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PART III

Other Notifications, Orders, etc.

NATIONAL ASSEMBLY SECRETARIAT

NOTIFICATION

Islamabad, the 10th August, 2020

No. F. 22(44)/2020-Legis.—Pursuant to rule 235 (4) of the Rules of Procedure and Conduct of Business in the National Assembly, 2007, the following reports of the Standing Committees presented to the National Assembly on 10th August, 2020 are published for information:—

**REPORT OF THE STANDING COMMITTEE ON OVERSEAS
PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT ON “THE
EMIGRATION (AMENDMENT) BILL, 2020**

GOVERNMENT BILL

I, Chairman of the Standing Committee on Overseas Pakistanis and Human Resource Development, have the honor to present this report on the Bill further to amend the Emigration Ordinance, 1979 [The Emigration (Amendment) Bill, 2020] (Government Bill); referred to the Committee on 31st January, 2020.

(1125)

Price : Rs. 40.00

[5868(2020)/Ex. Gaz.]

2. The Committee comprises the following:—

1. Sheikh Fayyaz-ud-Din	Chairman
2. Dr. Haider Ali Khan	Member
3. Mr. Fazal Muhammad Khan	Member
4. Mr. Sajid Khan	Member
5. Mr. Zulfiqar Ali Khan Dullah	Member
6. Haji Imtiaz Ahmed Chaudhary	Member
7. Mr. Aurangzeb Khan Khichi	Member
8. Mr. Atta Ullah	Member
9. Ms. Sobia Kamal Khan	Member
10. Ms. Tashfeen Safdar	Member
11. Mr. Shahid Ahmed	Member
12. Mr. Khial Zaman	Member
13. Syed Javed Husnain	Member
14. Mr. Ehsan-ul-Haq Bajwa	Member
15. Mr. Noor-ul-Hassan Tanvir	Member
16. Ms. Zahra Wadood Fatemi	Member
17. Mr. Khalid Ahmed Khan Lund	Member
18. Syed Abrar Ali Shah	Member
19. Dr. Mahreen Razzaq Bhutto	Member
20. Mr. Muhammad Jamal-ud-Din	Member
21. Minister for Overseas Pakistanis & Human Resource Development	Ex-officio Member

3. The Committee considered the Bill as introduced in the National Assembly placed at Annex-A in its meeting held on 3rd March, 2020 and recommended that the Bill, as introduced may be passed by the National Assembly.

Sd/-
TAHIR HUSSAIN,
Secretary.
Islamabad, the 8th July, 2020

Sd/-
SHEIKH FYYAZ-UD-DIN,
Chairman.

ANNEX-A

[AS REPORTED BY THE STANDING COMMITTEE]

A

BILL*further to amend the Emigration Ordinance, 1979*

WHEREAS it is expedient further to amend the Emigration Ordinance, 1979 (XVIII of 1979), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act. shall be called the Emigration (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Amendment of section 2, Ordinance XVIII of 1979.**—In the Emigration Ordinance, 1979 (XVIII of 1979), hereinafter referred to as the said Ordinance, in section 2, in sub-section (2), for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

3. **Amendment of section 3, Ordinance XVIII of 1979.**—In the said Ordinance, in section 3, in sub-section (1), for the words “Federal Government”, the words “Prime Minister or a person authorized by him” shall be substituted.

4. **Amendment of section 4A, Ordinance XVIII of 1979.**—In the said Ordinance, in section 4A, for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

5. **Amendment of section 5, Ordinance XVIII of 1979.**—In the said Ordinance, in section 5, for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

Ordinance, in section 14,—

- (a) in sub-sections (1), for the words “Federal Government”, wherever occurring, the words “Secretary of the Division concerned” shall be substituted; and
- (b) in sub-sections (2), for the words “Federal Government”, occurring twice, the words “Secretary of the Division concerned” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Ministry of Overseas Pakistanis and Human Resource Development (OP&HRD) regulates the export of manpower abroad through Emigration Ordinance, 1979. The Bill seeks to amend the Emigration Ordinance, 1979 (XVIII of 1979). The *ibid* Ordinance confers powers to the Federal Government to carry out official business which are meant to be disposed of at Ministry's level. In terms of the Judgment of the Honourable Supreme Court, in *Mustafa Impex VS Government of Pakistan* (Civil Appeal No. 1 428-1436 of 2016), the term Federal Government has been defined as Federal Cabinet. Hence, disposal of routine matters of the M/o OP&HRD take lengthy procedure and time for day to day business of the Ministry by presenting the cases before the Federal Cabinet. The word Federal Government requires to be substituted with appropriate authority in terms of the decision of the Federal Cabinet dated 24-11-2017 which have been specified in the proposed Emigration Ordinance (Amendment) Bill, 2019.

2. The Bill seeks to achieve the aforesaid objects.

MINISTER-IN-CHARGE,
*Ministry of Overseas Pakistanis and
Human Resource Development.*

Annex-B

[TO BE INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Emigration Ordinance, 1979

WHEREAS it is expedient further to amend the Emigration Ordinance, 1979 (XVIII of 1979), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act shall be called the Emigration (Amendment) Act, 2020.

- (2) It shall come into force at once.

2. **Amendment of section 2, Ordinance XVIII of 1979.**—In the Emigration Ordinance, 1979 (XVIII of 1979), hereinafter referred to as the said

Ordinance, in section 2, in sub-section (2), for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

3. **Amendment of section 3, Ordinance XVIII of 1979.**—In the said Ordinance, in section 3, in sub-section (1), for the words “Federal Government”, the words “Prime Minister or a person authorized by him” shall be substituted.

4. **Amendment of section 4A, Ordinance XVIII of 1979.**—In the said Ordinance, in section 4A, for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

5. **Amendment of section 5, Ordinance XVIII of 1979.**—In the said Ordinance, in section 5, for the words “Federal Government”, the words “Secretary of the Division concerned” shall be substituted.

