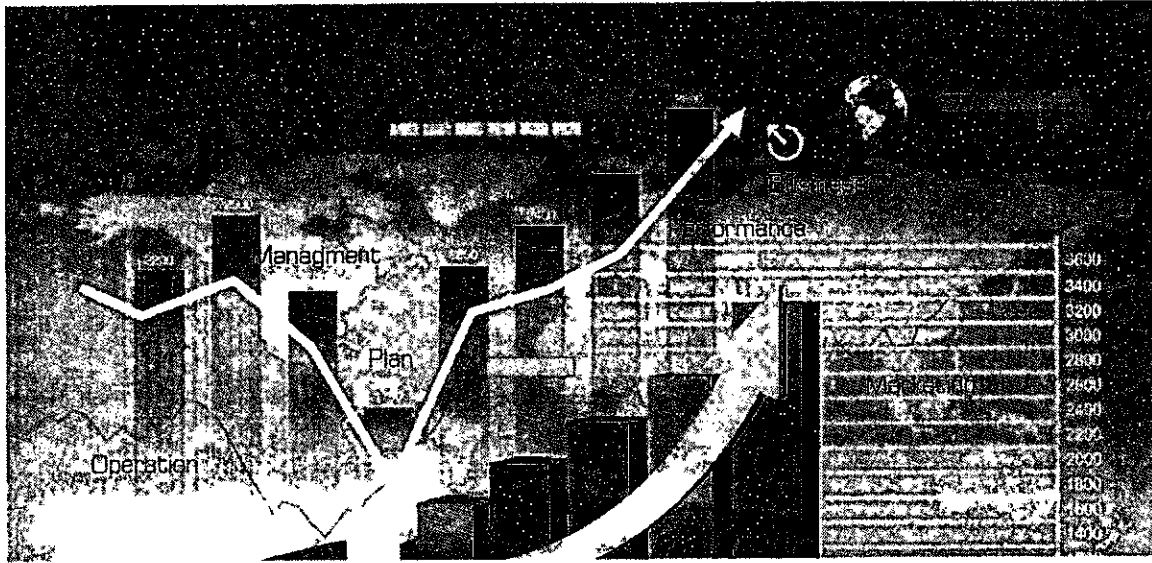


SENATE OF PAKISTAN



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



REPORT OF THE STANDING COMMITTEE ON FINANCE,
REVENUE AND ECONOMIC AFFAIRS ON THE CONSTITUTION
(AMENDMENT) ACT, 2019, INTRODUCED BY SENATOR SHERRY
REHMAN IN THE SENATE SITTING HELD ON 6TH MAY, 2019.

PRESENTED BY
SENATOR FAROOQ H. NAEK
CHAIRMAN

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE CONSTITUTION (AMENDMENT) ACT, 2019, INTRODUCED BY SENATOR SHERRY REHMAN IN THE SENATE SITTING HELD ON 6TH MAY, 2019.

I, Senator Farooq H. Naek, Chairman Senate Standing Committee on Finance, Revenue and Economic Affairs have the honor to present, on behalf of Committee, this report on the Constitution (Amendment) Act, 2019 introduced by Senator Sherry Rehman in the Sitting of the Senate held on 6th May, 2019 and referred to the Standing Committee for consideration and report.

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

1. Senator Farooq Hamid Naek	Chairman
2. Senator Zeeshan Khanzada	Member
3. Senator Mohsin Aziz	Member
4. Senator Mian Muhammad Ateeq Shaikh	Member
5. Senator Anwar ul Haq Kakar	Member
6. Senator Dilawar Khan	Member
7. Senator Musadik Masood Malik	Member
8. Senator Mushahid Ullah Khan	Member
9. Senator Ayesha Raza Farooq	Member
10. Senator Imam-ud-Din Shouqeen	Member
11. Senator Sherry Rehman	Member
12. Senator Muhammad Akram	Member
13. Senator Muhammad Talha Mahmood	Member
14. Advisor to PM on Finance and Revenue,	Ex-Officio Member


3. The first meeting on the proposed Bill was held on 30th May, 2019. Senator Sherry Rehman, Member In-Charge, apprised the Committee that the said amendment proposed substitution of Article 84 of the Constitution as the said clause was an emergency clause. It was observed by the PAC that supplementary grants had become a regular way of funding without approval of the Parliament by most of the departments to cover up for unforeseen expenditures. Such practices were against the well-established principles of annual budget appropriation and procedures authorized by Parliament, adding uncertainty to economic planning and oversight in the country. The Secretary Finance requested the Committee to grant more time to review the Bill and for submission of comments of the ministry accordingly. The Committee directed the M/o Finance and M/o Law and Justice to submit their comments on the said Bill separately well before the next meeting of the Committee and deferred the matter for a future meeting of the Committee.

