

# **SENATE OF PAKISTAN**

REPORT NO.4 OF 2018



*House of the Federation*

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

**ON**

**THE PROTECTION OF ECONOMIC REFORMS (AMENDMENT)  
BILL, 2018, LAID IN HOUSE ON 13<sup>TH</sup> APRIL, 2018, UNDER  
ARTICLE 73 OF THE CONSTITUTION**

**PRESENTED BY**

**SENATOR FAROOQ HAMID NAEK**

## **SENATE SECRETARIAT**

### **REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON "THE PROTECTION OF ECONOMIC REFORMS (AMENDMENT) BILL, 2018"**

I, Senator Farooq Hamid Naek, Chairman Standing Committee on Finance, Revenue and Economic Affairs, have the honour to submit, on behalf of the Committee, this report on a money Bill further to amend the Protection of Economic Reforms Act, 1992 (XII of 1992) [The Protection of Economic Reforms (Amendment) Bill, 2018], laid on the table of the House on 13<sup>th</sup> April, 2018, under Article 73 of the Constitution for making recommendations, if any, thereon to the National Assembly and referred to the Standing Committee for consideration and report.

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

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


M.9

3. The Committee considered the said Bill in its meeting held on 24<sup>th</sup> April, 2018, which was attended by the following:-

(1)	Senator Farooq Hamid Naek	Chairman
(2)	Senator Saleem Mandviwalla	Member
(3)	Senator Ms. Ayesha Raza Farooq	Member
(4)	Senator Musadik Masood Malik	Member
(5)	Senator Dilawar Khan	Member
(6)	Senator Muhammad Akram	Member
(7)	Senator Khanzada Khan	Member
(8)	Senator Mohsin Aziz	Member
(9)	Senator Aurangzeb Khan	Member
(10)	Rana Muhammad Afzal	Ex-Officio Member
	Minister of State for Finance and Revenue	

4. The Standing Committee considered the said Bill clause by clause and after due deliberations unanimously recommended that the Bill, may be passed by the National Assembly.

5. The Bill as laid in the Senate is Annexed. The Committee also gave approval for presentation of this report to the House.

  
(MUHAMMAD TAHIR KHAN)  
Secretary (Committee)

  
(SENATOR FAROOQ HAMID NAEK)  
Chairman (Committee)

Islamabad, the  
24<sup>th</sup> April, 2018.

[Published in the Gazette of Pakistan, Extraordinary, Part-I,  
dated the 8<sup>th</sup> April, 2018]

ORDINANCE NO. VI OF 2018

AN

ORDINANCE

*further to amend the Protection of Economic Reforms Act, 1992  
(XII of 1992)*

WHEREAS it is expedient further to amend the Protection of Economic Reforms Act, 1992 (XII of 1992) to bring suitable legislative changes in order to further promote documentation of economy in the country;

AND WHEREAS the Senate and the National Assembly are not in session and the President of the Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:—

1. **Short title and commencement.**—(1) This Ordinance may be called Protection of Economic Reforms (Amendment) Ordinance, 2018.

(2) It shall come into force at once.

2. **Amendment of section 5, Act XII of 1992.**—(1) In the Protection of Economic Reforms Act, 1992 (XII of 1992), in section 5, in sub-section (4), for full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:—

“Provided that no cash shall be deposited in an account of a citizen of Pakistan resident in Pakistan unless the account holder is a filer as defined in the Income Tax Ordinance, 2001 (XLIX of 2001).”

3. **Ordinance to Override Other Laws.**—The provisions of this Ordinance shall have effect notwithstanding anything contained in the Foreign Currency Accounts (Protection) Ordinance, 2001 (L of 2001) or any other law for the time being in force.

### **STATEMENT OF OBJECTS AND REASONS**

The Protection of Economic Reforms Act, 1992 seeks furtherance and protection of economic reforms and has its overriding effect on other laws. In terms of the provisions of this Act, no restriction can be imposed on maintenance or operations of foreign currency accounts and their subsequent transfer abroad. The protections available in the said Act have further been reinforced through Foreign Currency Accounts (Protection) Ordinance, 2001.

This bill seeks to amend the Protection of Economic Reforms Act, 1992 to ensure that only those citizens of Pakistan resident in Pakistan that are tax filers can deposit cash foreign currency in their foreign currency accounts in order to further promote documentation of economy in the country.

**Rana M. Afzal Khan**  
Minister of State for Finance and  
Economic Affairs