Ordinance, in section 14,—

- (a) in sub-sections (1), for the words “Federal Government”, wherever occurring, the words “Secretary of the Division concerned” shall be substituted; and
- (b) in sub-sections (2), for the words “Federal Government”, occurring twice, the words “Secretary of the Division concerned” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Ministry of Overseas Pakistanis and Human Resource Development (OP&HRD) regulates the export of manpower abroad through Emigration Ordinance, 1979. The Bill seeks to amend the Emigration Ordinance, 1979 (XVIII of 1979). The *ibid* Ordinance confers powers to the Federal Government to carry out official business which are meant to be disposed of at Ministry’s level. In terms of the Judgment of the Honourable Supreme Court, in *Mustafa Impex VS Government of Pakistan* (Civil Appeal No. 1428-1436 of 2016), the term Federal Government has been defined as Federal Cabinet. Hence, disposal of routine matters of the M/o OP&HRD take lengthy procedure and time for day to day business of the Ministry by presenting the cases before the Federal Cabinet. The word Federal Government requires to be substituted with appropriate authority in terms of the decision of the Federal Cabinet dated 24-11-2017, which have been specified in the proposed Emigration Ordinance (Amendment) Bill, 2019.

2. The Bill seeks to achieve the aforesaid objects.

MINISTER-IN-CHARGE,
*Ministry of Overseas Pakistanis and
Human Resource Development.*

**REPORT OF THE STANDING COMMITTEE ON INTERIOR ON THE
ANTITERRORISM (AMENDMENT) BILL, 2020**

I, Chairman of the Standing Committee on Interior have the honor to present this report on the Bill further to amend the Anti-terrorism Act, 1997 (Act XXVII of 1997) [The Anti-Terrorism (Amendment) Bill, 2020] (Government Bill), referred to the Committee on 27th July, 2020.

2, The Committee comprises the following:

(1)	Raja Khurram Shahzad Nawaz	<i>Chairman</i>
(2)	Mr. Sher Akbar Khan	<i>Member</i>
(3)	Mehar Ghulam Muhammad Lali	<i>Member</i>
(4)	Mr. Raza Nasrullah	<i>Member</i>
(5)	Khawaja Sheraz Mehmood	<i>Member</i>
(6)	Mr. Rahat Aman Ullah Bhatti	<i>Member</i>
(7)	Malik Karamat Ali Khokhar	<i>Member</i>
(8)	Sardar Talib Hassan Nakai	<i>Member</i>
(9)	Ms. Nafeesa Inayatullah Khan Khattak	<i>Member</i>
(10)	Mr. Muhammad Akhtar Mengal	<i>Member</i>
(11)	Nawabzada Shazain Bugti	<i>Member</i>
(12)	Malik Sohail Khan	<i>Member</i>
(13)	Syed Iftikhar-Ul-Hassan	<i>Member</i>
(14)	Mr. Mohammad Pervaiz Malik	<i>Member</i>
(15)	Mr. Nadeem Abbas	<i>Member</i>
(16)	Ms. Maryam Aurangzaib	<i>Member</i>
(17)	Syed Agha Rafiullah	<i>Member</i>
(18)	Nawab Muhammad Yousuf Talpur	<i>Member</i>
(19)	Mr. Abdul Qadir Patel	<i>Member</i>
(20)	Mr. Asmatullah	<i>Member</i>
(21)	Mr. Ijaz Ahmad Shah, Minister for Interior	<i>Ex-officio Member</i>

3. The Committee considered the Bill as introduced in the National Assembly placed at **Annex-A**, in its meetings held on 28-7-2020 and 29-7-2020 and proposed following amendments therein.—

(1) **Clause 4**

In clause 4, in the proposed sub-section (3), after the expression “A person commits an offence if he”, the expression “knowingly or willfully” be added.

(2) **Clause 6**

In clause 6.—

- (i) In paragraph (a), the expression “after the word ‘indirectly’, the words or jointly; shall be inserted and” shall be omitted;
- (ii) In the proposed paragraph (d), the expression “or jointly” occurring in the sixth line shall be omitted.

(3) **Clause 9**

In clause 9, the proposed paragraph (a), shall be omitted and the remaining paragraphs may be re-numbered, accordingly.

(4) **Clause 10**

In clause 10, the proposed paragraph (i) shall be omitted.

4. The Committee recommends that the Bill as reported by the Standing Committee placed at (**Annex-B**), may be passed by the National Assembly. Ms. Maryam Aurangzaib, Malik Sohail Khan, Mr. Muhammad Pervaiz Malik, Mr. Nadeem Abbas, Mr. Abdul Qadir Patel and Syed Agha Rafiullah showed there reservations on the Bill and they submitted notes of dissent on the Bill, which are placed at **Annex C, D, E and F**.

-Sd-

TAHIR HUSSAIN,
Secretary.
Islamabad 5th August, 2020

-Sd-

RAJA KHURRAM SHAHZAD NAWAZ,
Chairman.
Standing Committee on Interior.

ANNEX-A

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Anti-terrorism Act, 1997

WHEREAS it is expedient further to amend the Anti-terrorism Act, 1997 (Act XXVII of 1997), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Anti-terrorism (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Amendment of section 6, Act XXVII of 1997.**—In the Anti-terrorism Act, 1997 (Act XXVII of 1997), hereinafter referred to as the said Act, in section 6, in sub-section (7), in clauses (a) and (b), for the words “an individual”, the words “any person” shall be substituted.

3. **Amendment of section 11EE, Act XXVII of 1997.**—In the Act, in section 11EE, in sub-section (2), in clause (c),—

(a) in sub-clause (iii), the word “and” occurring at the end shall be omitted; and

(b) after sub-clause (iv), the following new sub-clauses shall be inserted, namely;—

“(v) no bank or financial institution or any other entity providing financial support shall provide any loan facility or financial support to proscribed person or issue the credit cards to proscribed person; and

(vi) the arms licenses, if already issued, shall be deemed to have been cancelled and the arms shall be deposited forthwith in the nearest Police Station, failing which such arms shall be confiscated and the holder of such arms shall be liable for the punishment provided under the Pakistan Arms Ordinance, 1965 (W.P. Ord. XX of 1965). No fresh license shall be issued to such person for any kind of weapons.”.

4. **Amendment of section 11J, Act XXVII of 1997.**—In the said Act, in section 11J, after sub-section (2), the following new sub-sections shall be inserted, namely:—

“(3) A person commits an offence if he pays for or provides money or other property or facilitate in any manner the travel of a person anywhere for the purpose of perpetrating, participating in, assisting or preparing for a terrorist act or for the purpose of providing or receiving training for terrorist related activities.