4. The second meeting on the agenda was held on 26th August, 2019. The Committee deferred consideration of the Constitution (Amendment) Act, 2019, for a future meeting of the Committee.
5. The third meeting on the proposed Bill was held on 10th October, 2019. The representative of the M/o Finance apprised the Committee that according to the proposed amendment the Federal Government shall, subject to prior approval through resolution by the National Assembly, have the power to authorize expenditure in respect of supplementary grants. However, supplementary grants were already released in special circumstances only, while the said amendment would affect the government functioning. He said that the Federal Government means the Federal Cabinet and the approval for the supplementary grants was required from the Cabinet and the ECC as well. He further said that M/o Finance opposes the Bill because it could hamper the smooth functioning of the government. Secondly repeating the 'emergency' related Article 232 in Article 84 would not appropriate because the emergency already defined in Article 232. Furthermore, the procedure for supplementary grants was also laid down in the Public Finance Management Act, 2019.
6. The Committee expressed its dissatisfaction on the working papers provided by the M/o Finance in respect of the said Bill and directed that a comprehensive working paper indicating all aspects as well as reasons for opposing the said Bill should be provided to the Committee before the next meeting and deferred the matter for a future meeting of the Committee.
7. In its fourth meeting held on 29th October, 2019 and 5th meeting on 12th December, 2019, of the agenda the Committee placed the matter on the agenda but deferred it for next meeting.
8. In its 6th meeting on the agenda held on 8th September, 2020, the Committee discussed the agenda. Senator Sherry Rehman apprised the Committee that misuse of Article 84 of Constitution has been witnessed in the past and Supplementary Grants have become a regular feature with no scrutiny and no oversight by the Parliament which has the right to approve it. Till 30th June, 2020, Supplementary Grant of Rupees 20 billion was granted and in last year this amount was Rupees 22.140 billion. She further apprised the Committee that it has been observed in the Public Accounts Committee that Supplementary Grants have become a routine matter without any scrutiny and oversight. The amendment has been introduced to address the misuse of Article 84.
9. Special Secretary Finance informed the Committee that Supplementary Grant has already been decreased from Rupees 240 billion in 2018-19 billion to 20 billion in 2019-20. He further said that without power of Article 84 of the Constitution the Government cannot deal with the emergency situations like Convid-19. Responding

to this, Senator Sherry Rehman said the decrease in Supplementary Grant is appreciated but there has to be a check and balance for Supplementary Grant. She further opined that while dealing with the Covid-19 situation, countries throughout the world asked the Parliament to approve the emergency budgets. However the same is not the case in Pakistan.

10. The Additional Secretary Finance briefed the Committee that after Supreme Court judgment, each case of Supplementary Grant is processed for approval through ECC and Federal Government / the Cabinet. He further added that Public Finance Management Act, 2019 gives procedure and fiscal discipline for the Supplementary Grant. Special Secretary added that there is a difference between the Technical Supplementary Grant and Supplementary Grant. The Committee observed that Parliamentary approval for Supplementary Grant is necessary.
11. Furthermore, the Committee suggested amendments to the para four and proviso of proposed Constitutional (Amendment) Bill 2019 as;
 - i. In para four of the proposed amendment the word "*resolution*" may be substituted with the word "*a money bill*"; and
 - ii. In proviso of proposed amendment after the words "*provided that, in case of grave emergency, in which the security of Pakistan or any part thereof is threatened by war or external aggression or internal disturbance*" the words "*the prior approval is not required*" may be inserted.
12. The Chairman Committee further directed the Ministry of Finance to provide a detailed working paper on the discussed matter within 15 days which should address the points raised by Senator Sherry Rehman.
13. Furthermore, the Committee in its 7th meeting on the agenda held on 13th October, 2020 placed the agenda on the meeting but was deferred due to absence of mover.
14. The 8th meeting of the agenda was held on 8th February, 2021, the matter was deferred due to the absence of the Mover.
15. On 15th February, 2021 agenda was placed but matter was dropped due to absence of the Mover.


(Iffat Mustafa)
Secretary Committee


(Senator Farooq H. Naek)
Chairman Committee