



ANNUAL REPORT

MARCH 2025- MARCH 2026



SENATE STANDING COMMITTEE ON FINANCE & REVENUE





CHAIRMAN'S MESSAGE

Senate Standing Committee on Finance & Revenue

It is my privilege to present the Annual Report of the Senate Standing Committee on Finance & Revenue for the period March 2025 to March 2026. Throughout the year, the Committee diligently discharged its core responsibilities, striving to safeguard the interests of the people, support trade and business communities, and contribute to the development of a sustainable and responsive financial policy framework.

This year marked significant legislative and oversight achievements. The Committee got actively engaged with key financial institutions, addressing audit irregularities, reviewing remittance and regulatory frameworks, and issuing policy directions in areas such as digital payments, domestic financial systems, trade facilitation, and public sector governance.

Through these efforts, the Committee reinforced the foundations of an effective and accountable financial system. It responded proactively to emerging national and economic challenges, maintained constructive engagement with stakeholders, and ensured continuity in reform-oriented policymaking. The Committee remains committed to strengthening fiscal governance, enhancing transparency, and safeguarding public interest, while upholding the constitutional role of Parliament in shaping Pakistan's economic future.

Lastly, I would like to acknowledge the valuable contributions of Honourable Members, Minister for Finance & Revenue, Minister of State, Chairman FBR, Governor SBP, all officers of the relevant Departments, all stakeholders and my Committee team whose cooperation made this effort successful.

Sincerely,

Senator Saleem Mandviwalla

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Executive Summary

In the year 2025-2026, the Senate Standing Committee on Finance and Revenue carried out rigorous legislative scrutiny and oversight in line with its constitutional mandate. The Committee undertook a detailed clause-by-clause examination of the Finance Bill, 2025, resulting in 204 recommendations and 48 legislative amendments aimed at strengthening fiscal governance, taxpayer protections, and procedural fairness. These measures reflect a broader effort to align fiscal policy with transparency, accountability, and constitutional principles.

Beyond legislative work, the Committee maintained sustained oversight of key institutions, particularly the Federal Board of Revenue and the State Bank of Pakistan. It examined critical matters including implementation of Presidential Orders, significant audit irregularities, and regulatory challenges within the financial system.

Through compliance directions and policy guidance, the Committee reinforced institutional accountability while also deliberating on remittance frameworks, digital payments, domestic financial systems, and governance of State-Owned Enterprises.

The Committee also focused on emerging areas such as digital finance, trade facilitation, and economic policy coordination, promoting domestic solutions to reduce foreign exchange outflows and strengthen financial inclusion. It responded to evolving national and economic challenges, demonstrating its role as an active forum for oversight. This report presents a structured record of these efforts, preserving institutional memory and supporting continuity in parliamentary oversight and reform.



KEY HIGHLIGHTS

SENATE STANDING COMMITTEE ON FINANCE & REVENUE

2025 – 26



29

MEETINGS



204

RECOMMENDATIONS



48

AMENDMENTS



Rs. 9.769 TRILLION

FINANCIAL IRREGULARITIES UNDER SCRUTINY



PAYPAK

PROMOTED DOMESTIC PAYMENT SYSTEMS



TRADE & INDUSTRY FACILITATION



Enforced implementation of the Presidential Order against FBR, reinforcing constitutional compliance.



Initiated scrutiny of Rs. 9.769 trillion financial irregularities through Auditor General engagement.



Directed reduction in remittance costs and review of incentive structures to curb fiscal leakages.



Promoted PayPak and domestic payment systems to reduce foreign exchange outflows.



Advanced consumer banking protections, including transparency in charges and card issuance practices.



Addressed misuse of regulatory frameworks, including IT export classification and PEP compliance.



Formation of key sub-committees (solar panels, PEP regulations, FBR governance).



Continuous review of budget utilization, PSDP, and economic performance.



Directed AI integration in customs risk management to modernize enforcement systems.



Facilitated trade and industry through directives on tariff policy, EPZ issues, and border operations.



Strengthened gender rights by prohibiting mandatory dress code practices in banking institutions.



Enhanced oversight on public sector reforms, including right-sizing and institutional restructuring.



Improved data transparency by directing detailed reporting from SBP, FBR, and other institutions.

“ Driving Accountability, Transparency and Sustainable Economic Growth ”

Introduction

The Senate Standing Committee on Finance and Revenue is the principal parliamentary forum for scrutiny of fiscal legislation, revenue administration, monetary policy and public expenditure. The Committee's work directly affect the conditions under which Pakistan's economy functions and its citizens are taxed, protected and served. This Annual Report for March 2025 - March 2026 has been prepared to create a permanent, authoritative and accessible record of the Committee's activities across the parliamentary year.

The purpose of this document is threefold. **First**, it provides a clear account of the Committee's work, including its clause-by-clause review of the Finance Bill, 2025, sub-committee activities, and key directions to FBR, SBP, and other institutions, demonstrating the impact of consistent and constitutional oversight. **Second**, it records the carry-forward agenda, highlighting matters still under consideration to ensure continuity and clarity for the incoming parliamentary year. **Third**, it serves as a guide for the Committee's next tenure, preserving institutional memory and enabling continuity in oversight, decision-making, and unresolved priorities.