(4) The provisions of sub-section (2) shall also apply to the following;

(a) organizations owned or controlled, directly or indirectly, by proscribed organizations or proscribed persons; and

- (b) Persons or organizations acting on behalf of, or at the direction of, proscribed organizations or proscribed persons.”.

5. **Amendment of section 11N, Act XXVII of 1997.**—In the said Act, in section 11N,—

- (a) the existing section shall be re-numbered as sub-section (1);
- (b) in sub-section (1), re-numbered as aforesaid, after the word “fine”, the words “not exceeding twenty-five million rupees” shall be inserted; and
- (c) after sub-section (1), re-numbered as aforesaid, the following new sub-sections shall be inserted, namely:—

“(2) If a legal person commits an offence under sections 11H to 11K such person shall be liable on conviction to a fine not exceeding fifty million rupees.

- (3) Every director, officer or employee of such legal person found guilty shall be punishable on conviction with imprisonment for a term not less than five years and not exceeding ten years with fine not exceeding twenty-five million rupees.”.

6. **Amendment of section 110, Act XXVII of 1997.**—In the said Act, in section 110, in sub-section (1),—

- (a) in clause (a), after the word “indirectly”, the words “or jointly” shall be inserted and after the words “may be”, the comma and word “, without any prior notice and without delay” shall be added;
- (b) in clause (b), after the words “may be”, the comma and word “,without any prior notice and without delay” shall be added;
- (c) in clause (c), the word “and” occurring at the end shall be omitted;
- (d) for clause (d), the following shall be substituted, namely:—

“(d) within forty-eight hours of any freeze or seizure, the person carrying out the freeze or seizure or any action under clause (c) above, and shall set out the steps taken to ensure that no money, property or services are made available,

directly or indirectly, wholly or jointly, for the benefit of the proscribed organization or person and shall submit a report containing details of the property and the persons affected by the freeze or seizure to such office of the Federal Government as may be notified in the official Gazette; and”;

(e) after clause (d), substituted as aforesaid, the following new clause, shall be added, namely:—

(e) the money or other property of any person acting on behalf of, or at the direction of, proscribed persons or organizations shall be frozen or seized, as the case may be, without any prior notice and without delay.”.

7. **Amendment of section 1100, Act XXVII of 1997.**—In the Act, in section 1100, in sub-section (1), for the expression, “required for meeting necessary medical and educational expenses and for subsistence allowance,” the expression “basic expenses, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges, or exclusively for payment of reasonable professional fees and re-imburement of incurred expenses associated with the provision of legal services, or fees or service charges for routine holding or maintenance of frozen funds or other financial assets or economic resources or such money as may be required for meeting extra ordinary expenses,” shall be substituted.

8. **Amendment of section 11Q, Act XXVII of 1997.**—In the Act, in section 11Q, after sub-section (6), the following new sub-section shall be inserted, namely:—

“(6A) Where the Court is satisfied that property subject to forfeiture under this section cannot be identified or located, or readily be subjected to the jurisdiction of the Court, it may order the forfeiture of any other property of the accused of an equivalent value to the property subject to forfeiture which identified or located in another jurisdiction.”.

9. **Amendment of section 19, Act XVIII of 1997.**—In the Act, in section 19, in sub-section (1),—

(a) for the word “Inspector”, the words “Sub -Inspector” shall be substituted;

(b) after the word “members.”, the expression, “the Joint Investigation Team may co-opt any additional person from any Federal or Provincial institution or department as it deems appropriate for investigation” shall be inserted; and

- (c) for the word “directly”, the words “through Public prosecutor”, shall be substituted.

10. **Amendment in section 21EE, Act XXVII of 1997.**—In the said Act, in section 21 EE,—

- (i) in sub-section (1) in clause (d), for the words “with the permission of the Anti-terrorism Court” the words “with the permission of Deputy Inspector General or any other officer of equivalent rank” shall be substituted; and
- (ii) in sub-section (3), for the expression “two years or with fine which may extend to one hundred thousand rupees or with both”, the expression “three years or with fine which may extend to one million rupees in case of an individual and ten million rupees in case of a legal person or with both” shall be substituted.

—
No. 7/19/2019-Ptns

GOVERNMENT OF PAKISTAN
MINISTRY OF INTERIOR

Islamabad, the 23rd July, 2020

STATEMENT OF OBJECTS AND REASONS

SUBJECT:—AMENDMENT IN ANTI-TERRORISM (SECOND AMENDMENT) ACT, 2020.

In order to enhance the effectiveness of the implementation of the Orders passed by the Federal Government under the Anti-terrorism Act, 1997 (XXVII of 1997) and the United Nations (Security Council) Act, 1948 (XIV of 1948), the amendments are considered essential in the Anti-terrorism Act, 1997. The scope of the application of the penalties needs to be extended to those who are involved in terrorism in any manner outside the boundaries of the country. In addition, it is considered essential to match the penalties, fines and restrictions for same kind of punishments and to provide legal powers to the Law enforcement agencies for speedy trial and disposal of cases. Furthermore, the facilities required for meeting the necessary expenses through exemptions are also required to be incorporated in detail.

2. The freezing of assets of Proscribed persons, proscribed organizations and the affiliates is necessary to curb the terrorism.

ZAHEER-UD-DIN BABAR AWAN,
*Advisor to the Prime Minister
on Parliamentary Affairs*

Annex-B

[AS REPORTED BY STANDING COMMITTEE]

A

BILL

further to amend the Anti-terrorism Act, 1997

WHEREAS it is expedient further to amend the Anti-terrorism Act, 1997 (XXVII of 1997), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Anti-terrorism (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Amendment of section 6, Act XXVII of 1997.**—In the Anti-terrorism Act, 1997 (XXVII of 1997), hereinafter referred to as the said Act, in section 6, in sub-section (7), in clauses (a) and (b), for the words “an individual”, the words “any person” shall be substituted.

3. **Amendment of section 11EE, Act XXVII of 1997.**—In the said Act, in section 11EE, in sub-section (2), in clause (c),—

(a) in sub-clause (iii), the word “and”, occurring at the end, shall be omitted; and

(b) after sub-clause (iv), the following new sub-clauses shall be added, namely;—

“(v) no bank or financial institution or any other entity providing financial support shall provide any loan facility or financial support to proscribed person or issue credit cards to proscribed person; and

- (vi) the arms licences, if already issued, shall be deemed to have been cancelled and the arms shall be deposited forthwith in the nearest Police Station, failing which such arms shall be confiscated and the holder of such arms shall be liable for the punishment provided under the Pakistan Arms Ordinance, 1965 (W.P. Ord.XX of 1965). No fresh licence shall be issued to such person for any kind of weapons;”.

