SENATE SECRETARIAT

Islamabad, the 29th January, 2019

No. F. 24(27)/2018-Legis.—Pursuant of sub-rule (4) of rule 194 of the Rules of Procedure and Conduct of Business in the Senate, 2012, the following reports of the Standing Committee on Finance, Revenue and Economic Affairs presented to the Senate on 29th January, 2019, are published for information:—

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE BANKING COMPANIES (AMENDMENT) BILL, 2018

I, Senator Farooq Hamid Naek, Chairman Standing Committee on Finance, Revenue and Economic Affairs, have the honour to submit, on behalf of the Committee, this report on a Private Member’s Bill titled the Banking Companies (Amendment) Bill, 2018, introduced by Senator Mian Raza Rabbani, in the House on 12th November, 2018, and referred to the Committee for consideration and report.

2. The composition of the Standing Committee is given as under:—

(237)

Price : Rs. 20:00

[213 (2019)/Ex. Gaz.]
3. The Committee considered the said Bill in its meeting held on 2nd January, 2019, at Parliament House, Islamabad, which was attended by the following:—

(1) Senator Farooq Hamid Naek  
Chairman

(2) Senator Musadik Masood Malik  
Member

(3) Senator Dilawar Khan  
Member

(4) Senator Muhammad Akram  
Member

(5) Senator Muhammad Talha Mahmood  
Member

(6) Senator Imam-ud-Din Shouqeen  
Member

(7) Senator Mohsin Aziz  
Member

(8) Senator Aurangzeb Khan  
Member

(9) Senator Mian Muhammad Ateeq Shaikh  
Member

(10) Senator Anwar ul Haq Kakar  
Member

(11) Senator Sherry Rehman  
Member

(12) Senator Mian Muhammad Ateeq Shaikh  
Mover
4. Senator Mian Raza Rabbani, Member-in-Charge apprised the Committee about the objects and reasons of the Bill. He said that the Section 27B of the Banking Companies Ordinance, 1962 (LVII of 1962) was in violation of the spirit and rights conferred by Article 17 of the Constitution of 1973, as well as in violation of the provisions of the ILO to which Pakistan was a signatory. It was also contrary to the provisions of IRO 2009, which allowed for 25% members of the trade union from outside the organization. Moreover, the said section curtailed the right to trade union activities that were guaranteed under the Constitution and various instruments of international law.

5. The Deputy Governor, State Bank of Pakistan (SBP) responded that the said section does not prohibit the union activities, however, it was introduced in 1997 to protect against uncalled for union activities which were being carried out in connivance with as well as with the active support of outside elements. Prior to the said section, mostly outsiders were misusing the union platforms for promoting their personal interests at the cost of depositor’s money. Those elements held bank management hostage and humiliated bank staff for their unjust demands moreover, bank facilities like telephone, cars and other resources were being badly misused. The demand of deletion of said section was to grant unfettered permission to carry weapons in banks, misuse bank resources, abuse bank officials and appoint outsiders in trade union of banks. He further informed the Committee that no negative consequences and losses caused by the said section, however, said section was resulted in positive way for workers, bank depositors, employees and the general public to carry on their lawful activities and created a smooth and peaceful environment. He requested that the said Bill may be opposed by the Committee.

6. The representative of the M/o Law and Justice said that a special law i.e. the Industrial Relations Act, 2012, which dealt with all the industrial related matters and that law was also the governing law for all the industrial establishments, but now the provisions of that law would automatically be applied to all the establishments. He said that insertion of 27B in the Banking Companies Ordinance, 1962, was deviation from that special law, so the purpose was being fulfilled by industrial relation act because it also contained certain restrictions under Section 32 which dealt with unfair practices on the part of labour and workmen. Therefore, the Section 27 B of the Banking Companies Ordinance, 1962, should be omitted, however, the policy decision still rest with the M/o Finance and the State Bank of Pakistan (SBP).