The Committee's record across 2025–26 demonstrates that parliamentary oversight is most effective when it is sustained, evidence-based and institutionally fearless. The directions issued, the legislation examined and the public interests advanced during this year provide a strong foundation for the years ahead. It is the intention of this report that the work of this Committee, its priorities, its methods and its unfinished business, be carried forward with the same rigour and the same commitment to Pakistan's constitutional order that has defined this tenure.



Committee at Work



Quarter Wise Performance Analysis:

The Committee's year spans five distinct phases, the June 2025 Budget Session and four parliamentary quarters from March 2025 to March 2026. Each phase carried its own legislative character, oversight priority and institutional focus.

Phase	Key Focus Area	Key Outputs and Directions
<p>Budget Session June 2025 meeting</p> <p>Total 9 Meeting</p>	<ul style="list-style-type: none"> • Finance Bill, 2025 (Budget 2025-26) - clause-by-clause examination under Article 73. • Customs Act: E-bilty, cargo tracking system, domestic e-commerce protection, penalties halved 50%→25%. • Sales Tax Act: tax fraud definition rewritten with intentionality requirement; arrest procedures overhauled; imprisonment 10→5 years; due process inserted throughout. • Income Tax Ordinance: capital gains exemption for long-held personal property; penalty cap raised 130→400 days. • Public Finance Management Act: AGP audit mandate for all public entities and SOEs; TSA deposit requirement • 15 government ministries and 32 private sector stakeholders heard 	<ul style="list-style-type: none"> • 204 total recommendations transmitted to National Assembly. • 48 formal legislative amendments across 5 Acts. • 134+ general policy recommendations across tax, social protection, energy, governance and climate. • 3 formal dissenting notes recorded by Senator Mohsin Aziz and Senator Shibli Faraz. • Report signed on 20th June, 2025 and transmitted to National Assembly.





SENATOR SALEEM MANDVIWALLA, CHAIRMAN SENATE STANDING COMMITTEE ON FINANCE AND REVENUE PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON JUNE 15, 2025.

Phase	Key Focus Area	Key Outputs and Directions
<p>Q1 Apr– May 2025</p> <p>Total 7 Meeting</p>	 <ul style="list-style-type: none"> • 16 Apr (standalone): Annual Report presentation; right-sizing policy; Income Tax (Amendment) Bill. • 16 Apr (Joint with Commerce): Afghan transit trade; Iran barter trade policy; Sost border goods clearance; Collector Customs Quetta accountability. • 23 Apr: Solar panel sub-committee report; Income Tax (Amendment) Bill classification; government right-sizing , Cabinet Division briefing; power sector circular debt (Rs.1.275 trillion). • 30 Apr: Pre-budget stakeholder consultations, KCCI, LCCI, GCCI, RCCI, SCCI, FCCI, IWCCI and Paper & Stationery Association. • 5 May: Pre-budget consultations — Poultry Farms Association, APTMA, Leather Association. • 15 May: Captive Power Plants Levy Bill, 2025 (urgent single-session consideration). • 21 May: Export and sales tax refund delays; IMF loan (\$1.3bn); GDP computation methodology; FED on aerated beverages. 	 <ul style="list-style-type: none"> • Income Tax (Amendment) Bill referred to Speaker for money bill classification. • Cabinet Division directed: full employee impact data and departmental merger details before 30 June 2025. • Joint Committee: barter trade Iran policy revision directed; Collector Customs Quetta warned of privilege motion. • All eight chambers' pre-budget proposals formally channelled to Finance Ministry. • Captive Power Plants Levy Bill examined and reported. • FBR directed to correctly classify direct versus indirect taxes. • Members directed to submit long-pending refund cases for formal tracking.



Phase	Key Focus Area	Key Outputs and Directions
<p>Q2 Jul-Sep 2025</p> <p>Total 5 Meeting</p>	<ul style="list-style-type: none"> • 9 Jul: Post-budget implementation tracking Senate recommendation comparison; FBR senator harassment; remittance incentive scheme; PayPak vs Visa/MasterCard. • 24 Jul: Budget 2025-26 anomaly review; AI-based Customs Risk Management System; SBP freelancer and IT export disaggregated data. • 25 Aug (Joint with Industries): Automobile sector tax and duty structure; National Tariff Policy 2025-30; Export Processing Zones waste disposal and FBR measures. • 28 Aug: Competition Commission of Pakistan — five-year performance review; FBR and SBP remuneration governance. • 3 Sep: Pakistan Remittances Initiative policy evolution and cost analysis; Visa/MasterCard USD cost review; solar panel under-invoicing. 	<ul style="list-style-type: none"> • FBR directed: tabulated Senate recommendation comparison; harassment investigation; PFVA reform. • SBP directed: PayPak card instructions to all commercial banks; remittance 3-4 year disaggregated data. • FBR: evidence-based arrest language replacing 'suspicion' in Clause 9 circular. • Joint Committee: NTP automobile import risk flagged; Utility Stores compensation demanded; EPZ-FBR joint meeting directed. • CCP: comprehensive pending cases report within one month. • FBR recommended to introduce civilian uniform for Customs officials at airports.