4. **Amendment of section 11J, Act XXVII of 1997.**—In the said Act, in section 11J, after sub-section (2), the following new sub-sections shall be added, namely:—

- “(3) A person commits an offence if he knowingly or willfully pays for or provides money or other property or facilitate in any manner the travel of a person anywhere for the purpose of perpetrating, participating in, assisting or preparing for a terrorist act or for the purpose of providing or receiving training for terrorist related activities.
- (4) The provisions of sub-section (2) shall also apply to—
 - (a) organizations owned or controlled, directly or indirectly, by proscribed organizations or proscribed persons; and
 - (b) persons or organizations acting on behalf of, or at the direction of, proscribed organizations or proscribed persons.”.

5. **Amendment of section 11N, Act XXVII of 1997.**—In the said Act, in section 11N,—

- (a) the existing provision shall be numbered as sub-section (1) thereof;
- (b) in sub-section (1), numbered as aforesaid, after the word “fine”, the words “not exceeding twenty-five million rupees” shall be inserted; and
- (c) after sub-section (1), numbered and amended as aforesaid, the following new sub-sections shall be added, namely:—

- “(2) If a legal person commits an offence under sections 11H to 11K such person shall be liable on conviction to a fine not exceeding fifty million rupees.

- (3) Every director, officer or employee of such legal person found guilty shall be punishable on conviction with imprisonment for a term not less than five years and not exceeding ten years and with fine not exceeding twenty-five million rupees.”.

6. **Amendment of section 110, Act XXVII of 1997.**—In the said Act, in section 110, in sub-section (1),—

- (a) in clause (a), after the words “may be”, the comma and word “,without any prior notice and without delay” shall be added;
- (b) in clause (b), after the words “may be”, the expression “, without any prior notice and without delay” shall be inserted;
- (c) in clause (c), the word “and”, occurring at the end, shall be omitted;
- (d) for clause (d), the following shall be substituted, namely:—
- “(d) within forty-eight hours of any freeze or seizure, the person carrying out the freeze or seizure or any action under clause (c) shall set out the steps taken to ensure that no money, property or services are made available, directly or indirectly, wholly for the benefit of the proscribed organization or person and shall submit a report containing details of the property and the persons affected by the freeze or seizure to such office of the Federal Government as may be notified in the official Gazette; and”; and
- (e) after clause (d), substituted as aforesaid, the following new clause, shall be added, namely:—
- (e) the money or other property of any person acting on behalf of, or at the direction of, proscribed persons or organizations shall be frozen or seized, as the case may be, without any prior notice and without delay.”.

7. **Amendment of section 1100, Act XXVII of 1997.**—In the said Act, in section 1100, in sub-section (1), for the expression “required for meeting necessary medical and educational expenses and for subsistence allowance,”, the expression “basic expenses, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges, or exclusively for payment of reasonable professional fees and

reimbursement of incurred expenses associated with the provision of legal services, or fees or service charges for routine holding or maintenance of frozen funds or other financial assets or economic resources or such money as may be required for meeting extraordinary expenses,” shall be substituted.

8. **Amendment of section 11Q, Act XXVII of 1997.**—In the said Act, in section 11Q, after sub-section (6), the following new sub-section shall be inserted, namely:—

“(6A) Where the court is satisfied that property subject to forfeiture under this section cannot be identified or located, or readily be subjected to the jurisdiction of the court, it may order the forfeiture of any other property of the accused of an equivalent value to the property subject to forfeiture which stands identified or located in another jurisdiction.”.

9. **Amendment of section 19, Act XXVII of 1997.**—In the said Act, in section 19, in sub-section (1),—

- (a) after the expression “members.”, the expression “The Joint Investigation Team may co-opt any additional person from any Federal or Provincial institution or department as it deems appropriate for investigation.” shall be inserted; and
- (b) for the word “directly”, the words “through public prosecutor”, shall be substituted.

10. **Amendment in section 21EE, Act XXVII of 1997.**—In the said Act, in section 21EE, in sub-section (3), for the expression “two years or with fine which may extend to one hundred thousand rupees or with both”, the expression “three years or with fine which may extend to one million rupees in case of an individual and ten million rupees in case of a legal person or with both” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

SUBJECT:—**AMENDMENT IN ANTI-TERRORISM (SECOND AMENDMENT) ACT, 2020.**

In order to enhance the effectiveness of the implementation of the Orders passed by the Federal Government under the Anti-terrorism Act, 1997 (XXVII of 1997) and the United Nations (Security Council) Act, 1948 (XIV of 1948), the amendments are considered essential in the Anti-terrorism Act, 1997. The scope

of the application of the penalties needs to be extended to those who are involved in terrorism in any manner outside the boundaries of the country. In addition, it is considered essential to match the penalties, fines and restrictions for same kind of punishments and to provide legal powers to the Law enforcement agencies for speedy trial and disposal of cases. Furthermore, the facilities required for meeting the necessary expenses through exemptions are also required to be incorporated in detail.

2. The freezing of assets of Proscribed persons, proscribed organizations and the affiliates is necessary to curb the terrorism.

ZAHEER-UD-DIN BABAR AWAN,
*Advisor to the Prime Minister
on Parliamentary Affairs.*

Annex-C

Proposed Amendment of Section 11B, Act XXVII of 1997.— Sub-section (1) after the expression “the federal government may” the expression “with the permission of court” be added and the expression “reasonable grounds” be substituted with “substantive evidence”.

Note of Dissent

We hold the view that the executive may not be given sweeping/un-checked powers in exercise of its authority. Supervision of the executive powers by the courts is in line with Article 4, 5 and I0A of the Constitution of Pakistan.

-Sd-

Ms. Maryam Aurangzaib
Mr. Nadeem Abbas
Mr. Muhammad Pervaiz Malik
Malik Sohail Khan
MNAs

Annex-D

Proposed Amendment of Section 110, Sub-Section (1) Clause e, Act XXVII of 1997.—Before the expression “the money” the expression “with permission of the court” be added and the expression “without any prior notice and without delay” should be deleted”.

