVIII of 2023.**— In the said Act, in section 21, in sub-section (1),–

(a) in clause (c), the word "and", occurring at the end, shall be omitted; and

(b) after clause (c), amended as aforesaid, the following new clause (ca), shall be inserted, namely:-

"(ca) nomination committee for appointment of members of the boards of SWF-SOEs and boards of sub funds under section 26 and of CEO as the case may be; and".

19. **Amendment of section 22, Act XLVIII of 2023.**— In the said Act, in section 22, for sub-section (1), the following shall be substituted, namely:-

"(1) The Board, upon a recommendation of the Nomination Committee or another committee under section 21(d) or (e) of this Act and based on a competitive process, shall appoint CEO of the Fund for a term of up to three years renewable for a maximum of two terms. The CEO shall be a fit and proper person as per section 16 of the SOE Act and not be disqualified as per section 18 of this Act. The rules adopted by the Board regarding the selection of the CEO shall be notified and shall comply with the principles of merit, confidentiality, transparency, openness, and diversity and fairness. The CEO's appointment, powers and financial perks, having also regard to long-term interests of the Fund, shall be determined by resolution by the Board. The CEO shall represent the Fund in all its relations with third parties and before courts.".

20. **Amendment of section 23, Act XLVIII of 2023.**— In the said Act, in section 23, clause (h) shall be omitted.

21. **Amendment of section 24, Act XLVIII of 2023.**— In the said Act, in section 24,

(a) in sub-section (1), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be inserted, namely:-

"Provided that the procedure adopted by the Supervisory Council for the purposes of this section shall be prescribed by rules which shall be notified and shall comply with the principles of merit, transparency, openness and fairness. A person so appointed under this section shall comply with the fit and proper criteria as prescribed by the State-Owned Enterprises Act, 2023 (VII of 2023).";

(b) sub-section (3) shall be omitted; and

(c) for sub-section (8), the following shall be substituted, namely:–

"(8) The annual report of the Fund shall include a description of the Advisory Committee's work.".

22. **Amendment of section 25, Act XLVIII of 2023.—** In the said Act, in section 25, in sub-section (2), for the word "may" the word "shall" shall be substituted and thereafter in the proviso after the word "regulator" the words "and following the process and criteria outlined in this section" shall be added.

23. **Amendment of section 26, Act XLVIII of 2023.—** In the said Act, in section 26,–

(a) in sub-section (1), after full stop, at the end, the expression "A sub-fund can be established only to do a business that the Fund is permitted to carry." shall be inserted; and

(b) in sub-section (4), the words "and debt investment" shall be omitted.

24. **Amendment of section 27, Act XLVIII of 2023.—** In the said Act, in section 27,-

(a) in sub-section (1), for the word "Fund", occurring for the first time, the words "assets of the Fund" shall be substituted and thereafter for the words "and in whatever other way not inconsistent with the investment mandate", the words "in a manner" shall be substituted; and

(b) for sub-section (2), the following shall be substituted, namely:-

"(2) At least twice a year, the Board shall review the size of the Fund and the manner in which assets held in the Fund are invested, considering the Fund's current and potential liabilities, and in the light of that review, the Board may make any necessary adjustments in the holding of the Fund in line with the provisions of the Act.".

25. **Amendment of section 28, Act XLVIII of 2023.—** In the said Act, in section 28, in clause (b), in sub-clause (ii), the following shall be substituted, namely:-

"(ii) indications relating to management of risks that the Fund is exposed to and an assessment of fiscal risks surrounding the Fund's operations in the relevant financial year;".

26. **Omission of section 29, Act XLVIII of 2023.**— In the said Act, section 29 shall be omitted.

27. **Amendment of section 30, Act XLVIII of 2023.**— In the said Act, for section 30, the following shall be substituted, namely:-

"30. **Payment of Revenues to the Federal Government and budgetary transfers to the Fund.**— (1) All revenues accruing to the Fund during a year shall be transferred to the Federal Government, except the amounts required for the operating expenditures of the Fund per the approved annual budget.

(2) Any funds required for investments in accordance with the investment mandate and investment plan of the Fund shall be allocated by the Federal Government through the budgetary process as per the Public Finance Management Act, 2019 ( ), upon the proposals made in this regard by the Fund.".

28. **Amendment of section 31, Act XLVIII of 2023.**— In the said Act, in section 31,-

(a) in sub-section (1),-

(i) after the word "Fund", the words "and sub-funds" shall be inserted;

(ii) in clause (a), after the word "liabilities", the words "of the Fund or" shall be inserted;

(ii) in clause (b), after the word "Government", the words "or any other person or entity, whether public or private, foreign or domestic" shall be inserted; and

(b) sub-section (2) shall be omitted.