SENATOR AON ABBAS, CHAIRMAN SENATE STANDING COMMITTEE ON INDUSTRIES & PRODUCTION AND SENATOR SALEEM MANDVIWALLA, CHAIRMAN SENATE STANDING COMMITTEE ON FINANCE & REVENUE (ONLINE) JOINTLY PRESIDING OVER A JOINT MEETING OF THE BOTH COMMITTEES AT PARLIAMENT HOUSE ISLAMABAD ON AUGUST 25, 2025.

Phase	Key Focus Area	Key Outputs and Directions
<p>Q3 Oct-Dec 2025</p> <p>Total 5 Meeting</p>	 <ul style="list-style-type: none"> • 24 Sep: Pakistan Remittances Initiative cost per dollar analysis; Presidential Order matter deferred pending AGP opinion; PayPak promotion. • 1 Oct: Presidential Order non-implementation by FBR - AGP invited; BISP payment and disbursement system review; FBR harassment of Senator Dr. Afnan Ullah Khan. • 19 Nov: AGP financial irregularities (Rs.9.769 trillion); FBR Presidential Order implementation; Sost border clearance issues; FBR Policy Board ratification; abaya dress code in banks. • 3 Dec: Income Tax (Third Amendment) Bill, 2025 (Money Bill) ADRC reform; PayPak scope and performance; IMF Governance and Corruption Diagnostic Assessment November 2025. • 10 Dec: FBR mobile phone tax rationalization (PTA registration); bank female employee dress code directives 	 <ul style="list-style-type: none"> • AGP directed comprehensive legal opinion on FBR's Sindh High Court petition challenging Presidential Order. • FBR directed: implement Presidential Order of 16 July 2025 unconditionally. • Dedicated AGP session directed for Rs.9.769 trillion financial irregularities breakdown. • SBP: PayPak nationwide promotional campaigns and implementation update. • Sost border officials summoned for next session. • SBP: abaya dress code prohibitory directives issued to all banks. • Income Tax (Third Amendment) Bill 2025 (Money Bill) examined and reported.



Phase	Key Focus Area	Key Outputs and Directions
<p style="text-align: center;">Q4 Feb-Mar 2026</p> <p style="text-align: center;">Total 3 meeting</p>	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • 4 Feb: Budget utilisation review under Rule 166 (FY 2025-26); PSDP briefing for FY 2026-27; FBR SMS data privacy (Calling Attention Notice); SBP new currency note series; bank SMS alert charges. • 4 Mar: FBR (Amendment) Bill, 2026; Corporate Social Responsibility Bill, 2026; Adjournment Motion on merged districts industrial crisis; Q.99 on civilian expenditure (Rs.7 trillion); economy briefing - growth and jobs; Women Inclusive Finance program review. • 12 Mar: Misuse of PEP regulations causing harassment of parliamentarians - banks, SBP and FATF compliance; energy supply crisis briefing - LNG costs, petroleum pricing, global geopolitical volatility. 	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Finance Ministry: complete salary and benefits data for heads of all institutions. • SBP: Women Inclusive Finance province-wise disbursement details. • Finance Ministry: detailed Women Inclusive Finance PSDP briefing for FY 2026-27. • Law Ministry and Finance Ministry: written clarification on Article 38G consideration in appointments. • SBP: SMS alert charges investigation & its report to Committee. • Two sub-committees constituted: PEP regulation misuse (Convener: Sen. Farooq H. Naek) and FBR governance and accountability (Convener: Sen. Talha Mahmood). • ADRC matter (M/s ADOS) referred to State Minister for Finance for resolution within two weeks



Quarter 1
April–May 2025



The Budget Session

Remains the defining episode of the year there were nine sessions in eight (8) days producing 204 recommendations and 48 legislative amendments. No single quarter matches it in raw legislative output. Its significance lies not only in volume but in substance: the Committee rewrote the definition of tax fraud, overhauled arrest procedures, and inserted due process protections that will govern fiscal enforcement for years to come.

Quarter 2
July–Sept 2025



New Term of Committee

The first quarter remains the year's most operationally diverse quarter ,spanning pre-budget consultations with eight chambers of commerce. It also discussed an urgent single-session bill known as Captive Power Plants Levy and simultaneously functioned as a legislative body, an oversight forum, and a national budget consultation platform.

Money Bill
June 2024



Post Budget Term

This Quarter marked the transition to sustained institutional oversight , tracking implementation of Finance Bill 2025 recommendations, examining the remittance incentive cost structure, and constituting the solar panel sub-committee. The joint meeting with the Standing Committee on Industries and Production broadened the accountability net to automobile sector tariff policy and Export Processing Zones.