Note of Dissent

We hold the view that the executive may not be given sweeping/un-checked powers in exercise of its authority. Supervision of the executive powers by the courts is in line with Article 4, 5 and 10A of the Constitution of Pakistan.

-Sd-

Ms. Maryam Aurangzaib
Mr. Abdul Qadir Patel
Mr. Muhammad Pervaiz Malik
Malik Sohail Khan
Syed Agha Rafiullah
Mr. Nadeem Abbas
MNAs

Annex-E**Amendment of Section 12, Act XXVII of 1997.****Note of Dissent**

The proposed amendment of the addition of words “or through any other means” will create confusion and vagueness in the said provision. The purpose of the amendment is well addressed in clause 12 (a) of the said Act.

-Sd-

Ms. Maryam Aurangzaib
Mr. Abdul Qadir Patel
MNAs

Annex-F**Note of Dissent on proposed Amendments in the Anit-terrorism Act, 1997 (Act XXVII of 1997)**

We hold the view that the executive may not be given sweeping/unchecked powers in exercise of its authority. Supervision of the executive powers by the courts is in line with Article 4, 5 and 10A of the Constitution of Pakistan. The requirement of substantive evidence will bar the misuse of the authority and abuse of power by the executive. No offence is completed without mensrea/motive/intention; however, there are provisions in the Bill which are completing the offence on basis of actusrea only. This is also violative of the recent definition of “terrorism” laid down by the Supreme Court of Pakistan in its judgment PLD 2020 SC 61. It’s important that the offender shall have the

motive to commit an offence linked with commission of terrorism/aiding and abetting of the said offence.

It has been observed in various judgments of the superior courts of Pakistan that the legislature may enact such laws which are in compliance of the constitutional guarantees/fundamental rights provided to people of Pakistan. We as members of National Assembly of Pakistan are under oath to protect and defend the constitution of Pakistan and guarantees given therein to the people of Pakistan. United Nation in its various resolutions has guaranteed the fundamental rights and the most important rights are the dignity of life, right to fair trial and right to fair inquiry. We as Parliament should also resort to Islamic Injunctions on denial of Justice provided in the Holy Quran. Constitution is a social contract between the State and its Citizens. Constitution regulates the balance of power among all institutions and lays down the parameters within which such powers be exercised. So we hold this view that the Bill in question is general in nature, and things have not been described in clear terms, so it is our apprehension that if it is passed in this shape, it will not be used in just manner, rather an outcome will be misuse/abuse of authority by the executive that will result in breach of fundamental rights.

-Sd-

Ms. Maryam Aurangzaib
Mr. Abdul Qadir Patel
Mr. Muhammad Pervaiz Malik
Malik Sohail Khan
Syed Agha Rafiullah
Mr. Nadeem Abbas
MNAs

REPORT OF THE STANDING COMMITTEE ON INTERIOR ON THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL, 2020

I, Chairman of the Standing Committee on Interior have the honor to present this report on the Bill further to amend the Code of Criminal Procedure, 1898 (Act V of 1898) [The Code of Criminal Procedure (Amendment) Bill, 2020] (Government Bill), referred to the Committee on 27th July, 2020.

2. The Committee comprises the following:

- | | | |
|-----|-----------------------------------|-----------------|
| (1) | Raja Khurram Shahzad Nawaz | Chairman |
| (2) | Mr. Sher Akbar Khan | Member |
| (3) | Mehar Ghulam Muhammad Lali | Member |
| (4) | Mr. Raza Nasrullah | Member |
| (5) | Khawaja Sheraz Mehmood | Member |

(6)	Mr. Rahat Aman Ullah Bhatti	<i>Member</i>
(7)	Malik Karamat Ali Khokhar	<i>Member</i>
(8)	Sardar Talib Hassan Nakai	<i>Member</i>
(9)	Ms. Nafeesa Inayatullah Khan Khattak	<i>Member</i>
(10)	Mr. Muhammad Akhtar Mengal	<i>Member</i>
(11)	Nawabzada Shazain Bugti	<i>Member</i>
(12)	Malik Sohail Khan	<i>Member</i>
(13)	Syed Iftikhar-Ul-Hassan	<i>Member</i>
(14)	Mr. Mohammad Pervaiz Malik	<i>Member</i>
(15)	Mr. Nadeem Abbas	<i>Member</i>
(16)	Ms. Maryam Aurangzaib	<i>Member</i>
(17)	Syed Agha Rafiullah	<i>Member</i>
(18)	Nawab Muhammad Yousuf Talpur	<i>Member</i>
(19)	Mr. Abdul Qadir Patel	<i>Member</i>
(20)	Mr. Asmatullah	<i>Member</i>
(21)	Mr. Ijaz Ahmad Shah, Minister for Interior	<i>Ex-officio Member</i>

3. The Committee considered the Bill as introduced in the National Assembly placed at **Annex-A**, in its meetings held on 28-7-2020 and 29-7-2020 and proposed following amendments therein.—

Clause 2

In clause 2, in the proposed new section 156 C.—

- (i) The expression “but not limited to” occurring in the third line shall be omitted; and
- (ii) The expression “as provided in the rules” occurring in the fourth line shall be omitted.

4. The Committee recommends that the Bill as reported by the Standing Committee placed at (**Annex-B**), may be passed by the National Assembly.

-Sd/-
TAHIR HUSSAIN,
Secretary.
Islamabad, the 5th August, 2020

-Sd/-
RAJA KHURRAM SHAHZAD NAWAZ,
Chairman.
Standing Committee on Interior.

ANNEX-A

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Code of Criminal Procedure, 1898;

WHEREAS it is expedient further to amend the Code of Criminal Procedure, 1898 (Act V of 1898) for the purpose hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Code of Criminal Procedure (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Insertion of new section 156-C, Act V of 1898.**—In the Code of Criminal Procedure, 1898 (Act V of 1898), after section 156-B, the following new section shall be added, namely:—

“156-C. **Application of investigation techniques.**—(1) The investigating officer, may with the permission of the Court, within sixty days of receiving of such permission, use techniques including but not limited to undercover operations, intercepting communications, assessing computer system and controlled delivery as provided in the rules for investigation of offences of money laundering, associated predicate offence and financing of terrorism under the law in force. The aforementioned period of sixty days may be extended upto further period of sixty days by the Court on a request made to it in writing. The Court may grant extension if it is satisfied on the basis of situation reason given in the written request. The provision of this subsection shall be addition to and not in derogation of another law for the time being in force.

