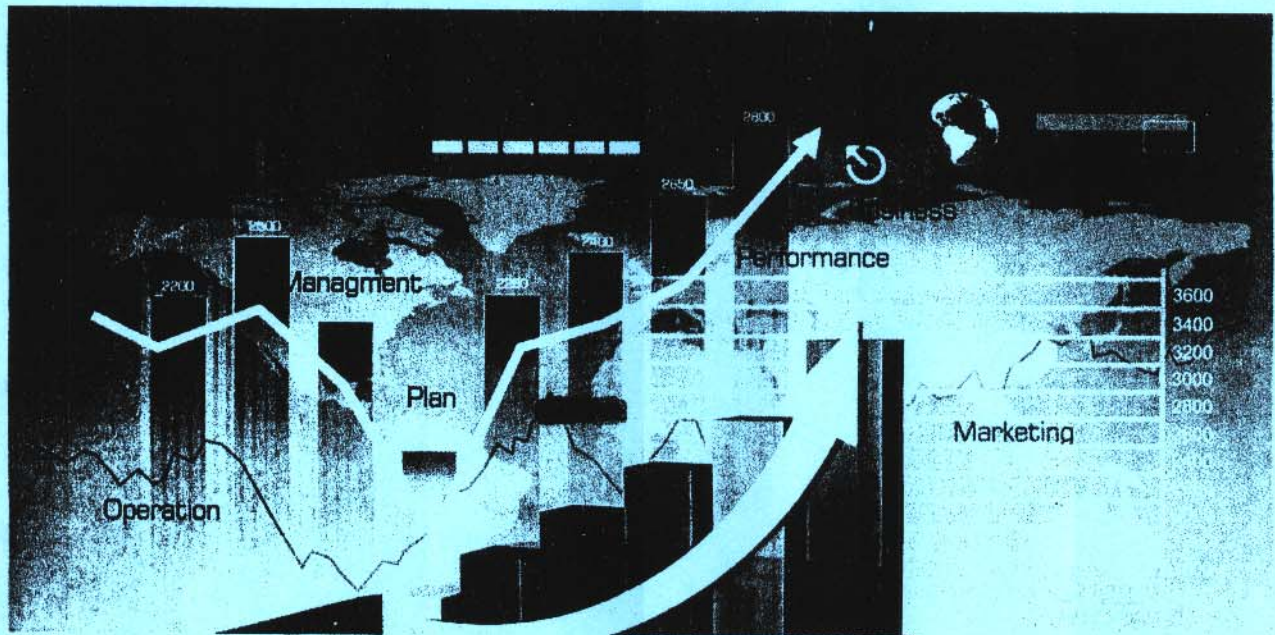


SENATE OF PAKISTAN



**REPORT OF THE STANDING
COMMITTEE ON COMMERCE**



**On the State Life Insurance Corporation
(Re-Organization and Conversion) Bill, 2016**

Presented by
Senator Syed Shibli Faraz
Chairman

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON COMMERCE ON THE STATE LIFE INSURANCE CORPORATION (RE- ORGANIZATION AND CONVERSION) BILL, 2016

I, Senator Syed Shibli Faraz, Chairman of the Senate Standing Committee on Commerce have the honor to present the report, on behalf of the Committee, on the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016, laid in the House on 19th July, 2016 and referred to the Standing Committee for consideration and report.

2. The composition of the Committee is as under:-

1. Senator Syed Shibli Faraz	Chairman
2. Senator Ilyas Ahmad Bilour	Member
3. Senator Mrs. Naseema Ehsan	Member
4. Senator Karim Ahmed Khawaja	Member
5. Senator Mufti Abdul Sattar	Member
6. Senator Dr. Muhammad Farogh Naseem	Member
7. Senator Saud Majeed	Member
8. Senator Muhammad Usman Khan Kakar	Member
9. Senator Ms. Rahila Magsi	Member
10. Senator Saleem Mandviwala	Member
11. Senator Mrs. Rubina Khalid	Member
12. Senator Haji Saif Ullah Khan Bangash	Member
13. Minister for Commerce	Ex-Officio Member

3. The Committee considered the agenda in detail in its meetings held on 23rd August, 31st August, 20th September, and 28th September, 2016. Minutes of these meetings are attached as Annex (i).

4. The Committee specially invited the Ministry of Finance, the SECP, and the Privatization Commission. The Committee also gave hearing to the employees union of State Life Insurance Corporation (SLIC), to seek input and to make a more informed decision.
5. According to the Statements of Objects and Reasons, the Bill aims to provide for re-organization and conversion of the SLIC into a public limited company, and provide a legal basis for SLIC, other than through the Life Insurance Nationalization Ordinance (LINO), 1972, to accurately define its enhanced objectives and role in the current environment. It also aims to encourage and promote growth in the insurance sector, provide for SLIC's business activities to be subject to uniform regulatory oversight and supervision, and streamline SLIC governance structure to bring it in line with existing regulations and international best practices.
6. The members of the Committee are of the view that SLIC is a profit making Public Sector Organization, and is operating to the benefit of the underprivileged class of the country through affordable insurance policies. It has, and continues to contribute to the national exchequer, and has a wide reaching social impact. The Committee apprehends that this may be adversely affected by the Bill.
7. The Committee agrees with the fact that SLIC is operating at a profit, which is admirable; however, the Committee also believes that there is room for improvement, and that expenses can be curtailed. However, the committee opines that this conversion/re-organization should not come at the cost of jeopardizing the livelihoods of the employees, the savings of the policy holders, which also include widows and pensioners, and the state guarantee that accompanies the policies of SLIC.
8. The Committee is greatly concerned regarding the possibility that SLIC may be privatized in the future, and that this Bill is an attempt to pave the way for the same. The Committee held detailed deliberations and heard all stakeholders for finalization of its amendments and to prevent and provide safeguards against privatization of SLIC.
9. The majority of the Committee members present in the meeting at the time of voting except Senator Rahila Magsi (Note of Dissent by Senator Rahila Magsi is attached), approved the following amendments to the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016 in its meeting held on 28th September, 2016. However, the Minister for Commerce did not agree to the said amendments. According to him, the proposed amendments by the Committee would change the purpose of the Bill.

Proposed Amendments

- Deletion of the definition of “**Privatization**” in **Clause 2(i)**;
- **Insertion of Clause 6; Subsequent Clauses may be renumbered accordingly**

6. Shareholding and Management Control in the Company: a) Representation on the Board of Directors and all other right and privileges of shareholders of the company, or any of its subsidiary companies in insurance business shall be proportionate to their shareholding.

b) Management Control of the Company and any of its subsidiary companies in the above circumstances shall continue to vest in the majority shareholding which shall be the Federal Government and whose share shall not be less than seventy five (75) per cent at all times.

c) The remaining twenty five (25) per cent shares of the Company shall be enlisted on the Pakistan Stock Exchange, immediately after being incorporated, in accordance with the listing regulations for the time being in force.

d) No person shall, directly or indirectly, purchase not more than five (5) percent shares of the Company without making a public disclosure and complying with the procedure provided in the Securities Act, 2015.

- **Substitution of Sub-Clause (1) of renumbered Clause 7:** (1) All employees and officers of the corporation shall stand transferred to and become the employees and officers, as the case may be, of the company as on the effective date on the same terms and conditions of service, rights and privileges including but not limited to the provisions applicable to their pension, post-retirement medical benefits, provident fund, gratuity, as the case may be, before the conversion.
- **Insertion of Sub-Clause (3) in renumbered Clause 7, subsequent Sub-Clauses of renumbered Clause 7 may be renumbered accordingly:** (3) Notwithstanding anything contained in this Act or any other law, or any decision of any court or tribunal, the rights, benefits and privileges of the employees of the Company shall continue to be governed by the provisions of Life Insurance (Nationalization) Order, 1972 and the relevant rules and regulations made thereunder.
- Deletion of the text "**Notwithstanding anything contained in any law, contract, agreement, or conditions of service,**" in renumbered Sub-Clause 4 of renumbered Clause 7. Substitution of the word "**no**" with the word "**No**" at the start of renumbered Sub-Clause 4 of renumbered Clause 7.
- **Substitution of renumbered Clause 10;**

10. Guarantee of Policies by the Federal Government: The sums assured by all policies issued by the Company including any bonuses declared in respect thereof and, subject to the provisions contained in Article 21 of the Order, the amounts assured by all policies issued by any insurer, the liabilities which have vested in

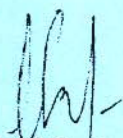
the Company under this Act, and all bonuses declared in respect thereof, whether before or after the incorporation of the Company, shall be guaranteed as to payment in cash by the Federal Government.