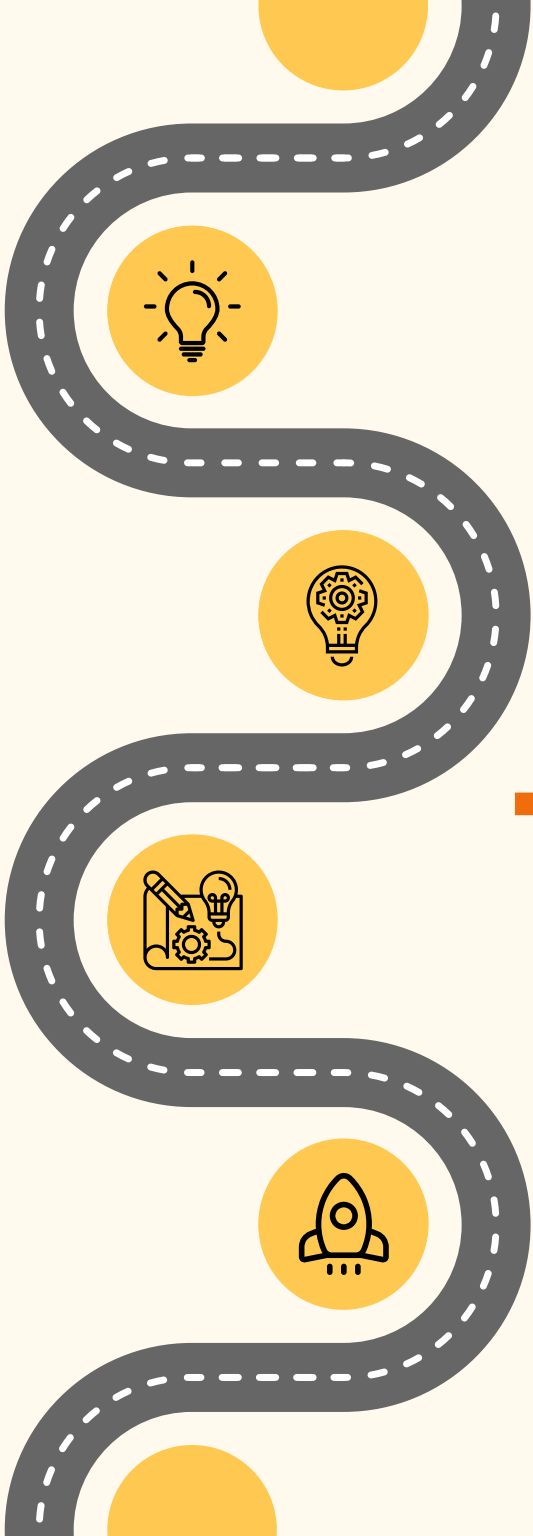


**Quarter 3
Oct–Dec 2025** ←

End of Term

The Last Quarter was extended to three meetings and closed the year on a wide-ranging note. From the FBR Amendment Bill and the Corporate Social Responsibility Bill to the PEP banking regulation controversy affecting parliamentarians, and then a real-time energy supply crisis briefing during global geopolitical volatility, the Committee demonstrated its capacity to engage across the full spectrum of fiscal, legislative and national security-adjacent concerns, often within a single sitting.

**All Quarter
March 2025–
April 2026** ←



Reforms

Remained the Committee's most constitutionally testing quarter. The unprecedented confrontation between the FBR and the Presidency, with FBR challenging a Presidential Order in court, required three sessions and the engagement of the Attorney General. The Committee simultaneously probed Rs.9.769 trillion in audit irregularities and directed the PayPak payments ecosystem to replace foreign card dependency in domestic transactions.

→ **Quarter 4
Feb–March 2026**

**Conclusive 1 Year
Progress**

The Committee's work from March 2025 to March 2026 spanned five distinct phases, covering the Budget Session and parliamentary quarters. Each phase had a unique legislative character, oversight priority, and institutional focus, reflecting fiscal governance and parliamentary engagement. Together, they show the Committee's ability to shift from intensive budget scrutiny to sustained oversight, policy review, and responsive engagement with emerging economic and institutional challenges.

Finance Bill / Budget Meetings

09 Budget Sessions



The Senate Standing Committee on Finance and Revenue performs one of its most significant constitutional functions through its annual scrutiny of the Finance Bill.

204 Total Recommendations



48 Legislative Amendments



In accordance with Article 73 of the Constitution of the Islamic Republic of Pakistan, the Finance Bill, after its passage by the National Assembly, is transmitted to the Senate for consideration and the formulation of recommendations.

22 PSDP Directions



03 Formal Dissents Recorded



For the Budget 2025–26, the Committee diligently discharged its responsibility through nine intensive meetings held between 13th and 20th June 2025, culminating in a comprehensive report adopted on the evening of 20th June 2025.

134+ Policy Recommendations



The Budget Process — How Committee Works?