29. **Omission of section 32, Act XLVIII of 2023.**— In the said Act, section 32 shall be omitted.

30. **Amendment of section 34, Act XLVIII of 2023.**— In the said Act, in section 31, in sub-section (1), after the word "statements", the words ", both on a solo or unconsolidated basis as well as on consolidated basis for the group consisting of the Fund and its subsidiaries" shall be inserted.

31. Amendment of section 35, Act XLVIII of 2023.— In the said Act, in section 35, for sub-section (2), the following shall be substituted, namely:-

> "(2) The Board, on the recommendation of the audit committee, shall appoint the external auditors for a period of up to three years. Any reappointments shall not exceed a maximum consecutive, cumulative period of five years, after which the auditors shall be replaced.".

32. Amendment of section 36, Act XLVIII of 2023.— In the said Act, in section 35,-

(a) in sub-section (3), after the word "Council", the words "as well as to the Central Monitoring Unit established in terms of section 31 of the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023)" shall be inserted;

(b) after sub-section (3), amended aforesaid, new sub-section shall be inserted, namely:-

"(3A) In addition to the contents provided in Schedule VI of the State-Owned Enterprises Act, 2023 (VII of 2023), the annual report shall include, inter alia-

(a) the audited financial statements (consolidated and nonconsolidated) and the external auditor's report on the Fund and sub-funds;

(b) details of all deposits and transfers to, and withdrawals from, the Fund;

(c) any reports prepared by an independent auditor;

(d)investment policies; and

(e) information on special treatments or authorizations given to the Fund including tax treatment, procurement exemptions, etc.";

(c) in sub-section (4), after the word "by", the words, "the Supervisory Council upon a proposal by" shall be inserted; and

(d) in sub-section (5), after the word "addition", the words "and without prejudice to the other reporting obligations of the Fund to the Central Monitoring Unit under sections 28, 31 and 32 of the State-Owned Enterprises Act 2023 (VII of 2023)" shall be inserted.

33. Amendment of section 37, Act XLVIII of 2023.— In the said Act, in section 37, the existing provision shall be numbered as sub-section (1) and thereafter a new sub-section shall be added, namely:-

"(2) The Chairperson of the Board and chief executive officer of the Fund shall appear before and brief the relevant standing committees of the Majlis-e-Shoora (Parliament) at least once a year.".

34. **Amendment of section 38, Act XLVIII of 2023.**— In the said Act, in section 38, the existing provision shall be numbered as sub-section (1) and thereafter the following new sub-sections shall be added, namely:-

"(2) In addition to its transparency obligations under the Right of Access to Information Act, 2017( ), the Fund shall publicly disclose the following, namely:-

(a) investment mandate;

(b) investment and business plan;

(c) quarterly and annual reports;

(d) full audit reports by the Auditor-General or any independent auditor and reports on actions taken to address and follow up on the recommendations;

(e) remunerations and benefits of directors of the Board, CEO and top management individually;

(f) legal framework applicable to the Fund including laws, regulations, policies, guidelines and internal policies approved by the Board;

(g) procurement policies and information on individual procurement processes;

(h) all subsidiary companies other than those listed under Schedule-I, including name, jurisdiction where it was created and share of ownership, voting rights, beneficial owners;

(i) related party transactions and material information or events;

(j) conflict of interest statements or declarations by the Board members and management and any actions taken;

(k) code of ethics, which should include guidelines on gifts, conflicts of interest and whistleblowers' protections;

(l) all joint ventures entered into by the Fund and sub-Funds, including main terms and beneficial owners, and details on the reasons and method used to select the partner; and

(m) semi-annual disclosure of transactions with other SOEs and state entities and all arrears and other pending payment obligations among them.";

(3) The Board shall prescribe the frequency, timeline and medium to be used for dissemination of public information as per sub-section (1).".

35. **Amendment of section 39, Act XLVIII of 2023.**— In the said Act, in section 39,-

(a) in sub-section (1), after the word "indirectly", the words "or actual, apparent or potential" shall be inserted;

(b) after sub-section (3), the following new sub-section shall be added, namely:-

"(4) Directors of the Board as well as the CEO and other senior managers shall disclose the statement of assets and liabilities filed under section 114 of the Income Tax Ordinance 2001( ), on annual basis.".

36. **Amendment of section 45, Act XLVIII of 2023.**— In the said Act, in section 45, after the word "Act", the words "except the functions and responsibilities assigned to the Board under this Act" shall be inserted.