(2) The Federal Government may frame rules to regulate the procedure and execution of order for the purposes of this section.”.

STATEMENT OF OBJECTS AND REASONS

Money Laundering and Terror financing are two major obstacles which are not only playing a degrading role against the development of a country but also imbuing such elements with the financial means which are an ultimate threat against the internal and external peace of the country. The genuine purpose behind the introduction of this Bill is to enable the Law Enforcement Authorities *via* aforementioned insertions in the Code to take certain encountering techniques with an authoritative support of the Courts of Law to curb with menaces.

ZAHEER-UD-DIN-BABAR AWAN,
*Adviser to the Prime Minister on
Parliamentary Affairs.*

Annex-B

[AS REPORTED BY STANDING COMMITTEE]

A

BILL

further to amend the Code of Criminal Procedure, 1898;

WHEREAS it is expedient further to amend the Code of Criminal Procedure, 1898 (Act V of 1898) for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Code of Criminal Procedure (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Insertion of new section 156-C, Act V of 1898.**—In the Code of Criminal Procedure, 1898 (Act V of 1898), after section 156 B, the following new section shall be inserted, namely:—

“156 C. **Application of investigation techniques.**—(1) The investigating officer may with the permission of the Court, within sixty days of receiving of such permission, use techniques including undercover operations, intercepting communications, assessing computer system and controlled delivery for investigation of offences of money laundering, associated predicate offence and financing of terrorism under the law in force. The aforementioned period of sixty days

may be extended upto further period of sixty days by the Court on a request made to it in writing. The Court may grant extension if it is satisfied on the basis of situation or reason given in the written request. The provision of this sub-section shall be in addition to and not in derogation of another law for the time being in force.

- (2) The Federal Government may make rules to regulate the procedure and execution of order for the purposes of this section.”.

STATEMENT OF OBJECTS AND REASONS

Money Laundering and Terror financing are two major obstacles which are not only playing a degrading role against the development of a country but also imbuing such elements with the financial means which are an ultimate threat against the internal and external pace of the country. The genuine purpose behind the introduction of this Bill is to enable the Law Enforcement Authorities via aforementioned insertions in the Code to take certain encountering techniques with as authoritative support of the Courts of Law to curb with menaces.

ZAHEER-UD-DIN BABAR AWAN,
*Adviser to the Prime Minister on
Parliamentary Affairs.*

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE LIMITED LIABILITY PARTNERSHIP (AMENDMENT) BILL, 2020

I, the Acting Chairman of Standing Committee on Finance, Revenue and Economic Affairs have the honor to present this report on the Bill further to amend the Limited Liability Partnership Act, 2017 (XV of 2017) [The Limited Liability Partnership (Amendment) Bill 2020] [Government Bill], referred to the Committee on 27th July, 2020.

2. The Committee comprises the following:—

(1)	Mr. Faiz Ullah	Chairman
(2)	Mr. Jawad Hussain	Member
(3)	Mr. Raza Nasrullah	Member
(4)	Mr. Aamir Mehmood Kiani	Member
(5)	Makhdoom Syed Sami-ul-Hassan Gillani	Member
(6)	Sardar Nasrullah Khan Dreshak	Member
(7)	Mr. Jamil Ahmed Khan	Member
(8)	Mr. Faheem Khan	Member

(9)	Mr. Aftab Hussain Siddique	<i>Member</i>
(10)	Dr. Ramesh Kumar Vankwani	<i>Member</i>
(11)	Mr. Muhammad Israr Tareen	<i>Member</i>
(12)	Mr. Ahsan Iqbal Chaudhary	<i>Member</i>
(13)	Mr. Qaiser Ahmed Sheikh	<i>Member</i>
(14)	Chaudhary Khalid Javed	<i>Member</i>
(15)	Mr. Ali Pervaiz	<i>Member</i>
(16)	Dr. Aisha Ghaus Pasha	<i>Member</i>
(17)	Dr. Nafisa Shah	<i>Member</i>
(18)	Syed Naveed Qamar	<i>Member</i>
(19)	Ms. Hina Rabbani Khar	<i>Member</i>
(20)	Mr. Abdul Wasay	<i>Member</i>
(21)	Minister In-charge	<i>Ex-officio Member</i>

3. The Committee considered the Bill as introduced in the National Assembly placed at **Annexure-‘A’**, in its meetings held on 28th July, 2020 and 7th August, 2020. The Committee recommends that the Bill as introduced may be passed by the National Assembly.

4. Syed Naveed Qamar and Dr. Nafisa Shah, MNAs, raised objection over urgency in the passage of the Bill.

Sd/-
TAHIR HUSSAIN,
Secretary.
Islamabad, the 7th August, 2020

Sd/-
JAMIL AHMED KHAN,
Acting Chairman.

ANNEX-A

[AS REPORTED BY THE STANDING COMMITTEE]

A

BILL

to amend the Limited Liability Partnership Act, 2017

WHEREAS it is expedient to amend the Limited Liability Partnership Act, 2017 (XV of 2017), for the purposes hereinafter appearing;

1. **Short title and commencement.**—(1) This Act shall be called the Limited Liability Partnership (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Amendment in section 8, Act XV of 2017.**—In the Limited Liability Partnership Act, 2017 (XV of 2017), in section 8,—

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

“Provided that a limited liability partnership shall obtain, maintain and timely update particulars of ultimate beneficial owner, including any change therein, of any person who is a partner in limited liability partnership in such form, manner and submit such declaration to the registrar as may be specified.

Explanation.—For the purpose of this section, the term “ultimate beneficial owner”, means a natural person who ultimately owns or controls a limited liability partnership through direct or indirect rights or controlling interest of such percentage as may be specified, in any form of contribution as provided for in section 18 or the underlying rights to share the profits and losses of the partnership and receive distributions accordingly as laid down in the limited liability partnership agreement, or by exercising effective control in that limited liability partnership through such other means as may be specified.”; and

- (b) after sub-section (2), amended as aforesaid, the following new sub-section (3) shall be added, namely:—

“(3) Any contravention or default in complying with requirement of this section shall be an offence liable in case of—

- (a) a partner, designated partner or officer, to a fine which may extend to one million rupees; and
- (b) the limited liability partnership, to a fine which may extend to ten million rupees.”.