Senator warns of no relief in new budget, calls it a 'standard-type' plan

Levy will be applied, the public will pay for it, and this is how the budget's deficit will be overcome, says Mandviwalla

By Monitoring Desk



ISLAMABAD: The Chairman of the Senate Standing Committee on Finance and Revenue, Senator Saleem Mandviwalla, has cautioned that the forthcoming federal budget will place a greater financial burden on the public, primarily due to a planned hike in the petroleum levy.

The Federal Budget for 2025–26 was presented in the National Assembly on 10th June 2025 by the Federal Minister for Finance and Revenue, Mr. Muhammad Aurangzeb. On the same day, a copy of the Finance Bill, 2025, along with the Annual Budget Statement, was simultaneously laid before the Senate for its constitutional consideration.

The Chairman Senate invited proposals from all Senators by 12th June 2025. Proposals relating to the Finance Bill were routed through this Committee, whereas proposals pertaining to the Public Sector Development Programme (PSDP) were referred to the Standing Committee on Planning, Development & Special Initiatives, which subsequently forwarded its consolidated recommendations to this Committee by 19th June 2025.

The Committee held nine consecutive meetings from 13th, till 20th June 2025 at the Parliament House, Islamabad. The full Committee, comprising 13 members, the Federal Minister for Finance and Revenue and the Minister of State as ex-officio members, participated in the proceedings and engaged in detailed deliberations.

The Finance Bill was examined clause by clause, and each Senator's proposals were considered individually and put to vote. Representatives from the private sector, along with relevant stakeholders, were also heard. The Committee's report was finally approved in the evening session of 20th June 2025.

Amendments made during Budget 2025-2026 Meetings

The Committee proposed 48 formal amendments across five Acts, each drafted in precise statutory language for transmission to the National Assembly.



Amendment in Customs Act, 1969 (13)

E-bilty and Cargo Tracking System formalized; domestic e-commerce excluded from “marketplace”; penalties reduced (50%→25%); confiscation rules rationalized; import thresholds revised, promoting anti-smuggling, proportional penalties, and protection of the local digital economy.



Amendment in Income Tax Act (15)

15 amendments introduced, capital gains exemption for long-held personal property; business loss restricted to listed companies; penalty cap increased (130→400 days); “mutually” added in recovery provisions; glycerol included in Twelfth Schedule, ensuring taxpayer relief, clarity in compliance, and protection from arbitrary recovery.



Amendment in Sales Tax Act, 1990 (13)

Tax fraud redefined with intent requirement; arrest and inquiry procedures reformed (Ss. 37A, 37B); imprisonment reduced (10→5 years); due process rights embedded in Commissioner powers, ensuring rule of law, procedural fairness, and proportional penalties.



Amendment in Electric Power Act, 1997 (1)

Public sector entities nominated by Federal Government added to power sector restructuring provisions; second proviso was omitted. The committee recommended reforms in the power sector and ensured flexibility in power sector.



Public Finance Management Act, 2019

All public entity self-generated revenues to Treasury Single Account; 'public entities' definition expanded; AGP audit mandate for all public entities and SOEs; 6-month transition period; 'notwithstanding' overrides deleted. The committee ensured Fiscal transparency; AGP audit independence; accountability of autonomous bodies.



SENATOR SALEEM MANDVIWALLA, CHAIRMAN SENATE STANDING COMMITTEE ON FINANCE AND REVENUE PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON JUNE 14, 2025.



PSDP Directions

The Budget Report of the Senate Standing Committee on Finance and Revenue also incorporates the report of the Senate Standing Committee on Planning, Development & Special Initiatives regarding PSDP projects. A total of 22 PSDP-related directives were issued for the year 2025–26, some of the key directives are as follows:

- Hyderabad–Sukkur Motorway (306 KM): additional funds prioritised
- Islamabad Technopolis: additional allocation for technology schemes
- ADB Power Distribution Projects (LESCO, MEPCO, SEPCO)
- PakSat-MM1: rupee cover for foreign liabilities (near completion)
- Faiz Ahmed Faiz Complex, Narowal: deletion (zero expenditure since inception)
- Agriculture Research Institute, Sheikhpura: deletion (redundant to existing institutions)
- 27 defunct PWD schemes in Sindh: transfer to Government of Sindh
- HEC schemes: provincial balance to be ensured in new development schemes

1

Salaried Class & Workers

- 1. Salary exemption threshold: Rs.600,000 → Rs.1,200,000
- 2. 50% increase in Government salary
- 3. Minimum wage Rs.50,000
- 4. EOBI pension doubled to Rs. 23k /month
- 5. 200% increase in medical & conveyance allowances.

