

[TO BE INTRODUCED IN THE SENATE]

A

Bill

*to amend the Pakistan International Airline Corporation (Conversion) Act, 2016*

WHEREAS it is expedient to amend the Pakistan International Airline Corporation (Conversion) Act, 2016 (XV of 2016) in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. **Short title and commencement.**- (1) This Act shall be called the Pakistan International Airline Corporation (Conversion) (Amendment) Bill, 2023.

(2) It shall come into force at once.

2. **Amendment of section 2, Act XV of 2016.**- In the Pakistan International Airline Corporation (Conversion) Act, 2016 (XV of 2016), hereafter called the said Act, in section 2, for clause (p), the following shall be substituted, namely:-

“(p) validity period” means the period starting on the commencing date and ending on the 30<sup>th</sup> day of June, 2025 or on such date as the Federal Government may, by notification in the official Gazette, appoint;”

3. **Amendment of section 3, Act XV of 2016.**- In the said Act, in section 3, for sub-section (3), the following shall be substituted, namely:-

“(3) The Shareholders of the Company shall be deemed to own and hold the same number of fully paid shares with such rights and privileges, including as to class, kind and face value, as they owned and the Federal Government may, during the validity period and by notification in official Gazette, issue fresh shares or cancel any shares as it may deem fit.”

4. **Amendment of section 4, Act XV of 2016.**— In the said Act, in section 4,-

(a) for sub-section (4), the following shall be substituted, namely:-

“(4) Representation in management of the Company and its subsidiaries shall be proportionate to the shareholding.”; and

(b) for sub-section (6), the following shall be substituted, namely:-

“(6) The procurement, rent and lease of aircraft and parts thereof and such other items relating thereto shall be made in the prescribed manner notwithstanding anything contained in the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002) and rules and regulations made thereunder.”

## STATEMENT OF OBJECTS AND REASONS

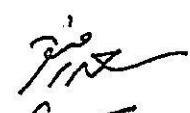
Restructure PIA's financial health and operations, aimed at profitability and growth, has become inevitable. Prime Minister constituted a Committee on PIACL restructuring headed by Minister for Finance, comprising of Ministers for Aviation, Commerce, Planning & Development, SAPMs, Secretary Aviation and CEO PIACL with mandate to:

- i. To recommend a policy framework in the light of proposed options for making PIA a profitable and self-sustaining organization
- ii. Devising an execution plan for said policy framework,

2. In the light of above, PIACL Management after reviewing the detail study conducted internally and externally including Dubai Islamic Bank Report, Dr. Ishrat Hussain's report and IATA Consultants Business Plan and consequent upon the meetings and thorough deliberations, restructuring framework has been carved out. A Committee proposed certain amendments in the PIACL (Conversion) Act 2016.

3. Under the proposed legislation, PIACL will be able to cope with the present financial losses.

4. The Bill has been designed to achieve the aforesaid objective.

  
Minister-in-charge

3/8/2023