37. **Omission of section 47, Act XLVIII of 2023.**— In the said Act, section 47, shall be omitted.

36. **Amendment of section 48, Act XLVIII of 2023.**— In the said Act, in section 48, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that the Board shall approve and publish the rules, policies and procedures for divestments, having competitive, open, transparent and nondiscriminatory attributes as well as minimum disclosure requirements for each stage of the process, including on beneficial ownership, in line with international standards and best practices.".

37. **Amendment of section 49, Act XLVIII of 2023.**— In the said Act, in section 49, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that the Fund shall issue and publish its procurement policy based on the principles of openness, competitiveness, non discrimination and transparency in terms of sub-section (2) of section 17 of the State-owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023).".

38. **Amendment of section 50, Act XLVIII of 2023.**— In the said Act, for section 50, the following shall be substituted, namely:-

"**50. Specific provisions regarding the applicability of the State-Owned Enterprises (Governance and Operations) Act, 2023 to the Fund, sub-funds and SWF-SOEs.-** (1) the Fund shall be considered a state-owned enterprise and shall be subject to the provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 except as otherwise provided in this Act.

(2) Any sub-funds and any SWF-SOEs shall be subject to all the provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023) except as otherwise provided in this Act. The Fund shall be the legal owner or shareholder of SWF-SOEs. Federal Government's roles with regard to the state-owned enterprise ownership and management under the SOE Act, including under section 29 of the SOE Act, shall be undertaken by the Fund as it relates to SWF-SOEs. In any case, the Fund shall exercise rights and powers under the law or the constitution of the entity in connection with the shares it owns. This clause shall not prejudice the Federal Government's ability to enter into public service obligation agreements with SWF-SOEs, provided that such agreements shall also be approved by the Fund's Board in terms of consistency with its objectives under section 2 of this Act.

(3) The State-Owned Enterprise Ownership and Management Policy shall include a specific section describing the state's ownership rationale and general objectives including the effective management of fiscal risks for the Fund and SWF-SOEs as outlined by the Supervisory Council.

(4) The appointment of board members of SWF-SOEs shall be conducted following the provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023. However, the functions of the Board Nominations Committee and the power to appoint board members shall vest exclusively in the Fund's Board, which shall not be required to appoint any members or officials of the government to a board of a SWF-SOE.

(5) The line ministries shall have no role in the ownership of SWF-SOEs.

(6) The Board of the Fund shall, consistent with this Act and the State-Owned Enterprises (Governance and Operations) Act, 2023(VII of 2023), frame and publish regulations, guidelines, and policies governing the corporate governance and performance evaluation of SWF-SOEs, aligned with international standards and best practices. Until such regulations, guidelines, and policies are issued, those made under the said Act shall continue to apply. Reporting obligations of the Fund and SWF-SOEs to the Central Monitoring Unit (CMU) shall be as prescribed under the State-Owned Enterprises Act (VII of 2023). The Fund and the CMU shall coordinate as necessary to avoid duplication, ensure effective oversight, and maintain transparency in respect of the State's portfolio, without prejudice to their respective powers and obligations under the State-Owned Enterprises Act (VII of 2023).

(7) Upon the recommendation of the Fund's Board, the Supervisory Council shall issue, and periodically review and revise, a dividend policy applicable to SWF-SOEs, which shall be made publicly available.

(8) The Fund's Board shall, in its annual report, set out its activities as the owner of SWFSOEs, including the procedures adopted for the appointment and removal of SWF-SOEs' board members and the measures taken by SWF-SOEs to comply with corporate governance standards. For this purpose, the Fund may liaise with the Central Monitoring Unit (CMU) to ensure accurate and comprehensive reporting.

(9) any rules issued under the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023) by the Federal Government shall be applicable to the SWF and SWF-SOEs as long as they are not inconsistent with the purposes and provisions of this Act.".

STATEMENT OF OBJECTS AND REASONS

PSWF has been established through Pakistan Sovereign Wealth Fund Act, 2023 ("PSWF Act"). Section 4 of the PSWF Act states that the primary objective of the Fund shall be to contribute to sustainable economic development through management and optimal utilization of its funds and assets as per best international standards and policies, to maximize their value for future generations.

2. The amendment Bill is aimed at introducing fiscal safeguards, improving the governance structure and enhancing public disclosure and reporting requirements.

3. The Bill seeks to achieve the aforesaid objects.

Date: 6th May, 2026

(Muhammad Aurangzeb)
Minister for Finance and Revenue