2

Tax Relief & Equity

- 1. 18% GST on solar panels was recommended to withdraw
- 2. Zero-rating on educational stationery was restored
- 3. FED on aerated beverages: reduced to 15%
- 4. Agricultural income tax above 12.5 acres
- 5. 1% sales tax on homeopathic drugs

3

Export & Industry

- 1. Steel sector exempt from tariff reform
- 2. E-commerce: withdraw of 1-2% tax on online purchases
- 3. Hybrid vehicles up to 1300cc: will have zero sales tax & customs (5 years)
- 4. Construction WHT fixed at 1.5-2%
- 5. SME turnover threshold raised to Rs.800 million



POLICY RECOMMENDATION FOR PUBLIC

Beyond legislative amendments, the Committee transmitted **134** general policy recommendations to the National Assembly

4

Social Protection

- 1. BISP expansion & integration with social registries
- 2. Mental health funds for all federal facilities
- 3. Balochistan: \$22M flood rehabilitation
- 4. HEC granted at least Rs.80 billion
- 5. Seniors: WHT exemption on National Savings profits

5

Energy & Climate

- 1. Circular debt surcharge: exempted first 200 electricity units.
- 2. Gwadar: 300MW solar park
- 3. Climate budget tagging mandated in IFMIS with 10% of development funds
- 4. Dam construction funds increased.

6

Fiscal Governance

- 1. 20-30% cut in non-essential public expenditure
- 2. Sunset clauses on all temporary taxes
- 3. Quarterly parliamentary debt servicing oversight reports
- 4. Performance-based budgeting across all departments
- 5. Wealth tax: 2% on net assets above Rs.500 million

Standing Oversight Meetings (March 2025-2026)

Date	Key Agenda	Key Outcomes	Members Attendance
Apr 16, 2025	FBR enforcement; FED rationalisation; Pakistan Crypto Council; Government right-sizing	Finance Ministry engaged on Crypto Council briefing; Right-sizing follow-up scheduled	6
Apr 16, 2025	FBR enforcement; FED rationalisation; Pakistan Crypto Council; Government right-sizing	Finance Ministry engaged on Crypto Council briefing; Right-sizing follow-up scheduled	6
Apr 23, 2025	Solar panel sub-committee report; Income Tax (Amendment) Bill; Right-sizing (Cabinet Division); SBP/Power sector circular debt	Matter referred to Speaker (money bill classification); Cabinet Division directed to report employee impact	5
Apr 30, 2025	Pre-budget stakeholder consultation — FPCCI, KCCI, LCCI, GCCI, FCCI, SCCI, RCCI, IWCCI, Paper Association	Refund delays documented; FTR vs NTR debate crystallised; chambers' proposals forwarded to Finance Ministry	5
May 5, 2025	Income Tax Amendment Bill (Pvt Member); Government right-sizing follow-up; SBP circular debt (Rs.1.275 trillion)	Right-sizing accountability demanded; Cabinet Division directed to return with financial impact data	7
May 15, 2025	Captive Power Plants Levy Bill, 2025 (urgent single-session)	Bill examined and recommendations made; referred back to House	4
May 21, 2025	Export & sales tax refund status; IMF loan (\$1.3bn terms); Sukuks/power sector; GDP computation; FED on beverages	FBR directed to classify direct taxes correctly; refund cases from members to be formally taken up	7

Date	Key Agenda	Key Outcomes	Members
Jul 9, 2025	Finance Bill 2025 final recommendations; FBR revenue targets; PayPak vs Visa/MasterCard; remittance incentives	Senate recommendations finalised and transmitted; FBR directed on PayPak; remittance scheme reviewed	9
Jul 24, 2025	Post-budget review; FBR monthly revenue data; SBP monetary policy; National savings schemes	FBR directed to provide monthly revenue collection data; CDNS reforms discussed	8
Aug 25, 2025	Finance Bill 2025 amendments continued; SECP salary audit paras; Solar sub-committee	40+ amendments to Finance Bill finalised; SECP salary issue referred to Finance Ministry	8
Aug 28, 2025	Virtual Assets Bill, 2025 (initiation); SECP salary irregularities — Rs.156M; Competition Commission	Law Ministry to prepare bill comparison; Virtual Assets Bill clause-by-clause started	7
Sep 3, 2025	Virtual Assets Bill (clauses 1-12); SECP audit paras (Rs.156M irregular payments); Solar panel invoicing sub-committee	Sub-committee on solar invoicing formed; SECP salary structure directed for review; VA Bill reading advanced	10
Sep 24, 2025	Virtual Assets Bill (continued); Pakistan Remittances Initiative review; FBR non-compliance with Presidential Order	Remittance cost reduction directed; SBP to provide 3-year data; AGP to be invited for Presidential Order opinion	7
Oct 1, 2025 (I)	Virtual Assets Bill; Presidential Order non-implementation; BISP payment system; FBR harassment	AGP directed to submit legal opinion on FBR's contempt of Presidential Orders	9