- Omission of the text **"Notwithstanding the repeal of the Life Insurance (Nationalization) Order, 1972 (President's Order No. 10 of 1972)"** in renumbered Clause 11. Substitution of the word **"any"** with the word **"Any"** in the start of the renumbered Clause 11.
- Addition of the words **"or the Order"** after the word Act in third line of the renumbered Clause 16. Omission of the **proviso** of the renumbered Clause 16.
- **Substitution of renumbered Clause 17;**

Savings: a) Except and otherwise expressly repealed, modified or amended anything contained in the Life Insurance (Nationalization) Order, 1972 by this Act, the provisions of Life Insurance (Nationalization) Order, 1972 and the rules and regulations made thereunder, shall continue to remain in force.

b) In case there is a conflict between the provisions of this Act and the Life Insurance (Nationalization) Order, 1972, the provisions of the Order shall prevail.

10. In view of the above mentioned the Committee recommends that the Bill may be passed as amended. The Bill reported by the Committee is annexed as "A" and the Bill as passed by the National Assembly is annexed as "B".



(Iffat Mustafa)

Dir. (R) / Secretary Committee



(Senator Syed Shibli Faraz)

Chairperson



SENATE OF PAKISTAN

Senator Dr. Rahila Magsi
Chairperson
Standing Committee on
Federal Education and Professional Training

My Dear,

I do not agree with the amendments presented in the Committee in respect of State Life Insurance Corporation (reorganization and conversion) Bill, 2016, as these amendments will change the purpose of the Bill.

Yours Sincerely

Rahila Magsi
(DR. RAHILA MAGSI)

The Senator Shibli Faraz,
Chairman,
Standing Committee on Commerce

A

BILL

To provide for the re-organization and conversion of the State Life Insurance Corporation into a public limited company

WHEREAS it is expedient to provide for the conversion of the State Life Insurance Corporation into a public limited company and incorporation under the Companies Ordinance, 1984 (XVII of 1984), and for matters connected therewith or ancillary thereto;

It is enacted as follows:-

- 1. Short title, extent and commencement:-** (1) This Act may be called the State Life Insurance Corporation (Re-organization and Conversion) Act, 2016. (2) It extends to the whole of Pakistan.
- (3) It shall come into force at once.

2. Definitions:- In this Act, unless there is anything repugnant in the subject matter or context,-

- (a) "assets includes all investments, properties, rights and entitlements of every description and nature whatsoever, whether present or future, actual or contingent, and tangible or intangible, in Pakistan or elsewhere and includes but not limited o property held trust, both movable and immovable, benefits, claims, receivables, cash balances, documents, reserve funds, privileges and powers;
- (b) "company" means the State Life Insurance Company Limited to be established and incorporated in accordance with section 3;

- (c) "contracts" means all contracts, agreement, bonds guarantees, indemnities, representations, obligations, undertakings and other legal documents and instruments of every description executed by or on behalf of the Corporation, as the case may be, including employment, investment, sales and financial contracts with whomsoever;
- (d) "effective date" means the date specified in the vesting order issued under section 5;
- (e) "Corporation" means the State Life Insurance Corporation established under section 11 of the Life Insurance (Nationalization) Order 1972 (President's No.10 of 1972);
- (f) "liabilities" means all liabilities lawfully incurred by the Corporation, as the case may be, and includes duties and obligations of every kind imposed thereon;
- (g) "policies" means a contract of insurance;
- (h) "proceedings" include any suit, arbitration or other legal, administrative or regulatory proceedings. Applications appeals, awards, reviews or revisions filed or pending;
- (i) **omitted;**
- (i) "rules" means the rules made under this Act;
- (j) "transfer" includes the transfer of assets, contracts, policies, arrangements, liabilities, proceedings and undertakings of the corporation, as the case may be, to the Company;
- (k) "undertakings" includes all projects ventures and any other operations undertaken by the corporation as the case may be, individually or collectively in collaboration with some other person; and
- (l) "vesting order" means an order made by the Federal Government under sub-section(1) of section 5.

3. Establishment of the Company, etc:- (1) As soon as may be after the commencement of this Act, the Federal Government shall establish a Company to be known as the State Life Insurance Company Limited by shares and cause it to be incorporated under the Companies Ordinance, 1984 (XLVII of 1984), with the principal object of taking over

the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc of the Corporation.

(2) No stamp duty, or any other charges shall be payable by the Company under any law for the time being in force or in relation to the transfer or vesting of the assets, contracts, policies, liabilities proceedings or undertakings of the Corporation to the Company or any shares or securities or certificates or scripts issued in favour of the shareholders or financiers or the Corporation by the Company.

(3) No regulatory fee under any law for the time being in force for incorporation or registration shall be payable by the Company or its sponsors:

Provided that after the incorporation of the Company and the issuance of certificate of registration to carry on insurance business under the Insurance Ordinance, 2000 (XXXIX of 2000), the Company shall be liable to pay all regulatory fee.

4. Company to be deemed an insurer:- (1) The company shall be deemed to be an insurer for the purposes of the insurance ordinance, 2000 (XXXIX of 2000), and any other law for the time being in force relating to insurance companies until such time that a certificate of registration is granted to the company under sub-section (2).

(2) Without prejudice to the provisions of the sub-section (1), the company shall within six months of its incorporation, apply to securities and exchange commission of Pakistan for a certificate of registration to carry on the business of insurance in Pakistan in accordance with the provisions of the insurance ordinance, 2000 (XXXIX of 2000), and the securities and exchange commission of Pakistan ordinance, 1997 (XLII of 1997), shall issue such a certificate of registration to the company to carry on insurance business in Pakistan.

5. Transfer and vesting of assets, contract, liabilities, proceedings and undertakings- (1) After the incorporation of the company under the companies Ordinance, 1984 (XLVII of 1984), the federal government shall by a vesting order, published in the official Gazette, direct that all the assets, liabilities, contracts, policies, proceedings and undertakings of the corporation stand transferred to and vest in the company

on the date specified therein, on such terms and conditions as may be determined by the federal government in this behalf.

(2). The vesting order issued under sub-section (1) shall, inter-alia, provide for:-

- (a) the transfer of all the assets, contracts, liabilities proceedings and undertakings of the corporation to the company;
- (b) the allotment of shares or debentures of the company to the shareholders, debenture-holders or bond-holders of the corporation in proportion to their shares, debentures, bonds or other securities in the corporation, as the case may be, after determining the net asset value of the corporation on the effective date;
- (c) the dissolution of the corporation from the effective date;
- (d) the transfer of policies and the guarantees issued to the policy holders of the corporation under article 35 of the life insurance (Nationalization) order, 1972 (president's order No. of 1972) to the company;
- (e) the responsibility of pension benefits of the retired employees and officers of the corporation and the employment is transferred to the company under section 6 and such benefits shall not be varied without the consent of the employees concerned; and
- (f) such incidental, consequential and the supplemental matters as are necessary to secure the transfer of assets, contracts, policies, liabilities, proceedings and undertakings under this act.

(3) the value ascribed to the assets and liabilities transferred to and vested in the company by the federal government under the vesting order shall represent the fair net value of the assets for taxation, depreciation or any other purposes.

(4) Notwithstanding the provisions of section 146 of the companies ordinance, 1984 (XLVII of 1984), the company shall upon transfer through the vesting order, continue all business and undertakings of the corporation as were being carried on immediately prior to effective date.

6. Shareholding and Management Control in the Company:- a) Representation on the Board of Directors and all other right and privileges of shareholders of the company, or any of its subsidiary companies in insurance business shall be proportionate to their shareholding.

b) Management Control of the Company and any of its subsidiary companies in the above circumstances shall continue to vest in the majority shareholding which shall be the Federal Government and whose share shall not be less than seventy five (75) per cent at all times.

c) The remaining twenty five (25) per cent shares of the Company shall be enlisted on the Pakistan Stock Exchange, immediately after being incorporated, in accordance with the listing regulations for the time being in force.

d) No person shall, directly or indirectly, purchase not more than five (5) per cent shares of the Company without making a public disclosure and complying with the procedure provided in the Securities Act, 2015.

7. Continuation of service in the company:- (1) All employees and officers of the corporation shall, stand transferred to and become the employees and officers, as the case may be, of the Company as on the effective date on the same on the same terms and conditions of service, rights and privileges including but not limited to the provisions applicable to their pension, post-retirement medical benefits, provident fund, gratuity, as the case may be, before the conversion.

(2) The terms and conditions rights and privileges including but not limited to the provisions applicable to the pension, post-retirement medical benefits, provident fund and gratuity, as the case may be and other matters as were applicable to the retired employees or officers after conversion.

(3) Notwithstanding anything contained in this Act or any other law, or any decision of any court or tribunal, the rights, benefits and privileges of the employees of the Company

shall continue to be governed by the provisions of Life Insurance (Nationalization) Order, 1972 and the relevant rules and regulations made thereunder.

(4) No person transferred to the company pursuant to sub-section (1) shall be entitled to any compensation as a consequence of transfer to the company.

(5) The employees of the corporation not considered by the corporation under sub-section (1) for employment in the company, shall have the option to be discharged from employment on payment of admissible relieving benefits as provided in the vesting order.