7. After due deliberation, the Committee observed that Section 27B of the Banking Companies Ordinance, 1962 (LVII of 1962) is violative of Article 27 of Constitution of Pakistan 1973 as well as provisions of Industrial Relations Act, 2002, therefore, the Committee unanimously recommended that the Banking Companies (Amendment) Bill, 2018, as introduced in the Senate, may be passed by the House.
8. The Bill, as introduced in the Senate, is annexed. The Committee gave approval for presentation of this report to the House.

Sd/-
(MUHAMMAD TAHIR KHAN),
Secretary (Committee).

Sd/-
(SENATOR FAROOQ HAMID NAEK),
Chairman (Committee).


ANNEX

[AS INTRODUCED IN THE SENATE]

BILL

further to amend the Banking Companies Ordinance, 1962

WHEREAS it is expedient further to amend the Banking Companies Ordinance, 1962 (LVII of 1962), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title and commencement.—(1) This Act may be called the Banking Companies (Amendment) Act, 2018.

(2) It shall come into force at once.


STATEMENT OF OBJECTS AND REASONS

This section violates the sprit and the rights conferred by Article 17 of the Constitution of 1973. It is in violation of the provisions of the ILO to which Pakistan
is a signatory. The section is contrary to the provisions of IRO 2009, which allows for 25% members of the trade union to be from outside the Organization. The report of the Justice Shaffi-ur-Rehman Commission also recommended that the said section be deleted. Further the Banking Companies Ordinance, 1962 deals with the functions and operations of the Banking Companies, it does not regulate the functions of the Trade Unions which are covered under the IRO. The section curtails the right to trade union activities that are guaranteed under the Constitution and various instruments of international law.

SENIOR MIAN RAZA RABBANI,
Member-in-Charge.

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE SBP BANKING SERVICES CORPORATION (REPEAL) BILL, 2018

I, Senator Farooq Hamid Naek, Chairman Standing Committee on Finance, Revenue and Economic Affairs, have the honour to submit, on behalf of the Committee, this report on a Private Member’s Bill titled the SBP Banking Services Corporation (Repeal) Bill, 2018, introduced by Senator Mian Raza Rabbani, in the House on 12th November, 2018, and referred to the Committee for consideration and report.

2. The composition of the Standing Committee is given as under:—

(1) Senator Farooq Hamid Naek  
Chairman

(2) Senator Ayesha Raza Farooq  
Member

(3) Senator Mushahid Ullah Khan  
Member

(4) Senator Musadik Masood Malik  
Member

(5) Senator Dilawar Khan  
Member

(6) Senator Muhammad Akram  
Member

(7) Senator Muhammad Talha Mahmood  
Member

(8) Senator Imam-ud-Din Shouqeen  
Member

(9) Senator Mohsin Aziz  
Member

(10) Senator Aurangzeb Khan  
Member
3. The Committee considered the said Bill in its meeting held on 2nd January, 2019, at Parliament House, Islamabad, which was attended by the following:

(1) Senator Farooq Hamid Naek Chairman
(2) Senator Musadik Masood Malik Member
(3) Senator Dilawar Khan Member
(4) Senator Muhammad Akram Member
(5) Senator Muhammad Talha Mahmood Member
(6) Senator Imam-ud-Din Shouqeen Member
(7) Senator Mohsin Aziz Member
(8) Senator Aurangzeb Khan Member
(9) Senator Mian Muhammad Ateeq Shaikh Member
(10) Senator Sherry Rehman Member
(11) Senator Mian Raza Rabbani Mover

4. Senator Mian Raza Rabbani, Member-in-Charge of the Bill said that he would withdraw the SBP Banking Services Corporation (Repeal) Bill, 2018. The Committee recommended that the House may grant leave to Member-in-Charge to withdraw the SBP Banking Services Corporation (Repeal) Bill, 2018, in terms of Rule 115 of the Rules of Procedure and Conduct of Business in the Senate, 2012. The Committee also gave approval for presentation of this report to the House.

Sd/-
(MUHAMMAD TAHIR KHAN),
Secretary (Committee).

Sd/-
(SENATOR FAROOQ HAMID NAEK),
Chairman (Committee).