Date	Key Agenda	Key Outcomes	Members
Nov 19, 2025	SECP Amendment Bill; SBP circular debt briefing; FBR harassment; Pakistan Crypto Council	Sub-committee on solar panel invoicing noted; FBR harassment re-examined; Senate recommended status report	11
Dec 3, 2025	SECP Amendment Bill; BISP payment mechanisms; Income tax filers data; Tax broadening	BISP disbursement transparency demanded; FBR directed to investigate harassment complaint	10
Dec 10, 2025	Virtual Assets Bill (continued reading); Digital financial services; Tax base broadening	FBR directed to submit status report on Senate recommendations vs NA rejections	9
Feb 4, 2026	SECP Amendment Bill (deferred); FBR SMS privacy; Budget utilisation (Rule 166); Pakistan Mint modernisation; New currency notes	PSDP presentations deferred for fuller detail; Pakistan Mint funding gap identified; FBR SMS debate continued	5
Mar 4, 2026	FBR Amendment Bill 2026, Financial Crisis of Industrial units of merged districts, plans for cut down of civilian expenditure of Federal Govt, SECP Amendment Bill 2025 and SECP Amendment Bill 2026. Breach of financial privacy and data protection of tax payers, details of employees of SOEs.	Directed Ministry of Finance to submit complete report of heads of institutions for effective oversight, SBP to provide details of disbursement under the women inclusive Finance programme.	9
Mar 12, 2026	Undue harassment of parliamentarians via PEPs , Govt. preparedness and contingency planning in war situation.	Two sub Committee were formed on PEP and FBR issues. Referral of ADRC related matters to Ministry of Finance for engaging stake holders and amicable resolution.	10



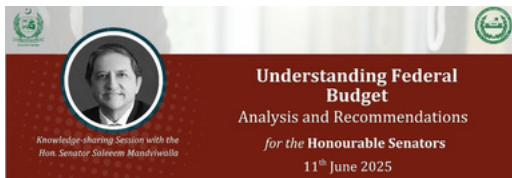
Senate finance chief says budget 2025-26 will add to public burden



Senate panel urges reforms to ease Balochistan trade crises

DAWN

Hears traders' concern about crippling delays, lack of functional scanners, inoperable port facilities



A notable number of senators actively participated in the proceedings, demonstrating what Chairman Mandviwalla termed "a powerful and democratic health of budget scrutiny where views cut across party lines for the public good." He further added, "I value the contributions of all senators, their opinions and recommendations are vital, as the budget process should be transparent and in the public's interest." The committee



In Focus — Defining Moments of the Year

Four issues stood apart from routine oversight during 2025-26, each testing a different dimension of the Committee's constitutional role: fiscal accountability, institutional discipline, taxpayer protection, and economic resilience. The Committee reviewed audit observations highlighting financial irregularities and directed concerned authorities to submit



written explanations, corrective action plans, and recovery status updates.

The Committee examined implementation of Presidential Orders and sought legal opinions where necessary to ensure compliance with constitutional and statutory provisions.

Governance practices within regulatory bodies and SOEs were scrutinized including appointment procedures, remuneration structures, domicile compliance, and tenure transparency.

The Committee reaffirmed its role as a guardian of constitutional compliance and institutional accountability, ensuring that governance standards are enforced without exception.

سینیٹر سلیم مانڈوی والا کا ایوان میں اظہار خیال

کورٹ کبھی قائمہ کمیٹیوں کے معاملات میں مداخلت نہیں کر سکتا، سلیم مانڈوی والا

میری اس حوالے سے اٹارنی جنرل سے بات چیت ہوئی ہے، سلیم مانڈوی والا

اس معاملہ کا حل تلاش کرنے کی کوشش کرتے ہیں، سلیم مانڈوی والا



1- PEP Regulations:

In March 2026, the Committee convened an urgent session on the misuse of Politically Exposed Persons (PEP) regulations by banks, which had begun causing widespread denial of basic banking services to Members of Parliament, their families, and associates. The Chairman Committee reported receiving daily complaints about account blockages and transaction restrictions, with banks citing SBP's regulatory directives as justification.

- The committee challenged the legal basis of blanket PEP scrutiny, arguing that enhanced due diligence should be triggered only by Suspicious Transaction Reports or Currency Transaction Reports under the AML Act, 2010.
- The Finance Minister proposed hearing the Pakistan Banks Association and called for a practical, balanced solution.

Outcomes:

1. On the Directives of the Committee SBP nominated a focal person especially designated for issues of Member Parliamentarians (PEP Persons) . Similarly, all commercial banks have also designated focal persons for this purpose.
2. The Committee constituted a Sub-Committee on PEP regulation misuse under the Convenership of Senator Farooq H. Naek.



2- Briefing on Energy Crisis

In March 2026, as global energy markets were thrown into volatility by an escalating conflict situation, the Finance and Petroleum Ministers briefed the Committee on real-time supply management, an extraordinary convergence of fiscal, diplomatic and logistical pressures:

Crisis Metrics:

- LNG cargo cost: USD 24-25M → USD 100M
- Petrol price increase: Rs. 55 per litre
- Forex reserves rebuilt: critically low → USD 16.2 billion
- Current account: deficit → surplus (first time in a decade)
- Imports shifted to CIF basis for 60 days.

