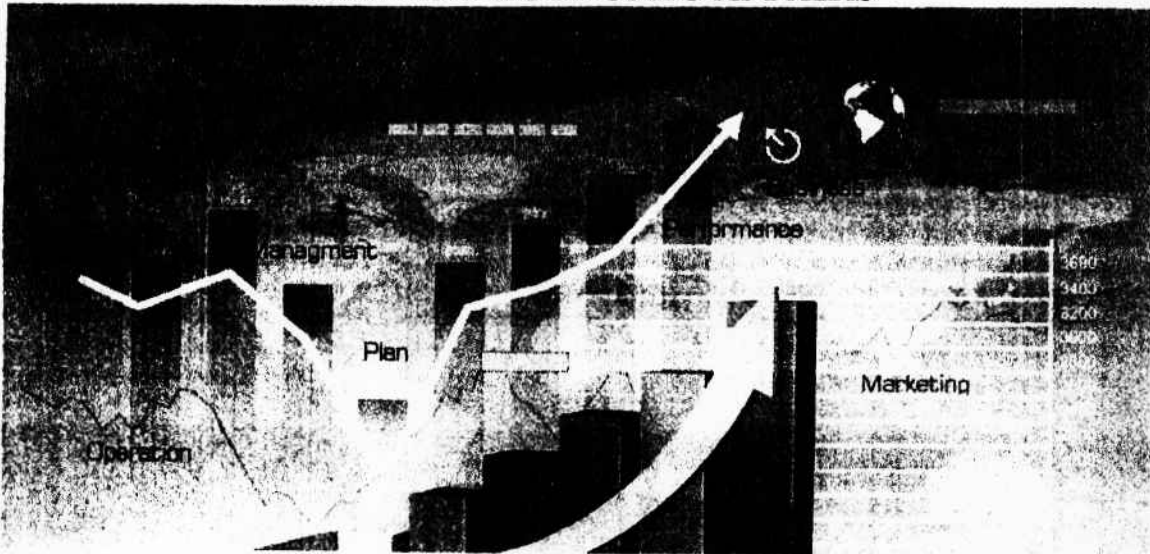


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# SENATE OF PAKISTAN



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



**REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE  
REVENUE AND ECONOMICS AFFAIRS ON POINT OF PUBLIC  
IMPORTANCE RAISED BY SENATOR DANESH KUMAR  
REGARDING "MAINTENANCE OF PEP ACCOUNT FOR  
PARLIAMENTARIANS SBP" IN THE SENATE SITTING HELD ON  
22<sup>ND</sup> DECEMBER, 2021.**

**PRESENTED BY  
SENATOR MUHAMMAD TALHA MAHMOOD  
CHAIRMAN**

## SENATE SECRETARIAT

### REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE REVENUE AND ECONOMICS AFFAIRS ON POINT OF PUBLIC IMPORTANCE RAISED BY SENATOR DANESH KUMAR REGARDING "MAINTENANCE OF PEP ACCOUNT FOR PARLIAMENTARIANS SBP" IN THE SITTING OF THE SENATE HELD ON 22<sup>ND</sup> DECEMBER, 2021.

1, Senator Muhammad Talha Mahmood, Chairman of the Standing Committee on Finance, Revenue And Economic Affairs have the honour to present, on behalf of the Committee, this report on Point of Public Importance raised by Senator Danesh Kumar regarding "Maintenance of PEP Account for Parliamentarians SBP". The matter was referred by the House in its sitting held on 22<sup>nd</sup> December, 2021, to the Senate Standing Committee for Finance, Revenue and Economic Affairs for consideration and report.

2. The Composition of the Committee is as under:

1.	<b>Senator Muhammad Talha Mahmood</b>	<b>Chairman</b>
2.	Senator Dr. Shahzad Waseem (Leader of the House)	Member
3.	Senator Farooq Hamid Naek	Member
4.	Senator Saleem Mandviwala	Member
5.	Senator Sherry Rehman	Member
6.	Senator Mohsin Aziz	Member
7.	Senator Zeeshan Khanzada	Member
8.	Senator Kamil Ali Agha	Member
9.	Senator Musadik Masood Malik	Member
10.	Senator Dilawar Khan	Member
11.	Senator Anwaar ul Haq Kakar	Member
12.	Senator Saadia Abbasi	Member
13.	Senator Syed Faisal Ali Subzwari	Member
14.	Senator Faisal Saleem Rehman	Member
15.	Minister for Finance, Revenue and Economic Affairs	Ex-Officio Member

3. The Committee took up discussion on the issue in its meeting held on 18<sup>th</sup> February, 2022. The following members attended the meeting.