(6) Under the order vesting the property and liabilities of the corporation in the company, the federal government shall require the company to assume the full responsibility of terms and conditions of service, rights and privileges including but not limited to the provisions applicable to pension, provident fund and gratuity benefits of relevant employees and officers and the company shall not adversely vary any such benefits without the consent of the employees or officers concerned.

8. Continuation of terms and conditions of marketing agents:- The terms and conditions, including but not limited to the provisions applicable to the rights and privileges, as the case may be, and other matters as were applicable to the marketing agents shall continue to apply to such marketing agents after conversion, as the cases may be, and the company shall assume the full responsibility thereof.

9. Contracts and proceedings:- (1) Subject to the provision of section 9, all contracts subsisting or having effect, immediately before the effective date to with the corporation may have been a party or beneficiary shall be deemed to have been made by the company and shall remain in force for all intents and purposes.

(2) All proceedings by or against or relating to the corporation pending on the effective date before any court, tribunal, arbitrator or any other authority shall be continued prosecuted defended, enforced and executed by or against the corporation.

10. Guarantee of policies by the Federal Government:- The sums assured by all policies issued by the Company including any bonuses declared in respect thereof and, subject to the provisions contained in Article 21 of the Order, the amounts assured by all policies issued by any insurer, the liabilities which have vested in the Company under this Act, and all bonuses declared in respect thereof, whether before or after the incorporation of the Company, shall be guaranteed as to payment in cash by the Federal Government.

11. Utilization of surplus: (1) Any surplus which emerges as a result of any investigation undertaken by the company in respect of policies already issued prior to effective date in accordance with article 29 of the Life Insurance (Nationalization) Order 1972 (President's Order No. 10 of 1972) shall be continued to be allocated or reserved for in accordance with the article 31 of the said Order in accordance with the terms and conditions of these policies, contracts whatever the case may be.

12. Bar of jurisdiction:- (1) No court except as specifically provided under this Act, including the Supreme Court and a High Court, tribunal, arbitrator or authority shall call in question , any transfer or vesting order made, anything done or action taken or purported to be made done or taken under this Act.

(2) No Court shall grant any injunction or make any order, nor shall any Court entertain any proceedings, in relation to anything done or intended to be done under this Act.

13. Indemnity: (1) No suit, prosecution or other legal proceedings shall lie against the Federal Government, the Corporation, or the Company, or any other person for anything which is in good faith done or intended to be done under this Act or any rule or order made thereunder.

14. Act to override other, laws etc: The provisions of this Act shall have effect notwithstanding anything contrary contained in any other law for the time being in force or in any agreement, contract, policy, decree, order or any other instrument whatsoever.

15. Power to make rules: The Federal Government may by notification in the official Gazette, make rules for carrying out the purposes of this Act.

16. Removal or difficulty: If any difficulty arises in giving effect to any provision of this Act, the Federal Government may make such order, not inconsistent with the provisions of this Act or the Order, as may appear to it be necessary, for the purpose for removing the difficulty:

17. Savings: a) Except and otherwise expressly repealed, modified or amended anything contained in the Life Insurance (Nationalization) Order, 1972 by this Act, the provisions of Life Insurance (Nationalization) Order, 1972 and the rules and regulations made thereunder, shall continue to remain in force.

b) In case there is a conflict between the provisions of this Act and the Life Insurance (Nationalization) Order, 1972, the provisions of the Order shall prevail.

18. Validation of actions etc: (1) Anything done, actions taken, orders passed instruments made, notifications issued, agreements made, policies issued, proceedings initiated, processes or communication issued, powers conferred assumed or exercised, by the Corporation or the Federal Government and their officers before the commencement of this Act and the actions of the Federal Government and its officers till the issuance of the vesting order, shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed, and exercised and provisions of this Act shall have, and shall be deemed always to have had, effect accordingly.

(2) All contracts, agreements, power of attorneys and all other instrument s executed by the Corporation before the effective date shall be deemed to have been issued, executed or entered into by the Company.

(3) On and after the effective date, any reference to the Corporation in any other law or notification issued by the Federal Government, except where the context otherwise requires, be construed as reference to the Company.

STATEMENT OF OBJECT AND REASONS

The State Life Insurance Corporation (Re-organization and Conversion) Act, 2016 is being placed for approval to serve the following policy objectives:-

- i) to provide for re-organization and conversion of State Life Insurance Corporation (SLIC hereinafter) into a public limited company;
- ii) to provide for a legal basis for SLIC other than through the Life Insurance Nationalization Order, that will accurately define its enhanced objectives and role in the current environment;
- iii) to encourage and promote growth in insurance sector in Pakistan;
- iv) to provide for SLIC's business activities to be subject to uniform regulatory oversight and supervision;
- v) to streamline SLIC governance structure to bring it in line with existing regulations and international best practices.

Engineer Khurram Dastgir Khan,

Minister for Commerce

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

BILL

*to provide for the re-organization and conversion of the State Life Insurance Corporation
into a public limited company*

WHEREAS it is expedient to provide for the conversion of the State Life Insurance Corporation into a public limited company and incorporation under the Companies Ordinance, 1984 (XLVII of 1984), and for matters connected therewith or ancillary thereto;

It is enacted as follows:-

1. Short title, extent and commencement - (1) This Act may be called the State Life Insurance Corporation (Re-organization and Conversion) Act, 2016.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. Definitions.- In this Act, unless there is anything repugnant in the subject or context,-

(a) "assets" includes all investments, properties, rights and entitlements of every description and nature whatsoever, whether present or future, actual or contingent, and tangible or intangible, in Pakistan or elsewhere and includes but not limited to property held on trust, both movable and immovable, benefits, claims, receivables, cash balances, documents, reserve funds, privileges and powers;

(b) "Company" means the State Life Insurance Company Limited to be established and incorporated in accordance with section 3;

(c) "contracts" means all contracts, agreements, bonds guarantees, indemnities, representations, obligations, undertakings and other legal documents and instruments of every description executed by or on behalf of the Corporation, as the case may be, including employment, investment, sales and financial contracts with whomsoever;

- (d) "effective date" means the date specified in the vesting order issued under section 5;
- (e) "Corporation" means the State Life Insurance Corporation established under section 11 of the Life Insurance (Nationalization) Order, 1972 (President's Order No. 10 of 1972);
- (f) "liabilities" means all liabilities lawfully incurred by the Corporation, as the case may be, and includes duties and obligations of every kind imposed thereon;
- (g) "policies" means a contract of insurance;
- (h) "proceedings" includes any suit, arbitration or other legal, administrative or regulatory proceedings, applications, appeals, awards, reviews or revisions filed or pending;
- (i) "privatization" means privatization as defined under clause (i) of section 2 of the Privatization Commission ordinance, 2000 (LII of 2000);
- (j) "rules" means the rules made under this Act;
- (k) "transfer" includes the transfer of assets, contracts, policies, arrangements, liabilities, proceedings and undertakings of the corporation, as the case may be, to the Company;
- (l) "undertakings" includes all projects ventures and any other operations undertaken by the corporation as the case may be, individually or collectively in collaboration with some other person; and
- (m) "vesting order" means an order made by the Federal Government under sub-section (1) of section 5.

3. Establishment of the Company, etc.- (1) As soon as may be after the commencement of this Act, the Federal Government shall establish a Company to be known as the State Life Insurance Company Limited by shares and cause it to be incorporated under the Companies Ordinance, 1984 (XLVII of 1984), with the principal object of taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc of the Corporation.

(2) No stamp duty, or any other charges shall be payable by the Company under any law for the time being in force or in relation to the transfer or vesting of the assets, contracts, policies, liabilities proceedings or undertakings of the Corporation to the Company or any shares or securities or certificates or scripts issued in favor of the shareholders or financiers or the Corporation by the Company.

(3) No regulatory fee under any law for the time being in force for incorporation or registration shall be payable by the Company or its sponsors:

Provided that after the incorporation of the Company and the issuance of certificate of registration to carry on insurance business under the Insurance Ordinance, 2000 (XXXIX of 2000), the Company shall be liable to pay all regulatory fee.

4. Company to be deemed an Insurer. - (1) The Company shall be deemed to be an insurer for the purposes of the Insurance Ordinance, 2000 (XXXIX of 2000), and any other law for the time being in force relating to insurance companies until such time that a certificate of registration is granted to the Company under sub-section (2).

(2) Without prejudice to the provisions of sub-section (1), the Company shall within six months of its incorporation, apply to the Securities and Exchange Commission of Pakistan for a certificate of registration to carry on the business of insurance in Pakistan in accordance with the provisions of the Insurance Ordinance, 2000 (XXXIX of 2000), and the Securities and Exchange Commission of Pakistan Ordinance, 1997 (XLII of 1997), shall issue such a certificate of registration to the Company to carry on insurance business in Pakistan.