STATEMENT OF OBJECT AND REASONS

THE LIMITED LIABILITY PARTNERSHIP (AMENDMENT) BILL, 2020 – FATF RELATED

The Limited Liability Partnership (Amendment) Bill 2020 has suggested various amendments to Limited Liability Partnership Act 2017 (XV of 2017) to ensure compliance with the recommendations on anti-money laundering and countering the financing of terrorism issued by the Financial Action Task Force (FATF). Pakistan’s 2019 Mutual Evaluation Report (MER) on FATF Recommendations issued by the Asia Pacific Group on Money Laundering (APG) highlighted lack of obligations for limited liability partnerships (LLPs) to hold ultimate beneficial ownership information. The report also highlighted lack of penalties for breach of AML/CFT requirements by LLPs.

Accordingly, the proposed amendments are being made to ensure compliance with FATF's recommendation aimed at enhancing the transparency of legal persons, to fulfill the recommended actions in MER, and to enhance the country's ranking against the aforesaid standards. These are also aimed to conform to the action plan approved by the National Executive Committee on AML/CFT for compliance with the FATF recommendations.

DR. ABDUL HAFEEZ SHAIKH,
Advisor to PM on Finance & Revenue.

**REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE
AND ECONOMIC AFFAIRS ON THE COMPANIES (AMENDMENT)
BILL, 2020**

I, the Acting Chairman of Standing Committee on Finance, Revenue and Economic Affairs have the honor to present this report on the Bill further to amend the Companies Act, 2017 (XIX of 2017) [The Companies (Amendment) Bill, 2020] [Government Bill], referred to the Committee on 27th July, 2020.

2. The Committee comprises the following:—

(1)	Mr. Faiz Ullah	Chairman
(2)	Mr. Jawad Hussain	Member
(3)	Mr. Raza Nasrullah	Member
(4)	Mr. Aamir Mehmood Kiani	Member
(5)	Makhdoom Syed Sami-ul-Hassan Gillani	Member
(6)	Sardar Nasrullah Khan Dreshak	Member
(7)	Mr. Jamil Ahmed Khan	Member
(8)	Mr. Faheem Khan	Member
(9)	Mr. Aftab Hussain Siddique	Member,
(10)	Dr. Ramesh Kumar Vankwani	Member
(11)	Mr. Muhammad Israr Tareen	Member
(12)	Mr. Ahsan Iqbal Chaudhary	Member
(13)	Mr. Qaiser Ahmed Sheikh	Member
(14)	Chaudhary Khalid Javed	Member
(15)	Mr. Ali Pervaiz	Member
(16)	Dr. Aisha Ghaus Pasha	Member
(17)	Dr. Nafisa Shah	Member
(18)	Syed Naveed Qamar	Member
(19)	Ms. Hina Rabbani Khar	Member
(20)	Mr. Abdul Wasay	Member
(21)	Minister In-charge	Ex-officio Member

3. The Committee considered the Bill as introduced in the Assembly placed at **Annexure-‘A’**, in its meetings held on 28th July, 2020, 7th August, 2020 and made the following amendment therein:—

CLAUSE 5

In clause 5, in sub-clause (a), in paragraph (i), for the words “such period”, the words “five years” shall be substituted.

4. The Committee recommended that the Bill, as reported by the Standing Committee placed at **Annexure-‘B’**, may be passed by the Assembly.

Sd/-
TAHIR HUSSAIN,
Secretary.
Islamabad, the 7th August, 2020

Sd/-
JAMIL AHMED KHAN,
Acting Chairman.

ANNEX-A

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Companies Act, 2017

WHEREAS it is expedient further to amend the Companies Act, 2017 (XIX of 2017), for the purposes hereinafter appearing;

1. **Short title and commencement.**—(1) This Act shall be called the Companies (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Insertion of section 60A, Act XIX of 2017.**—In the Companies Act, 2017 (XIX of 2017), hereinafter called as the said Act, after section 60, the following new section shall be inserted, namely:—

“60A. **Prohibition on issuance of bearer shares or bearer share warrants, etc.**—(1) Notwithstanding anything contained in the National Investment (Unit) Trust Ordinance, 1965 (VII of 1965) or any other law for the time being in force, no company shall allot, issue, sell, transfer or assign any bearer shares, bearer share warrants or any other equity or debt security of a bearer nature, by whatever name called, and any allotment, issue, sale, transfer,

assignment or other disposition of any such bearer shares or bearer share warrants or any other equity or debt security of a bearer nature, shall be void.

Explanation.—For the purpose of this section, the term “bearer shares or bearer share warrants” means a negotiable instrument that accords ownership or control in a company to the person who possess such instrument and includes any other equity or debt security of a bearer nature.

- (2) All existing bearer shares or bearer share warrants, if any, shall either be registered or cancelled, in such manner and within such period, as may be specified.
- (3) Any contravention or default in complying with the requirements of this section shall be liable in case of—
 - (a) a director or officer of the company or any other person, to a penalty which may extend to one million rupees; and
 - (b) the company, to a penalty which may extend to ten million rupees.”.

3. **Amendment of section 122, Act XIX of 2017.**—In the said Act, in section 122, sub-section (3) shall be omitted.

4. **Insertion of new section 123A, Act XIX of 2017.**—In the said Act, after section 123, the following new section 123A shall be inserted, namely:—

“123A. **Record of ultimate beneficial owner.**—(1) A company shall maintain information of its ultimate beneficial owners in such form and manner, within such period and obtain such declaration from its members as may be specified.

Explanation.—For the purpose of this section, the term “ultimate beneficial owner” means a natural person who ultimately owns or controls a company, whether directly or indirectly, through such percentage of shares or voting rights or by exercising effective control in that company through such other means, as may be specified.

- (2) Every company shall, in such form and manner as may be specified, maintain a register of its ultimate beneficial owners and

shall timely record their accurate and updated particulars, including any change therein, and provide a declaration to this effect to the registrar and where any government is a member of a company such particulars of the relevant government shall be entered in the register of ultimate beneficial owners in the specified manner.

- (4) Any contravention or default in complying with requirement of this section shall be liable in case of—
- (a) a director or officer of the company or any other person, to a penalty which may extend to one million rupees; and
 - (b) the company, to a penalty which may extend to ten million rupees.”.