<b>Senator Muhammad Talha Mahmood</b>	<b>Chairman</b>
Senator Dr. Shahzad Waseem, (Leader of House)	Member
Senator Saadia Abbasi	Member
Senator Kamil Ali Agha	Member
Senator Saleem Mandviwala	Member
Senator Sherry Rehman	Member
Senator Musadik Masood Malik	Member
Senator Faisal Saleem Rehman	Member
Senator Zeeshan Khanzada	Member

4. The Committee further took up discussion on the issue in its meeting held on 2<sup>nd</sup> March, 2022. The following members attended the meeting

i.	Senator Muhammad Talha Mahmood	Chairman
ii.	Senator Dr. Shahzad Waseem (Leader of the House)	Member
iii.	Senator Mohsin Aziz	Member
iv.	Senator Farooq H. Naek	Member
v.	Senator Saadia Abbasi	Member
vi.	Senator Zeeshan Khanzada	Member
vii.	Senator Kamil Ali Agha	Member
viii.	Senator Musadik Masood Malik	Member
ix.	Senator Dilawar Khan	Member
x.	Senator Faisal Saleem Rehman	Member
xi.	Senator Danesh Kumar	Mover

5. The Committee discussed the Point of Public Importance raised by Senator Danesh Kumar regarding "Maintenance of PEP Account of Parliamentarians in SBP". He informed the Committee that he had to face a very painful situation that after becoming an elected Senator his name is included in the category of PEP by his bank and he was unable to open a bank account for his wife and to fulfill certain other banking requirements to send his child abroad. He further said that his credit card was also blocked by Standard Chartered Bank, and informed that it took him five months to activate his dormant account which otherwise is a matter of a few hours. The Standard Chartered Bank also demanded proof of property and NAB clearance and affidavit which was beyond his comprehension. He also voiced the concern that there is no check on SBP's malpractices.

6. Senator Kamil Ali Agha, also shared similar views and said that for contesting the Senate elections they were advised by the Election Commission to open a new bank account which took a lot of hassle, and he had to take up the matter with the President of MCB. He said that is very degrading for Parliamentarians and such practices should be immediately stopped.

7. Dr. Shahzad Waseem (Leader of House) also showed his concerns regarding the definition of PEP by the SBP. He read the definition of PEP which includes Head of Government/State, Senior Politician, Senior Government Official, Judicial/Military Official, Senior Executive of State-Owned Corporations, and Important Political Party Officials. He complained that the issue to notice is that despite this definition, the burden falls only on the politicians. He further said that according to SBP requirements for PEPs there is no prohibition on banks regarding opening of PEP accounts. This situation needs to be rectified to remove such contradictions and at least definition should be reformed.

8. Executive Director, SBP replied that this is globally accepted definition and not target to any specific group. He further said that in case of PEP there is enhanced due diligence like senior management will approve the bank account of PEP and there is no discrimination in its application.

9. Executive Director, SBP regretted the delay in opening of bank account of Senator Danesh Kumar and informed that his issue has already been resolved.

10. Executive Director, SBP briefed that there is no discrimination based on PEP, and that focal persons have been appointed to deal with such complaints. He further told that they have provision to take actions in this regard, and last year they resolved three such complains and would also act on the issue of forced selling insurance policy by banks.

11. The Chairman Committee informed Senator Danesh Kumar that the committee had already unanimously recommended Bill on PEP in its previous meeting to resolve such issues.

12. The Committee recommended that SBP should issue instructions to the banks that no discrimination should be made in the opening of the account or other banking facilities as required by law to all the PEPs including their family members like ordinary citizens of this country because Article 25 of the constitution says that everyone is equal before law. The Committee concluded that all complicated procedural requirements in this regard should be withdrawn with immediate effect.

  
(Iffat Mustafa)  
Secretary Committee

  
(Senator Muhammad Talha Mahmood)  
Chairman Committee