5. Transfer and vesting of assets, contracts, liabilities, proceedings and undertakings. - (1) After the incorporation of the Company under the Companies Ordinance, 1984 (XLVII of 1984), the Federal Government shall by a vesting order, published in the official Gazette, direct that all the assets, liabilities, contracts, policies, proceedings and undertakings of the Corporation stand transferred to and vest in the Company on the date specified therein, on such terms and conditions as may be determined by the Federal Government in this behalf.

(2) The vesting order issued under sub-section (1) shall, inter-alia, provide for,-

(a) the transfer of all the assets, contracts, liabilities proceedings and undertakings of the Corporation to the Company;

(b) the allotment of shares or debentures of the Company to the shareholders, debenture-holders or bond-holders of the Corporation in proportion to their shares, debentures, bonds or other securities in the Corporation, as the case may be, after determining the net asset value of the Corporation on the effective date;

(c) the dissolution of the Corporation from the effective date;

- (d) the transfer of policies and the guarantees issued to the policy holders of the Corporation under article 35 of the Life Insurance (Nationalization) Order, 1972 (President's Order No 10. of 1972) to the Company;
 - (e) the responsibility of pension benefits of the retired employees and officers of the Corporation and the employees and officers whose employment is transferred to the Company under section 6 and such benefits shall not be varied without the consent of the employees concerned; and
 - (f) such incidental, consequential and supplemental matters as are necessary to secure the transfer of assets, contracts, policies, liabilities, proceedings and undertakings under this Act.
- (3) The value ascribed to the assets and liabilities transferred to and vested in the Company by the Federal Government under the vesting order shall represent the fair net value of the assets for taxation, depreciation or any other purposes.
- (4) Notwithstanding the provisions of section 146 of the Companies Ordinance, 1984 (XLVII of 1984), the Company shall upon transfer through the vesting order, continue all business and undertakings of the Corporation as were being carried on immediately prior to the effective date.

6. Continuation of service in the Company.-

- (1) All employees and officers of the Corporation who were continuously in the service of the Corporation for a period of one year or more immediately before the effective date shall, upon being considered for service by the Company, stand transferred to and become the employees and officers, as the case may be, of the Company as on the effective date on the same terms and conditions of service, rights and privileges including but not limited to the provisions applicable to their pension, post-retirement medical benefits, provident fund, gratuity, as the case may be, before the conversion.
- (2) The terms and conditions, rights and privileges including but not limited to the provisions applicable to the pension, post-retirement medical benefits, provident fund and gratuity, as the case may be and other matters as were applicable to the retired employees and officers of the Corporation shall continue to apply to such retired employees or officers after conversion.
- (3) Notwithstanding anything contained in any law, contract, agreement or conditions of service, no person transferred to the Company pursuant to sub-section (1) shall be entitled to any compensation as a consequence of transfer to the Company.

(4) The employees of the Corporation not considered by the Corporation under sub-section (1) for employment in the Company, shall have the option to be discharged from employment on payment of admissible relieving benefits as provided in the vesting order.

(5) Under the order vesting the property and liabilities of the corporation in the Company, the Federal Government shall require the Company to assume the full responsibility of terms and conditions of service, rights and privileges including but not limited to the provisions applicable to pension, provident fund and gratuity benefits of relevant employees and officers and the Company shall not adversely vary any such benefits without the consent of the employees or officers concerned.

7. Continuation of terms and conditions of marketing agents.- The terms and conditions, including but not limited to the provisions applicable to the rights and privileges, as the case may be, and other matters as were applicable to the marketing agents shall continue to apply to such marketing agents after conversion, as the case may be, and the company shall assume the full responsibility thereof.

8. Contracts and proceedings.- (1) Subject to the provision of section 9, all contracts subsisting or having effect, immediately before the effective date to which the Corporation may have been a party or beneficiary shall be deemed to have been made by the Company and shall remain in force for all intents and purposes.

(2) All proceedings by or against or relating to the Corporation pending on the effective date before any court, tribunal, arbitrator or any other authority shall be continued prosecuted defended, enforced and executed by or against the Company in the same manner and to the same extent as might have been continued, prosecuted, defended enforced and executed by or against the Corporation.

9. Guarantee of policies by the Federal Government.- (1) Notwithstanding the repeal of the Life Insurance (Nationalization) Order, 1972 (President's Order No 10. of 1972) under section 16, all sums assured under article 35 of the repealed Order and policies already issued by the Corporation including any bonuses declared in respect thereof shall remain in force upon transfer of the policies to the Company and the guarantee as to payment in cash by the Federal Government shall remain in force till their entire term in accordance with the terms and conditions applicable to these policies, contracts etc., whatever the case may be prior to the effective date.

(2) The Company shall not issue any policy under which the amounts assured are guaranteed as to payment in cash by the Federal Government after effective date.

10. Utilization of surplus.- (1) Notwithstanding the repeal of the Life Insurance (Nationalization) Order, 1972 (President's Order No 10. of 1972), any surplus which emerges as a result of any investigation undertaken by Company in respect of policies already issued prior to effective date in accordance with article 29 of the Life Insurance (Nationalization) Order, 1972 (President's Order No 10. of 1972) shall continue to be allocated or reserved for in accordance with the article 31 of the said Order in accordance with the terms and conditions of these policies, contracts etc., whatever the case may be.

11. Bar of jurisdiction.- (1) No Court except as specifically provided under this Act, including the Supreme Court and a High Court, tribunal, arbitrator or authority shall call in question or permit to be called in question, any transfer or vesting order made, anything done or action taken or purported to be made done or taken under this Act.

(2) No Court, shall grant any injunction or make any order, nor shall any Court entertain any proceedings, in relation to anything done or intended to be done under this Act.

12. Indemnity.- No suit, prosecution or other legal proceedings shall lie against the Federal Government, the Corporation or the Company or any other person for anything which is in good faith done or intended to be done under this Act or any rule or order made thereunder.

13. Act to override other laws, etc.- The provisions of this Act shall have effect notwithstanding anything contrary contained in any other law for the time being in force or in any agreement, contract, policy, decree, order or any other instrument whatsoever.

14. Power to make rules.- The Federal Government may by notification in the official Gazette, make rules for carrying out the purposes of this Act.

15. Removal or difficulty.- If any difficulty arises in giving effect to any provision of this Act, the Federal Government may make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary, for the purpose of removing the difficulty:

Provided that no such power shall be exercised after the expiry of two years from the commencement of this Act.

16. Repeal and savings.- (1) Immediately after the dissolution of the Corporation in pursuance of clause (c) of sub-section (2) of section 5, the Life Insurance (Nationalization) Order, 1972 (President's Order No 10, of 1972) shall stand repealed.

(2) Notwithstanding the repeal under sub-section (1), any notification, rule, regulation, by-law, administrative or other order made or granted under the repealed Order prior to the commencement of this Act shall continue in force until repealed, altered or changed by the Federal Government or the Company, as the case may be.

17. Validation of actions, etc.- (1) Anything done, actions taken, orders passed instruments made, notifications issued, agreements made, policies issued, proceedings initiated, processes or communication issued, powers conferred assumed or exercised, by the Corporation or the Federal Government and their officers before the commencement of this Act and the actions of the Federal Government and its officers till the issuance of the vesting order, shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed, and exercised and provisions of this Act shall have, and shall be deemed always to have had, effect accordingly.

(2) All contracts, agreement, power of attorneys and all other instruments executed by the Corporation before the effective date shall be deemed to have been issued, executed or entered into by the Company.

(3) On and after the effective date, any reference to the Corporation in any other law or notifications issued by the Federal Government, except where the context otherwise requires, be construed as reference to the Company.

STATEMENT OF OBJECTS AND REASONS

The State Life Insurance Corporation (Re-organization and Conversion) Act, 2016 is being placed for approval to serve the following policy objectives:-

- i) to provide for re-organization and conversion of State Life Insurance Corporation (SLIC hereinafter) into a public limited company;
- ii) to provide for a legal basis for SLIC other than through the Life Insurance Nationalization Order, that will accurately define its enhanced objectives and role in the current environment;
- iii) to encourage and promote growth in insurance sector in Pakistan;
- iv) to provide for SLIC's business activities to be subject to uniform regulatory oversight and supervision;
- v) to streamline SLIC governance structure to bring it in line with existing regulations and international best practices.

Engineer Khurram Dastgir Khan,
Minister for Commerce

SENATE SECRETARIAT

Subject: - MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE ON COMMERCE

A meeting of Senate Standing Committee on Commerce was held on Tuesday, the 23rd August, 2016 at 11:00 A.M in Committee Room No 4, Parliament House, Islamabad, under the Chairmanship of Senator Syed Shibli Faraz.

2. The agenda before the Committee was as under:-

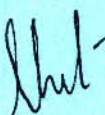
- i. Consideration of the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016.
- ii. Briefing by SLIC regarding properties and respective earnings/income from rentals along with net income figure for the last ten years.
- iii. Follow up of the earlier legislation on Anti-Dumping Duties Bill, 2015 (Ordinance No. IV of 2015) made by the Committee.)
- iv. Detailed briefing on the purchasing of 10,000 metric tons of long grain white rice (IRRI-6) by the Trading Corporation of Pakistan (TCP).
- v. Any other item with permission of the Chair.

