

As  
[TO BE INTRODUCED IN THE SENATE]A  
BILL

*further to amend the State-Owned Enterprises (Governance and Operations) Act, 2023*

**WHEREAS** it is expedient and substantial to bring meaningful and significant amendments in the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

**1. Short title and commencement.** - (1) This Act may be called the State-Owned Enterprises (Governance and Operations) (Amendment) Act, 2023.

(2) It shall come into force at once.

**2. Amendment of Section 11, Act VII of 2023.** - In the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023) hereinafter referred to as the said Act, in section 11,-

(i) in clause (i), the word "or", occurring at the end, shall be omitted;

(ii) in clause (j), for the full stop occurring at the end the expression ";or" shall be substituted; and

(iii) after clause (j) amended as aforesaid, the following new clause (k) shall be inserted, namely:-

"(k) a person who use the state-owned assets for his political point scoring or personal gain."

**3. Amendment of Section 17, Act VII of 2023.** - In the said Act, in section 17, in sub-section (1), for the full stop occurring at the end, a colon ":" shall be substituted and thereafter, the following proviso shall be added, namely:-

**"Provided that the Board shall keep itself aloof from the day to day functioning of the Company or the concerned authority in case of statutory state-owned enterprises."**

4. **Amendment of Section 18, Act VII of 2023.** - In the said Act, in section 18, for sub-section (1), the following shall be substituted, namely:-

"(1) The Federal Government on the recommendation of the controlling Ministry, in case of a company, shall appoint a chief executive officer having at least twenty years of relevant experience or concerned authority in case of statutory state-owned enterprise shall appoint a chief executive officer to the state-owned enterprise under a performance base contract for a specified period, unless such period is already specified in the enactment governing statutory state-owned enterprise:

Provided that the Board or the concerned authority shall bring their existing arrangements with the appointment of chief executive officer in line with this provision within one year of coming into effect of this law."

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

The State-Owned Enterprises (Governance and Operations) Act, 2023, is a Pari-materia for the companies established under the Companies Act, 2017 and State-Owned Enterprises. In the said Act, criteria regarding appointment of the Board, Directors and the Chief Executive Officer has been provided. Keeping in view the arbitrary powers of the Board, usage of state-owned assets for political point scoring and intervention in the day to day functioning of the Company. The Bill seeks to amend the said Act in a way where Board shall keep itself aloof from the day to day functioning of the Company. The Director who use assets of the company for his political point scoring shall be disqualified and appointment of the chief executive officer is shifted from the Board to the controlling Ministry after recommendation of the Board.

2. This Bill has been developed to achieve the aforesaid objectives.

**SENATOR BAHRAMAND KHAN TANGI  
MEMBER-IN-CHARGE**