ANNEX

[AS INTRODUCED IN THE SENATE]

A

BILL

to repeal the SBP Banking Services Corporation Ordinance, 2001

WHEREAS it is expedient to repeal the SBP Banking Services Corporation Ordinance, 2001 (Ordinance No.LXVII of 2001) for the purposes hereinafter appearing:

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the SBP Banking Services Corporation (Repeal) Act, 2018.

(2) It shall extend to the whole of Pakistan.

(3) It shall come into force at once.

2. Repeal.—(1) The SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001) is hereby repealed and, hereinafter referred to as the repealed Ordinance.

(2) All employees of the said Organization at the time of repeal of this Ordinance shall stand reverted to the State Bank of Pakistan on the same terms and conditions, and shall be deemed to have been in the service of the State Bank of Pakistan since their induction.

STATEMENT OF OBJECTS AND REASONS

Purpose of creation of this Banking Services Corporation has not been met. It is an added expenditure on the State Bank of Pakistan. Further the bifurcation of the State Bank is not warranted and as a consequence the employees have been subjected to hardships.

SENATOR MIAN RAZA RABBANI,
Member-In-Charge.
REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE STATE BANK OF PAKISTAN (AMENDMENT) BILL, 2018

I, Senator Farooq Hamid Naek, Chairman Standing Committee on Finance, Revenue and Economic Affairs, have the honour to submit, on behalf of the Committee, this report on a Private Member’s Bill titled the State Bank of Pakistan (Amendment) Bill, 2018, introduced by Senator Mian Raza Rabbani, in the House on 12th November, 2018, and referred to the Committee for consideration and report.

2. The composition of the Standing Committee is given as under:—

(1) Senator Farooq Hamid Naek  
Chairman
(2) Senator Ayesha Raza Farooq  
Member
(3) Senator Mushahid Ullah Khan  
Member
(4) Senator Musadik Masood Malik  
Member
(5) Senator Dilawar Khan  
Member
(6) Senator Muhammad Akram  
Member
(7) Senator Muhammad Talha Mahmood  
Member
(8) Senator Imam-ud-Din Shouqeen  
Member
(9) Senator Mohsin Aziz  
Member
(10) Senator Aurangzeb Khan  
Member
(11) Senator Mian Muhammad Ateeq Shaikh  
Member
(12) Senator Anwar ul Haq Kakar  
Member
(13) Senator Sherry Rehman  
Member
(14) Minister for Finance, Ex-Officio Member
Revenue and Economic Affairs

3. The Committee considered the said Bill in its meeting held on 2nd January, 2019, at Parliament House, Islamabad, which was attended by the following:—

(1) Senator Farooq Hamid Naek  
Chairman
(2) Senator Musadik Masood Malik  
Member
(3) Senator Dilawar Khan  
Member
4. Senator Mian Raza Rabbani, Member-in-Charge of the Bill said that he would withdraw the State Bank of Pakistan (Amendment) Bill, 2018. The Committee recommended that the House may grant leave to Member-in-Charge to withdraw the State Bank of Pakistan (Amendment) Bill, 2018, in terms of Rule 115 of the Rules of Procedure and Conduct of Business in the Senate, 2012. The Committee also gave approval for presentation of this report to the House.

Sd/-
(MUHAMMAD TAHIR KHAN),
Secretary (Committee).

Sd/-
(SENIOR FAROOQ HAMID NAEK),
Chairman (Committee).


ANNEX

[As Introduced in the Senate]

A

Bill

further to amend the State Bank of Pakistan Act, 1956

WHEREAS it is expedient further to amend the State Bank of Pakistan Act, 1956 (XXXIII of 1956) for the purposes hereinafter appearing;
It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the State Bank of Pakistan (Amendment) Act, 2018.

   (2) It shall come into force at once.


---

**STATEMENT OF OBJECTS AND REASONS**

Section 8A was added in 2001 increasing the scope and functions of the State Bank of Pakistan. Through the said amendment the functions of the State Bank were bifurcated by creating a subsidiary which has failed to fulfill its purpose. Further this Section was created by way of an Ordinance and saved through LFO, hence it has not been debated in Parliament.

SENATOR MIAN RAZA RABBANI,
Member-in-Charge.

---

AMJED PERVEZ,
Secretary.