3. The following members of the Committee attended the meeting:-

1. Senator Syed Shibli Faraz	Chairperson
2. Senator Ilyas Ahmed Bilour	Member
3. Senator Muhammad Usman Khan Kakar	Member
4. Senator Mufti Abdul Sattar	Member
5. Senator Kareem Ahmed Khawaja	Member
6. Senator Saleem Mandviwala	Member
7. Senator Haji Saif Ullah Khan Bangash	Member
8. Minister for Commerce	Ex-Officio Member

(i) List of participants is annexed.

4. The meeting commenced with a recitation of the Holy Quran.



Agenda Item No. I

3. The Chairperson SLIC briefed the Committee regarding the reorganization and conversion of SLIC. She presented a brief background of SLIC, its existing legal framework (LINO 1972), its business regulations and corporate governance regulations. She highlighted the salient features of the SLIC re-organization and conversion Bill, 2016 regarding the protection of existing staff and officers, marketing agents, and continuity of previous business. She added that after the bill is passed, the existing legal framework, i.e. LINO 1972 will cease to exist.
4. The Chairman Committee and Senator Saleem Mandviwala inquired why the need for a new bill was felt, as SLIC was a profitable institution. The Secretary Commerce apprised the members that this was being done to prevent stagnation and redundancy of government institutions and to promote institutional reforms. The Bill in question allows involvement of the private sector in SLIC to improve management, accountability, and transparency. In addition changes need to be made to bring the legislation in line with new SECP rules.
5. The Chairman Committee opined that the vesting order is the most important document, and that needs to be considered along with the new bill. Senator Saleem Mandviwala observed that one clause of the new bill dealt with the privatization of SLIC. He opined that people trust SLIC because it is government owned. The Secretary Commerce assured the Committee that the privatization clause was only included in case the government decides to offload shares of SLIC, but management control will remain with the government. He went on record to state that privatization of SLIC was not on the cards.

Agenda Item No. II

6. The Chairman Committee inquired about the value of SLIC and why the earnings per share (EPS) had fallen. The meeting was apprised that SLIC had a paid up capital of Rs. 3000 million, which was increased from Rs. 1100 million in 2014 due to a change in requirements of overseas branches. In addition, SLIC managed a profit of Rs. 55 billion in the last year. The meeting was also apprised that the EPS had fallen due to the increase in paid up capital.
7. The Chairman Committee also inquired about the status of the social programs initiated by SLIC, and what impact this Bill might have on these programs. The Chairman SLIC apprised

the members that these programs would continue. On the question of why Quetta is still not a notified region by SLIC, the meeting was apprised that Quetta did not make 'business sense'. The Committee unanimously decided to write a letter to the Chief Minister Balochistan to grant land to SLIC for its building, free of cost.

8. The Chairman Committee voiced serious concerns over the delay in the renovation of the SLIC building in Islamabad, and termed it an eyesore. The Committee was apprised that consultants had already been hired and work would start soon. The work had been delayed due to design issues and bottlenecks, and new fire fighting rules. The Chairman Committee was unsatisfied with the progress, and directed that changes to the façade be made by the end of December 2016.

9. The Chairman Committee also raised the question of the properties owned and rented out by SLIC. The Committee was apprised that 79% of the buildings owned by SLIC were occupied, and only 21% were vacant. The Committee directed that a detailed breakup of the vacant 21% buildings be provided to the Committee.

Agenda Item No. III

10. The Chairman Committee inquired why the NTC had remained dysfunctional after the anti-dumping bill. The Secretary Commerce apprised the Committee that NTC was facing internal problems, which had now been addressed and NTC would become fully operational in October 2016. He added that members of the board of NTC would be selected by the end of August 2016, and then the Prime Minister of Pakistan would nominate a chairman out of these members.

11. The Chairman Committee also highlighted the problem of dumping of steel bars from China and the import of used oil from Dubai that is being used in ghee, and inquired why the anti-dumping legislation had not addressed this issue. The Chairman directed the Ministry of Commerce to submit a written explanation and also brief the Committee regarding the steps taken by the Ministry to prevent this.

Agenda Item No. IV


12. The Chairman TCP gave a brief overview of the Trading Corporation of Pakistan (TCP), and apprised the Committee that the procurement of 10,000 metric tons of long grain white rice was in the face of floods in China. The procurement was made as per the emergency provisions of the PPRA rules, and for the flood affectees in China.
13. The Chairman Committee and Senator Saleem Mandviwala, appreciated this step of the Government and were satisfied with the procurement process, but observed that certain companies were not able to apply for the tender probably due to the emergency situation.
14. The meeting ended with a vote of thanks to and from the Chairman.

Directives/ Unanimous Decisions by the Senate Standing Committee on Commerce

The Chairman Committee:

1. Opposed any privatization of the SLIC, and directed that the privatization clause in the new bill be removed. He directed that the Committee should convene a meeting solely for the purpose of perusing the Bill, and hear all employees and stakeholders. He further directed SLIC to present to the Committee a detailed clause by clause analysis and comparison of the new Bill with the existing legal framework.
2. Unanimously decided to write a letter to the Chief Minister Balochistan to grant land to SLIC for its building, free of cost.
3. Directed that a detailed breakup of the vacant 21% buildings owned by SLIC be provided to the Committee.
4. Directed the Ministry of Commerce to submit a written explanation regarding the dumping of steel bars by China and import of used oil from Dubai, and also brief the Committee regarding the steps taken by the Ministry to address these issues.


(Iffat Mustafa)
Secretary Committee

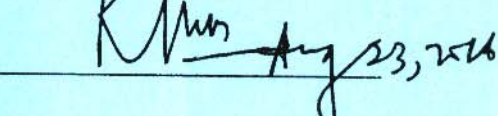
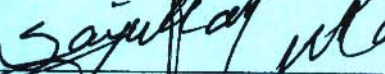
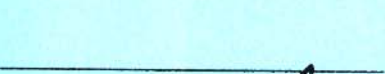
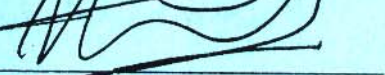
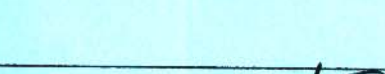
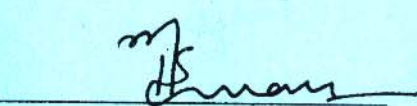
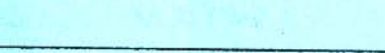
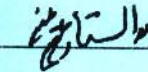
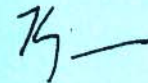
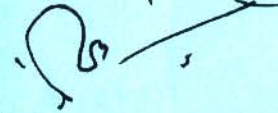
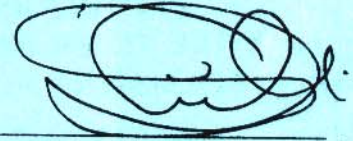

(Senator Syed Shibli Faraz)
Chairperson

SENATE SECRETARIAT

ROLL OF MEMBERS

MEETING OF THE STANDING COMMITTEE ON COMMERCE

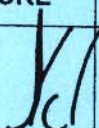
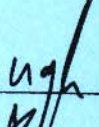

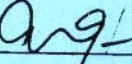


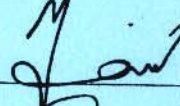

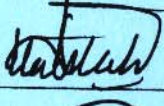
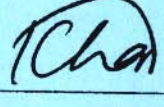
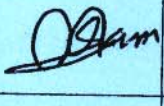
1. Senator Syed Shibli Faraz
Chairman
2. Senator Ilyas Ahmad Bilour
Member
3. Senator Mrs. Naseema Ehsan
Member
4. Senator Karim Ahmed Khawaja
Member
5. Senator Mufti Abdul Sattar
Member
6. Senator Dr. Muhammad Farogh Naseem
Member
7. Senator Saud Majeed
Member
8. Senator Muhammad Usman Khan Kakar
Member
9. Senator Ms. Rahila Magsi
Member
10. Senator Saleem Mandviwala
Member
11. Senator Mrs. Rubina Khalid
Member
12. Senator Haji Saif Ullah Khan Bangash
Member
13. Minister for Commerce
Ex-Officio Member



Khan Aug 23, 2016

SENATE SECRETARIAT COMMITTEE BRANCH-I

LIST OF PARTICIPANTS OF THE MEETING OF THE STANDING COMMITTEE ON COMMERCE TO BE HELD ON 23RD AUGUST, 2016 AT 11:00 A.M. IN COMMITTEE ROOM NO.4, PARLIAMENT HOUSE, ISLAMABAD.

