

**SENATE OF PAKISTAN
HOUSE OF THE FEDERATION**

REPORT NO.13 OF 2019



House of the Federation

**REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE
AND ECONOMIC AFFAIRS**

ON

**THE SUBJECT MATTER OF A POINT OF PUBLIC IMPORTANCE
RAISED BY SENATOR MUHAMMAD ALI KHAN SAIF ON 30TH AUGUST, 2018,
REGARDING PROBLEMS FACED BY ADVOCATES AND POLITICIANS IN
OPENING THEIR ACCOUNTS IN THE BANKS OR ANY OTHER FINANCIAL
INSTITUTION**

PRESENTED BY

SENATOR FAROOQ HAMID NAEK

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE, AND ECONOMIC AFFAIRS ON THE SUBJECT MATTER OF A POINT OF PUBLIC IMPORTANCE RAISED BY SENATOR MUHAMMAD ALI KHAN SAIF REGARDING PROBLEMS FACED BY ADVOCATES AND POLITICIANS IN OPENING THEIR ACCOUNTS IN THE BANKS OR ANY OTHER FINANCIAL INSTITUTION

I, Senator Farooq Hamid Naek, Chairman, Standing Committee on Finance, Revenue and Economic Affairs, have the honour to present, on behalf of the Committee, this report on the subject matter of a Point of Public Importance raised by Senator Muhammad Ali Khan Saif in the House on 30th August, 2018, regarding problems faced by advocates and politicians in opening their accounts in the banks or any other financial institution, and referred to the Committee for consideration and report.

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

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

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3. The Committee considered the said matter in its meetings held on 23rd October, 2018, 2nd January and 13th March, 2019, at Parliament House, Islamabad. The last meeting was attended by the following:-

(1)	Senator Farooq Hamid Naek	Chairman
(2)	Senator Mushahid Ullah Khan	Member
(3)	Senator Dilawar Khan	Member
(4)	Senator Mohsin Aziz	Member
(5)	Senator Mian Muhammad Ateeq Shaikh	Member
(6)	Senator Anwar ul Haq Kakar	Member

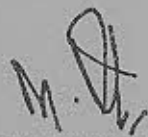
4. The Committee first time considered the said matter in its meeting held on 23rd October, 2018, during which the Deputy Governor, State Bank of Pakistan (SBP) informed the Committee that all the banks operating in Pakistan were directed strictly not to discriminate amongst customers and avoid turning down requests for credit cards, car loans or other consumer facilities. A focal person had already been nominated in each bank and he would be responsible for monitoring the progress/status of the request received from the honourable Parliamentarians and in case of rejection he would inform the customer about the reasons accordingly. In addition, a special unit was also constituted in the SBP to keep liaison with the Parliamentarians in case of their complaints against any bank or financial institution. Senator Muhammad Ali Khan Saif apprised the Committee about the problems being faced by the advocates and politicians in opening their accounts and shared his personal experience while opening his daughter's account in a commercial bank including misbehavior of the bank officials.

5. The said matter was further considered by the Committee in its meeting held on 2nd January, 2019, in which Senator Muhammad Ali Khan Saif draw attention of the Committee towards the imprudent code of practice usually exercised in the banks especially with the politicians and advocates with regard to opening their accounts. The same attitude of the banks/financial institutions was observed while applying for other banking facilities i.e. loans, credit cards etc. He said that after taking notice by the Committee, a telephone call was received by him from the SBP officials explaining that there was no such rule/principle regarding verifications of PEP for opening bank accounts, however, it was the banks' own policy decision.

6. The Deputy Governor, SBP said that detailed instructions were issued to all the banks time and again in that regard, however, the issue was at the implementation side and to address the same a Focal Person was appointed in the SBP as well as in the head offices of all the banks. He further said that none of the complaint in that regard was reported till yet, however, in case of any complaint disciplinary action would be taken against the bank. The Committee members highlighted that the contact numbers of the focal persons were not displayed in the banks, therefore, the customers were facing difficulties for reporting their issues to the SBP.

7. The Committee directed the SBP to take necessary steps for displaying the name, designation and contact numbers of their focal persons appointed to deal with the issues of PEP should be displayed in each and every bank. The Committee also directed the SBP to make proper SOPs with regard to the problems faced by advocates and politicians in opening their accounts in the banks or any other financial institutions, and submit before the Committee at the earliest.

8. During the meeting held on 13th March, 2019, the Committee was informed by the SBP representatives that various actions had been taken in the matter including appointment of Focal Person in different banks. However, in compliance with the recommendation given by the Committee in its meeting held on 2nd January, 2019, SOPs were prepared to facilitate and streamline the account opening by PEPs. He said that the names of focal persons appointed by the SBP and the SOPs were provided to the Committee. In light of the compliance made by the SBP regarding formulation of SOPs, the Committee showed its satisfaction and disposed of the matter. The Committee also gave approval for presentation of its report to the House.



(MUHAMMAD TAHIR KHAN)
Secretary (Committee)



(SENATOR FAROOQ HAMID NAEK)
Chairman (Committee)

Islamabad, the
13th March, 2019