

Reproduced hereunder is Direction No. 26 of 2025 dated August 27, 2025 issued by the Securities and Exchange Commission of Pakistan for Shariah-compliant institutional investors to gradually route their business through Shariah-compliant securities brokers in a phased manner.



**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN**  
**Commission's Secretariat**

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No. SY/SECP/8/13

Islamabad, the 27<sup>th</sup> August, 2025

**DIRECTION NO. 26 OF 2025**

In exercise of the powers conferred by section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), read with clause (x) of subsection (4) of section 20 thereof, the Securities and Exchange Commission of Pakistan hereby directs the Shariah-compliant institutional investors (Takaful Operators, Window Takaful Operators, Non-Bank Finance Companies, Collective Investment Schemes, Voluntary Pension Schemes, Modarabas, Modaraba Management Companies, Private Funds and Securities Brokers) to progressively route their business through Shariah-compliant securities brokers in a phased manner as follows:

**Phase I: Up to June 30, 2026**

- Formulate an internal policy by December 31, 2025 to determine the portion of securities trading business to be routed through Shariah-compliant securities broker(s), and commence implementation in accordance with the approved policy;
- Commence quarterly reporting to the Commission from March 31, 2026, indicating the percentage of business routed through Shariah-compliant securities broker(s), along with any implementation issues and challenges; and
- Initiate and complete the inclusion of at least one Shariah-compliant securities broker in their panel of approved brokers by June 30, 2026.

**Phase II: July 01, 2026 to June 30, 2027**

- Ensure that at least one Shariah-compliant securities broker remains part of their panel of approved brokers; and
- Ensure that no less than 20% of overall business is routed through Shariah-compliant securities broker(s).

**Phase III: July 01, 2027 onwards**

The Commission shall evaluate the entity-wise and sector-wise progress and determine the way forward for complete transition to execute all securities trading transactions through Shariah-compliant brokerage services; and

Further, Shariah-compliant institutional investors are strongly encouraged to switch to takaful for their insurance needs and Shariah-compliant asset management companies for investment purposes.

  
(Bilal Rasul)  
Secretary to the Commission