5. **Amendments of section 413, Act XIX of 2017.**—In the said Act, in section 413,—

- (a) in sub-section (2),—
 - (i) for the words “three years”, the words “such period” shall be substituted; and
 - (ii) after the word “company”, occurring for the first time, the words “as may be specified” shall be inserted; and
- (b) for sub-section (3), the following shall be substituted, namely:—

“(3) The Commission may, as specified by regulations, prevent the destruction of books and papers of a company which has been wound up.”.

STATEMENT OF OBJECT AND REASONS

COMPANIES (AMENDMENT) BILL 2020 - FATF RELATED

The Companies (Amendment) Bill 2020 has suggested various amendments to Companies Act 2017 (XIX of 2017) to ensure compliance with the recommendations on anti-money laundering and countering the financing of terrorism issued by the Financial Action Task Force (FATF). Pakistan’s 2019 Mutual Evaluation Report (MER) on FATF Recommendations issued by the Asia Pacific Group on Money Laundering (APG) highlighted certain deficiencies including lack of explicit prohibition on issuance of bearer shares or bearer share warrants, lack of obligations for companies to hold beneficial ownership information, etc. The report also recommended that the persons who breach the

required measures shall be made subject to effective, proportionate and dissuasive sanctions.

Accordingly, the proposed amendments are being made to ensure compliance with FATF's recommendation aimed at enhancing the transparency of legal persons, to fulfill the recommended actions in MER, and to enhance the country's ranking against the aforesaid standards. These are also aimed to conform to the action plan approved by the National Executive Committee on AML/CFT for compliance with the FATF recommendations.

DR. ABDUL HAFEEZ SHAIKH,
Advisor to PM on Finance & Revenue.

ANNEX-B

[AS REPORTED BY THE STANDING COMMITTEE]

A

BILL

further to amend the Companies Act, 2017

WHEREAS it is expedient further to amend the Companies Act, 2017 (XIX of 2017), for the purposes hereinafter appearing;

1. **Short title and commencement.**—(1) This Act shall be called the Companies (Amendment) Act, 2020.

(2) It shall come into force at once.

2. **Insertion of section 60A, Act XIX of 2017.**—In the Companies Act, 2017 (XIX of 2017), hereinafter called as the said Act, after section 60, the following new section shall be inserted, namely:—

“60A. **Prohibition on issuance of bearer shares or bearer share warrants, etc.**—(1) Notwithstanding anything contained in the National Investment (Unit) Trust Ordinance, 1965 (VII of 1965) or any other law for the time being in force, no company shall allot, issue, sell, transfer or assign any bearer shares, bearer share warrants or any other equity or debt security of a bearer nature, by whatever name called, in any allotment, issue, sale, transfer, assignment or other disposition of any such bearer shares or bearer

share warrants or any other equity or debt security of a bearer nature, shall be void.

Explanation.—For the purpose of this section, the term “bearer shares or bearer share warrants” means a negotiable instrument that accords ownership or control in a company to the person who possess such instrument and includes any other equity or debt security of a bearer nature.

- (2) All existing bearer shares or bearer share warrants, if any, shall either be registered or cancelled, in such manner and within such period, as may be specified.
 - (3) Any contravention or default in complying with the requirements of this section shall be liable in case of—
 - (a) a director or officer of the company or any other person, to a penalty which may extend to one million rupees; and
 - (b) the company, to a penalty which may extend to ten million rupees.”.
3. **Amendment of section 122, Act XIX of 2017.**—In the said Act, in section 122, sub-section (3) shall be omitted.
4. **Insertion of new section 123A, Act XIX of 2017.**—In the said Act, after section 123, the following new section 123A shall be inserted, namely:—

“123A. **Record of ultimate beneficial owner.**—(1) A company shall maintain information of its ultimate beneficial owners in such form and manner, within such period and obtain such declaration from its members as may be specified.

Explanation.—For the purpose of this section, the term “ultimate beneficial owner” means a natural person who ultimately owns or controls a company, whether directly or indirectly, through such percentage of shares or voting rights or by exercising effective control in that company through such other means, as may be specified.

- (2) Every company shall, in such form and manner as may be specified, maintain a register of its ultimate beneficial owners and

shall timely record their accurate and updated particulars, including any change therein, and provide a declaration to this effect to the registrar and where any government is a member of a company such particulars of the relevant government shall be entered in the register of ultimate beneficial owners in the specified manner.

- (3) Any contravention or default in complying with requirement of this section shall be liable in case of—
- (a) a director or officer of the company or any other person, to a penalty which may extend to one million rupees, and
 - (b) the company, to a penalty which may extend to ten million rupees.”.

5. **Amendments of section 413, Act XIX of 2017.**—In the said Act, in section 413,—

- (a) in sub-section (2),—
 - (i) for the words “three years”, the words “five years” shall be substituted; and
 - (ii) after the word “company”, occurring for the first time, the words “as may be specified” shall be inserted; and
- (b) for sub-section (3), the following shall be substituted, namely:—

“(3) The Commission may, as specified by regulations, prevent the destruction of books and papers of a company which has been wound up.”.

STATEMENT OF OBJECT AND REASONS

COMPANIES (AMENDMENT) BILL 2020 - FATF RELATED

The Companies (Amendment) Bill 2020 has suggested various amendments to Companies Act 2017 (XIX of 2017) to ensure compliance with the recommendations on anti-money laundering and countering the financing of terrorism issued by the Financial Action Task Force (FATF). Pakistan’s 2019 Mutual Evaluation Report (MER) on FATF Recommendations issued by the Asia Pacific Group on Money Laundering (APG) highlighted certain deficiencies including lack of explicit prohibition on issuance of bearer shares or bearer share

warrants, lack of obligations for companies to hold beneficial ownership information, etc The report also recommended that the persons who breach the required measures shall be made subject to effective, proportionate and dissuasive sanctions.

Accordingly, the proposed amendments are being made to ensure compliance with FATF 's recommendation aimed at enhancing the transparency of legal persons, to fulfill the recommended actions in MER, and to enhance the country's ranking against the aforesaid standards. These are also aimed to conform to the action plan approved by the National Executive Committee on AML/CFT for compliance with the FATF recommendations.

DR. ABDUL HAFEEZ SHAIKH,
Advisor to PM on Finance & Revenue.

TAHIR HUSSAIN,
Secretary.