Sl.No	NAME/DESIGNATION/MINISTRY/DIVISION OF THE OFFICER	SIGNATURE	TELEPHONE NUMBERS
1.	AZMAT ALI RANJHA, SECRETARY COMMERCE		
2.	Nargis Ghaleo		
3.	Rizwan Ahmed Chairman TCF		
4.	Muhammad Ashraf JS M/o Commerce		051 9203999
5.	Muhammad Shafiq Security NICL		9202819
6.	Imran Zia, Director.		9218963.
7.	Jamil Anwar E-D SLIC		021-9202828
8.	Shafique A. Shaikh G.M SLIC		0300-9253992
9.	Attaullah A. Rasheed GM SLIC		0300-2598790
10.	KHALID HANIF CM, NICL		051-9201858
11.	Muhammad Aslam M/o Law and Justice		051 9201596
12.			
13.			
14.			
15.			

SENATE SECRETARIAT

Subject: - **MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE ON COMMERCE**

A meeting of Senate Standing Committee on Commerce was held on 31st August, 2016 at 02:30 P.M in Committee Room No 1, Parliament House, Islamabad, under the Chairmanship of Senator Syed Shibli Faraz.

2. The agenda before the Committee was as under:-

- i. Consideration of the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016.
- ii. Any other item with permission of the Chair.

3. The following members of the Committee attended the meeting:-

- | | |
|---------------------------------|-------------|
| 1. Senator Syed Shibli Faraz | Chairperson |
| 2. Senator Ilyas Ahmed Bilour | Member |
| 3. Senator Kareem Ahmed Khawaja | Member |
| 4. Senator Rubina Khalid | Member |

(i) List of participants is annexed.

4. The meeting commenced with a recitation of the Holy Quran.

Agenda Item No. II

5. At the very outset of the meeting, the Chairman Committee took serious notice of the absence of any representation from the Ministry of Finance, and inquired about the status of the NTC, even though the NTC Bills had been approved by the Committee more than a year ago. No rules have been framed for NTC as yet, and the Committee opined that this was being done on purpose to delay the operationalization of the NTC. The Additional Secretary, Commerce apprised the meeting that the service rules for NTC have already been approved by the establishment division, and are now with the Ministry of Finance. The Finance Ministry is currently perusing various aspects of the service rules of NTC. He also apprised the members of the Committee that members of the NTC had been interviewed and shortlisted on 30th August, 2016 and sent to the Prime Minister of Pakistan for approval. He also requested the Committee to direct the Ministry of Finance to expedite the finalization of the service rules so that the

deadline of 30th September given by the Commerce Committee and agreed to by the Ministry, for operationalization of NTC could be met.

Agenda Item No. I

6. The Chairman Committee, on the matter of the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016 observed that the SLIC of Pakistan was a profitable institution. As such, he questioned the motives behind the new bill, and viewed the new bill as a step towards privatization of SLIC. The Chairman Privatization assured the members of the Committee that the current government had no intention of privatizing SLIC, and added that SLIC was not part of the 69 public entities earmarked for privatization. He also apprised the members that corporatization was a positive step, and would not only improve performance of SLIC, but would also promote transparency and accountability. The corporatization of SLIC would mean that SECP regulations regarding financial reporting would apply, and this would improve the operation of SLIC further.

7. The Chairman Committee also observed that SLIC operated several social programs, and inquired whether the corporatization would affect these programs. He also inquired what would happen to the employees, marketing and sales agents, and the state guarantee to policy holders. The Committee was assured that the social programs of SLIC would remain unchanged, as would the status of employees, and the state guarantee to policy holders.

8. The Chairman Committee also took up the issue of the privatization of PTCL, and the problems that were faced in the recovery of sales proceeds, and whether any institutional lessons were learnt from the experience. The meeting was apprised that four basic fundamentals, namely financial, legal, human resource and technical had now been incorporated into the privatization process, and no transaction would take place without defining the legal provisions of the sale. In addition, the process of privatization now goes through an evaluation committee, a transaction committee, and the Cabinet Committee on Privatization. The entire process is overseen by the World Bank and the Asian Development Bank.

9. The Chairman Committee stated that efficient systems should be put in place to ensure transparency, and avoid failures of the past. He also inquired how the proceeds of privatization

were utilized. The committee was apprised that 90% of the proceeds are used for debt alleviation and the remaining 10% for poverty alleviation

10. Following the discussion, the Executive Director SLIC presented a comparison of the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016 with the Life Insurance Nationalization Order 1972, and apprised the members of the committee that once the bill is passed, SLIC will become a company. As such, SECP compliance requirement for SLIC would also change, and would advance transparent financial reporting and standards.

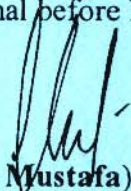
11. The Chairman Committee opined that another meeting should be called for perusing the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016, and directed the Ministry of Commerce to submit a written response to the committee regarding the affect of corporatization of SLIC on policy holder, employees, and the state guarantee to policy holders.

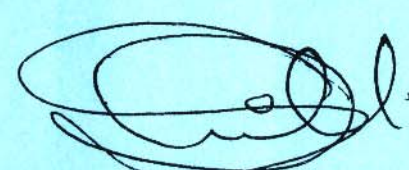
12. The meeting ended with a mutual vote of confidence.

Directives/ Unanimous Decisions by the Senate Standing Committee on Commerce

The Chairman Committee:

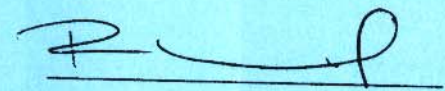
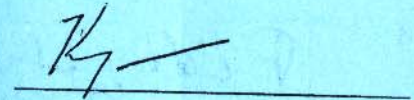
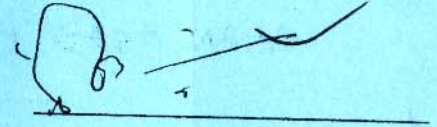
1. Directed the Ministry of Commerce to submit a written response to the committee regarding the affect of corporatization of SLIC on policy holder, employees, and the state guarantee to policy holders.
2. Recommended that efficient systems for privatization should be put in place to ensure transparency, and avoid failures of the past.
3. Directed that the service rules of NTC be finalized at the earliest, and that the NTC should be operational before November 2016.


(Iffat Mustafa)
Secretary Committee


(Senator Syed Shibli Faraz)
Chairperson


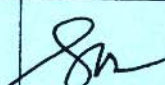
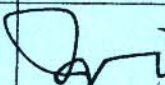
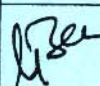


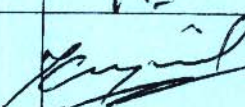

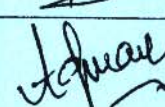
SENATE SECRETARIAT
ROLL OF MEMBERS
MEETING OF THE STANDING COMMITTEE ON COMMERCE

1. Senator Syed Shibli Faraz
Chairman
2. Senator Ilyas Ahmad Bilour
Member
3. Senator Mrs. Naseema Ehsan
Member
4. Senator Karim Ahmed Khawaja
Member
5. Senator Mufti Abdul Sattar
Member
6. Senator Dr. Muhammad Farogh Naseem
Member
7. Senator Saud Majeed
Member
8. Senator Muhammad Usman Khan Kakar
Member
9. Senator Ms. Rahila Magsi
Member
10. Senator Saleem Mandviwala
Member
11. Senator Mrs. Rubina Khalid
Member
12. Senator Haji Saif Ullah Khan Bangash
Member
13. Minister for Commerce
Ex-Officio Member
14. Chairman Privatization Commission



SENATE SECRETARIAT COMMITTEE BRANCH-I

LIST OF PARTICIPANTS OF THE MEETING OF THE STANDING COMMITTEE ON COMMERCE TO BE HELD ON 31ST AUGUST, 2016 AT 02:30 P.M. IN COMMITTEE ROOM NO.1, PARLIAMENT HOUSE, ISLAMABAD.

Sl.No	NAME/DESIGNATION/MINISTRY/DIVISION OF THE OFFICER	SIGNATURE	TELEPHONE NUMBERS
1.	MIAN ASAD HAYATUDDIN / A.S. M.O.C		051-9202621
2.	Dr. Kausar Ali Zaidi Joint Secretary		051-9201858
3.			
4.	Fida Hussain Samad Commissioner SEC P		051-9100471-22 ^{Ext}
5.	Ali Azeem Khan E.D (Insurance) Secy		051-9100451
6.	Nargis Chaudhary SLIC		
7.	Ghulam Muneer ED SLIC		0300-9222257
8.	Najeeb Ahmed Khan		0306-5005449
9.	Muhammad Aslam Assistant Deputy M/o Law man		0300-5004467
10.	Adnan Khan		0333 -
11.			
12.			
13.			
14.			
15.			

SENATE SECRETARIAT

Subject: - MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE ON COMMERCE

A meeting of Senate Standing Committee on Commerce was held on 20th September, 2016 at 02:00 P.M in Committee Room No 4, Parliament House, Islamabad, under the Chairmanship of Senator Syed Shibli Faraz.

