

[AS INTRODUCED IN THE SENATE]

**A
BILL**

further to amend the Privatization Commission Ordinance, 2000

WHEREAS it is expedient further to amend the Privatization Commission Ordinance, 2000 (LII of 2000), in order to improve transparency in the privatization process and ensure that Pakistan's economic and strategic interests are duly protected;

It is hereby enacted as follows: -

1. Short title and commencement.- (1) This Act may be called the Privatization Commission (Amendment) Act, 2014.

(2) It shall come into force at once.

2. Amendment of section 2, Ordinance No. LII of 2000.- In the Privatization Commission Ordinance, 2000 (LII of 2000), hereinafter referred to as the said Ordinance, in section 2, after clause (f), the following new clause shall be added, namely: -

“(ff) “National Security Clearance Certificate” means the Certification provided by the Federal Government in terms of clause (3) of section 27.”.

3. Amendment of section 5, Ordinance No. LII of 2000.- In the said Ordinance, in section 5,-

(i) in paragraph (s), the word “and” occurring at the end shall be omitted; and

(ii) in paragraph (t), for the full stop occurring at the end a semi-colon “;” shall be substituted and thereafter, the following new paragraphs shall be added, namely: -

“(u) ensure that all privatized assets, shares and enterprises are not further sold to another bidder without prior approval of the Federal Government and its concerned agencies;

- (v) ensure that the privatization procedures, including value assessment, are implemented on principles of openness and transparency;
- (w) decide on whether to restore organizations back to their former status by removing those which are deemed ineligible out of the scope of privatization;
- (x) ensure that the proceeds of privatization will only be used for debt retirement and not for general budget expenditures or investments; and
- (y) ensure that the natural resources can only be privatized through granting operational rights for a certain period of time and not through granting ownership rights.”.

4. Amendment of section 21, Ordinance No. LII of 2000.- In the said Ordinance, in section 21, after sub-section (3), the following new sub-sections shall be added, namely: -

- “(4) The Auditor General of Pakistan shall, after the completion of every privatization transaction, conduct a post audit of such transaction.
- (5) The Federal Government or any agency authorized by it shall, after the completion of every privatization transaction, cause the said transaction to be audited by an external auditor.
- (6) The Federal Government shall, within one month of completion of every audit as provided in sub-sections (4) and (5), publish the audit report.”.

5. Insertion of new section 24A, Ordinance No. LII of 2000.- In the said Ordinance, after section 24, the following new section shall be inserted, namely: -

"24A. Sale of real estate to foreigners.- Sale and transfer of real estate to foreign persons or legal entities within the framework of privatization process shall be conducted in accordance with the provisions of this law and any other law which is in force."

6. Amendment of section 27, Ordinance No. LII of 2000.- In the said Ordinance, in section 27,-

- (i) in sub-section (1), for the words "one year", the words "ten years" shall be substituted; and
- (ii) after sub-section (2), the following new sub-section shall be added, namely: -

"(3) The Federal Government and its concerned agencies shall issue a national security clearance certificate before evaluation of each bid as provided in section 5(p) without which the bid will be dropped for consideration."

STATEMENT OF OBJECTS AND REASONS

The privatization process in Pakistan must be entirely transparent and conducted in a manner that will protect Pakistan's economic and strategic interests, both in the short and the long term. The privatization process must, therefore, be improved in order to guarantee greater efficiency, openness and transparency in every privatization transaction. Pakistan's strategic assets and national security interests must also be safeguarded and secured during this process.

The Bill is designed to achieve the said objective.