2. The agenda before the Committee was as under:-

- i. To finalize the discussion on the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016.
- ii. Any other item with permission of the Chair.

3. The following members of the Committee attended the meeting:-

1. Senator Syed Shibli Faraz	Chairperson
2. Senator Mrs. Naseema Ehsan	Member
3. Senator Kareem Ahmed Khawaja	Member
4. Mufti Abdul Sattar	Member
5. Senator Ms. Rahila Magsi	Member
6. Senator Saleem Mandviwala	Member
7. Senator Rubina Khalid	Member
8. Senator Haji Saifullah Khan Bangash	Member

(i) List of participants is annexed.

4. The meeting commenced with a recitation of the Holy Quran.

Agenda Item No. I

5. At the very outset of the meeting, the Chairman Committee took serious notice of the fact that the working paper sent by the Ministry of Commerce had not reached the members of the committee on time. The Chairman also defined the objective of the meeting, and inquired why the need for a new Bill was felt, as the State Life Insurance Corporation (SLIC) was a profitable institution. He also inquired how converting SLIC into a company would make it more efficient.

6. The Additional Secretary Commerce apprised the members that the Insurance Order of 2000 covered the National Insurance Corporation of Pakistan and the Pakistan Re-insurance

Corporation. SLIC continued to work under the LINO 1972, which was now outdated. He reiterated that there were no plans of privatizing SLIC.

7. The Chairman Committee observed NICL did not improve post its corporatization. The committee was also apprised that the new Bill was against the decision of the Supreme Court of Pakistan, which stated that prior approval of the Cabinet of Pakistan was required for an ordinance. However, in this case, the Bill had not been perused by the Cabinet. The Minister for Commerce apprised the Committee that decision of the Supreme Court was issued recently, and before this decision, the approval of the Prime Minister was deemed as an approval of the Cabinet as per the rules.

8. The Chairman Committee observed this process as being very dictatorial, and the Cabinet should have been taken on board. He further added that this system should be discontinued, and that the Committee on Commerce did not endorse this method of legislation. The Minister for Commerce added that the Law had been passed through due process, by a directly elected house of the Parliament of Pakistan. However, the Chairman Committee opined that the Senate of Pakistan could not pass the Bill just because the National Assembly of Pakistan had done so.

9. The Chairman Committee and Senator Saleem Mandviwala directed the Ministry to provide the committee with a clause by clause comparison of LINO 1972 and the new Bill. The Chairman Committee added that the Articles of Association (AoA) and Memorandum of Association (MoA) also be provided to the Committee for perusal.

10. The Minister for Commerce highlighted two salient features of the new Bill, namely section 6 and section 9 dealing with protection of employees and protection of policy holders through a state guarantee respectively. He added that all packages were discussed with the employees of SLIC.

11. The Chairman Committee opined that the new Bill seemed like it was preparing SLIC for privatization, and to prevent this, safeguard measures should be incorporated into the Bill. The Minister for Commerce re assured the members that the current government had no plans of privatizing SLIC. However, adding safeguard measures in the Bill would restrict divesting of shares. Trying to address concerns of the Committee, the Commerce minister said that the government could not divest the shares of any public sector entity without the Privatisation

Commission, and that is why the term privatization was inserted in the Bill. The Minister also apprised the Committee that SLIC would function under the AoA and MoA, and the bill would just be a broad guideline.

12. The Chairman Committee apprised the members that the Committee needed to take into account several factors, and ensure the protection of employees, the protection of policy holders, and restrict any privatization of SLIC. The President of the SLIC Employees Union of Pakistan expressed the fear that the government would destroy the profitable SLIC after converting it into a company, and that the protection given to the employees of SLIC was not on par with the protection given to the employees of PIA. He added that the government could not even divest shares of SLIC, as the money did not belong to the Government; rather it belonged to the policy holders, who include orphans and widows. The Chairman Committee, adding to this, stated that SLIC was formed in 1972 for the underprivileged class, and thus had a social responsibility. He apprehended that privatizing SLIC would compromise the social welfare impact of SLIC.

13. On the question of the vesting order, and the anomalies therein, the Committee was apprised that the vesting order is not final, and is still in the process of finalization after discussions with SLIC. Once the Senate Committee passes the Bill, only then will the vesting order be finalized. The Minister for Commerce added there was a need to make SLIC more efficient, and reduce its operating expenses.

14. The Chairman Committee apprehended that corporatizing SLIC would adversely affect its profitability and efficiency, as in the case of NICL. ED SLIC and the Minister for Commerce assured the Chairman and the Committee that corporatizing SLIC would allow for lower expenses and greater efficiency.

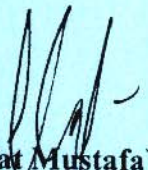
15. The meeting ended with a mutual vote of confidence.

Directives/ Unanimous Decisions by the Senate Standing Committee on Commerce


The Chairman Committee:

1. Directed the Ministry of Commerce to submit the Articles of Association and Memorandum of Association, along with a clause by clause comparison of LINO 1972 and the new Bill to the Committee for perusal.

2. Directed that process of passing an ordinance without the approval and perusal of the Cabinet was very dictatorial, and this unhealthy practice should be discontinued.
3. Apprehended that privatizing SLIC should at no cost compromise the social programs of SLIC.
4. Decided that the Committee would hold one last meeting to discuss and finalize the amendments proposed to the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016, before reporting back to the House.



(Iffat Mustafa)
Secretary Committee



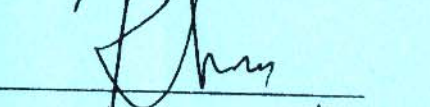
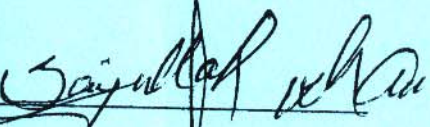
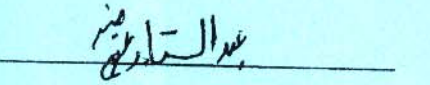
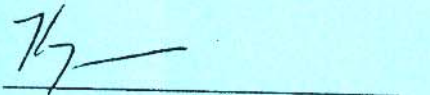
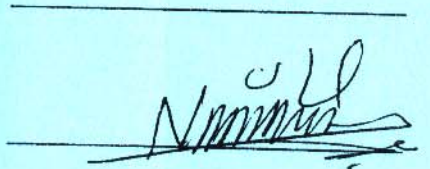
(Senator Syed Shibli Faraz)
Chairperson

SENATE SECRETARIAT

ROLL OF MEMBERS


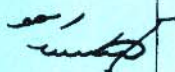


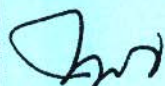
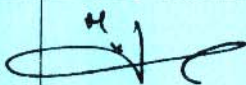
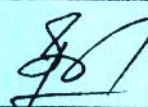
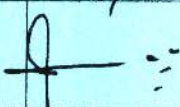
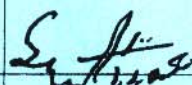
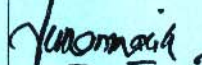
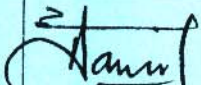


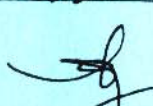
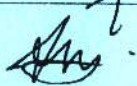
MEETING OF THE STANDING COMMITTEE ON COMMERCE

1. Senator Syed Shibli Faraz
Chairman
2. Senator Ilyas Ahmad Bilour
Member
- ✓ 3. Senator Mrs. Naseema Ehsan
Member
- ✓ 4. Senator Karim Ahmed Khawaja
Member
- ✓ 5. Senator Mufti Abdul Sattar
Member
6. Senator Dr. Muhammad Farogh Naseem
Member
7. Senator Saud Majeed
Member
8. Senator Muhammad Usman Khan Kakar
Member
- ✓ 9. Senator Ms. Rahila Magsi
Member
- ✓ 10. Senator Saleem Mandviwala
Member
- ✓ 11. Senator Mrs. Rubina Khalid
Member
- ✓ 12. Senator Haji Saif Ullah Khan Bangash
Member
- ✓ 13. Minister for Commerce
Ex-Officio Member

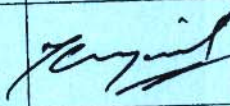
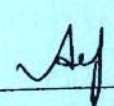


SENATE SECRETARIAT COMMITTEE BRANCH-I

LIST OF PARTICIPANTS OF THE MEETING OF THE STANDING COMMITTEE ON COMMERCE TO BE HELD ON 20TH SEPTEMBER, 2016 AT 02:00 P.M. IN COMMITTEE ROOM NO.4, PARLIAMENT HOUSE, ISLAMABAD.

Sl.No	NAME/DESIGNATION/MINISTRY/DIVISION OF THE OFFICER	SIGNATURE	TELEPHONE NUMBERS
1.	MIAN ASAD HAYAUDDIN ADDL. SECY.		
2.	Zakoor Ahmed Joint Secretary, M/O Finance		9203929
3.	Ghufsan Memon ED - SLIC		0300 912623
4.	JS/DG (PD) Gujjar		051-9205570.
5.	Fida Hussain Samad Commissioner SECP		051-9100458
6.	Muzaffar. Mirza SECP Legal Cell		0307-4429924
7.	Mohsin Kamal legal advisor MOC		0333514444
8.	Shahid Waheed President CBA, SLIC		0300-6323662
9.	Sajid Ali Abbasi SVP (CBA) SLIC		0300-4700581.
10.	Imran Nasir Malik Deputy Secy General (CBA) SLIC		0333-5443525
11.	Aamir Sharif. (DBA) MOC		051-9208692
12.	Mian Muhammad Ramzan (DY Secy Gen CBA) SLIC		0321-6603257
13.	S. Muzaffar Hussain (S.V.P CBA SLIC)		03006052114
14.	Ahisan Raig, Dir, CMD Ministry of Commerce.		0300-440056
15.	Arsalan Ahmed DY Secy, Commerce Ministry		9201220

-:2:-

Sl.No	NAME/DESIGNATION/MINISTRY/DIVISION OF THE OFFICER	SIGNATURE	TELEPHONE NUMBER
16.	Mujeeb Ahmed Khan Senior Advisor Ministry of Commerce		0306-5005449
17.	Chand Ashraf Ministry of Law ADI		03157733888
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SENATE SECRETARIAT

Subject: - **MINUTES OF MEETING OF THE SENATE STANDING COMMITTEE ON COMMERCE**

A meeting of Senate Standing Committee on Commerce was held on Wednesday, the 28th September, 2016 at 11:00 A.M in Committee Room No 1, Parliament House, Islamabad, under the Chairmanship of Senator Syed Shibli Faraz.

2. The agenda before the Committee was as under:-

- i. To finalize the discussion on the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016.
- ii. Any other item with permission of the Chair.

3. The following members of the Committee attended the meeting:-

1. Senator Syed Shibli Faraz	Chairperson
2. Senator Ilyas Ahmed Bilour	Member
3. Senator Mrs. Naseema Ehsan	Member
4. Senator Muhammad Usman Khan Kakar	Member
5. Senator Mufti Abdul Sattar	Member
6. Senator Kareem Ahmed Khawaja	Member
7. Senator Saleem Mandviwala	Member
8. Senator Ms. Rahila Magsi	Member
9. Senator Haji Saif Ullah Khan Bangash	Member
10. Minister for Commerce	Ex-Officio Member

4. A list of participants is annexed.

5. The meeting commenced with recitation of the Holy Quran.

6. The Additional Secretary, Commerce informed the Committee that the Minister was busy in Question Hour of the National Assembly. The Chairman Committee and the members opined that the Minister's presence is essential for the finalization of the amendments. Therefore, the meeting was adjourned till 01:00 P.M. the same day. The meeting reconvened at 01:00 P.M in the same committee room, with the Minister for Commerce in attendance.

7. The members of the Committee were of the view that SLIC is a profit making Public Sector Organization, and is operating to the benefit of the underprivileged class of the country through affordable insurance policies. It has, and continues to contribute to the national exchequer, and has a wide reaching social impact. The Committee apprehended that this could be adversely affected by the Bill.

8. The Committee agreed with the fact that SLIC was operating at a profit, which was admirable; however, the Committee believed that there was room for improvement, and that expenses could be curtailed. However, the committee opined that this conversion/re-organization should not come at the cost of jeopardizing the livelihoods of the employees, the savings of the policy holders, which also include widows and pensioners, and the state guarantee that accompanies the policies of SLIC.

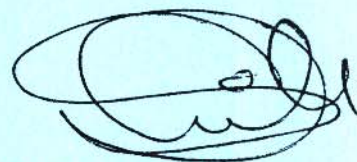
9. The Committee is greatly showed grave concern regarding the possibility that SLIC may be privatized in the future, and that this Bill was an attempt to pave the way for the same. The Committee held detailed deliberations and heard all stakeholders for finalization of its amendments and to prevent and provide safeguards against privatization of SLIC.

10. The majority Committee members present in the meeting at the time of voting, except Senator Rahila Magsi, approved the amendments to the State Life Insurance Corporation (Re-organization and Conversion) Bill, 2016. The Minister for Commerce requested that 6 weeks be granted to the Ministry to carefully examine the proposed amendments. However, the Chairman Committee apprised the Minister that the Bill was time barred, and was to be reported back to the House on or before the 30th of September, 2016, and as such, an extension would not be possible. In response, the Minister did not agree to the said amendments. According to him the proposed amendments by the Committee would change the purpose/thrust of the bill.

11. The meeting ended with a vote of thanks to and from the Chair.



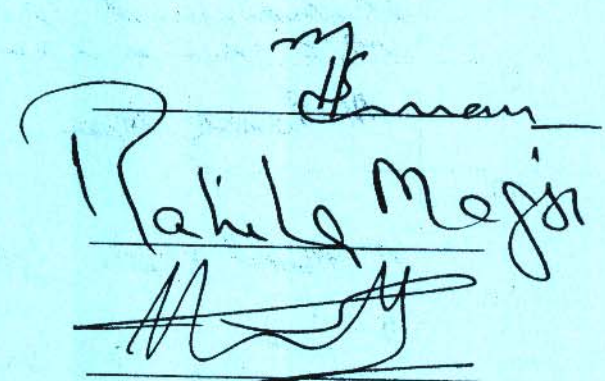
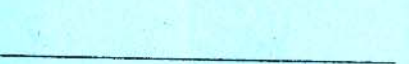
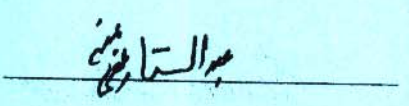
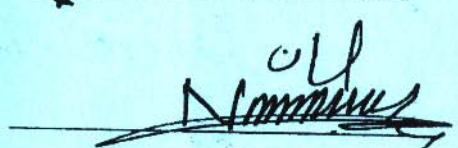
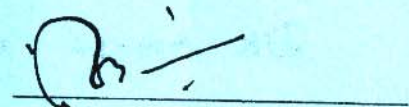
(Iffat Mustafa)
Dir. (R) / Secretary Committee



(Senator Syed Shibli Faraz)
Chairperson

SENATE SECRETARIAT
ROLL OF MEMBERS
MEETING OF THE STANDING COMMITTEE ON COMMERCE







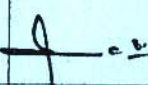

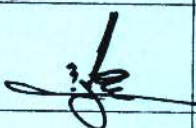

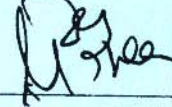
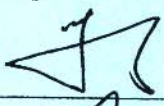
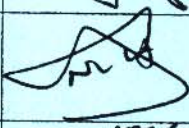
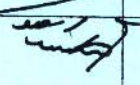
1. Senator Syed Shibli Faraz
Chairman
2. Senator Ilyas Ahmad Bilour
Member
3. Senator Mrs. Naseema Ehsan
Member
4. Senator Karim Ahmed Khawaja
Member
5. Senator Mufti Abdul Sattar
Member
6. Senator Dr. Muhammad Farogh Naseem
Member
7. Senator Saud Majeed
Member
8. Senator Muhammad Usman Khan Kakar
Member
9. Senator Ms. Rahila Magsi
Member
10. Senator Saleem Mandviwala
Member
11. Senator Mrs. Rubina Khalid
Member
12. Senator Haji Saif Ullah Khan Bangash
Member
13. Minister for Commerce
Ex-Officio Member



Sept 28, 2016.

SENATE SECRETARIAT COMMITTEE BRANCH-I

LIST OF PARTICIPANTS OF THE MEETING OF THE STANDING COMMITTEE ON COMMERCE TO BE HELD ON 28TH SEPTEMBER, 2016 AT 11:00 A.M. IN COMMITTEE ROOM NO.1, PARLIAMENT HOUSE, ISLAMABAD.

Sl.No	NAME/DESIGNATION/MINISTRY/DIVISION OF THE OFFICER	SIGNATURE	TELEPHONE NUMBERS
1.	DR. AMER AHMED		0321 4502706
2.	SHOAIB QJOR		0338281665
3.	Cherfan Mehmood		0300 922 6233
4.	Fida Hussain Samru		03062812491
5.	Abdul Hameed Khan, Privatization Commission		0321-5542995
6.	M. Zayed Akmal		051-4222241
7.	Shahid Waheed President CBA		0300-6323662
8.	Muhammad Iqbal, Dy. Draftsman M/O Law and Justice		922 5193
9.	M. Pervez Alam, Dy. Financial Advisor Finance Div		9211560
10.	M. Moab Bhatti JD. SECP		03455100110
11.	Ali Azeem Zaka		9100451
12.	Murad Mirza		0307-4421722
13.	Syed Nargis Hussain, Director SECP		0321-2400217
14.	Zahoor Ahmed, TS, M/O Finance		9213929
15.			