Outcome:

The Committee questioned rationale of applying revised prices to existing lower-cost stock and demanded improved public communication on price rationale and sought IMF scenario planning transparency.

The Committee's engagement during this session demonstrated its capacity to function as a real-time fiscal oversight body during national emergencies, pressing the Government on price mechanism fairness, IMF conditionalities, and construction sector relief even as the energy crisis unfolded.

3- Presidential Order



In the most constitutionally significant episode of the year, FBR challenged a Presidential Order (16 July 2025), passed under the FTO's appellate jurisdiction, in the Sindh High Court, which is an unprecedented step, as no federal department had previously taken such action.

- Three binding layers violated: Constitution; Section 18, Federal Ombudsman Institutional Reforms Act 2013; and Cabinet Division executive instructions of Sept 2024.
- Attorney General directed to submit a comprehensive legal opinion.
- The Committee gave direction to implement the Presidential Order unconditionally.

4- Remittances



The Committee's examined the Pakistan Remittances Initiative (PRI) and found that per-dollar incentive costs had risen from Rs.1 to Rs.3.5-4.5 during the years of 2009- 2013, with intermediaries, not remitters, capturing the benefit.

- Banks split large transactions to claim higher per-transaction incentives estimated Rs.130 billion in intermediary profits.
- SBP directed to provide 3-4 year disaggregated data on unit economics and transaction volumes.
- SBP gave a detailed response and was submitted to the committee.

Trade Facilitation & Border Engagements

The Senate Standing Committee on Finance & Revenue and Senate Standing Committee on Commerce jointly engaged with stakeholders regarding barter trade mechanisms with Iran and Afghanistan and pointed out the difficulties in implementation of SRO 642(1)/2023 for Barter Trade Mechanism. Later on, the SRO was amended by the SSC on Commerce to ease the doing of business by the traders. Both Committees further reviewed operational challenges at the Taftan and Chaman border points and engaged with stakeholders, including the Chambers of Commerce and Industry of Balochistan.



The Committee emphasised 24/7 border operations, insurance guarantee mechanisms for traders, and coordinated efforts among customs, commerce, and security authorities, while recommending the rationalisation of restrictive provisions, strengthening of customs infrastructure, enhanced scanning and risk management systems, and the allocation of adequate resources to facilitate border trade.

The committees also reviewed challenges in trade with Iran, aiming to increase volume and resolve financial hurdles hindering economic relations. The importance of these engagements can be seen when Iran's Consul General in Quetta, Mr. Ali Reza Raghai, who attended the meeting and expressed readiness to engage in talks to remove barriers to bilateral trade.

Both Committees also met with the Chief Minister of Balochistan to discuss the on-ground challenges faced by traders and ways in which federal and provincial governments can work together to support them. This reflects the Committees' commitment to active coordination with provincial leadership to ensure security, feasibility, and effective implementation of development initiatives in Balochistan.



Digital Finance & Payment Systems

01

Regulating the system

Extensive deliberations were conducted on regulation of virtual assets, with emphasis on consumer protection, anti-money laundering compliance, and phased regulatory implementation.

02

Promotion of Domestic Payment

The Committee directed promotion of domestic payment systems to reduce reliance on international card networks, thereby minimizing foreign exchange outflows.

03

Remittance

Remittance incentive structures were reviewed to ensure cost rationalization and effective targeting of overseas Pakistanis.

Policy Lines Provided by the Committee

1- Iran-Pakistan Barter Trade:

The Committee directed amendments to SRO 642(I)/2023 to broaden trade options, remove restrictive conditions, and rationalise penalty provisions. It further instructed the Ministry of Commerce to revise the barter trade policy and develop bilateral lists of exportable products, particularly from Balochistan.

2- Border Trade & Customs Facilitation:

The Committee directed immediate infrastructure upgrades at the Taftan border and instructed Customs authorities to hold in-person consultations with the Quetta Chamber of Commerce. It also called for the appointment of a dedicated focal person for Chaman, while recommending 24/7 border operations and the development of integrated data systems to streamline trade processes.

3- Automobile Sector & National Tariff Policy:

The Engineering Development Board (EDB) was directed to submit a comprehensive report on safety and quality standards for locally assembled vehicles. The Committee further recommended that the Ministry of Commerce carefully assess the potential adverse impact of National Tariff Policy provisions relating to the liberalisation of used car imports, particularly in terms of employment risks.

4- Export Processing Zones (EPZs):

The Committee directed a joint meeting between the Member Operations, FBR, and the Chairman, EPZA, to address issues related to waste disposal backlogs and taxation in Export Processing Zones, with a requirement to submit a written update.



SENATOR SALEEM MANDVIWALLA, CHAIRMAN SENATE STANDING COMMITTEE ON FINANCE AND REVENUE PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON JULY 09, 2025.

5- FBR Accountability & Tax Administration:

The Committee directed FBR to implement the Presidential Order dated 16 July 2025, investigate malicious actions against Senator Dr. Afnan Ullah Khan, and provide a tabulated status of Senate recommendations rejected by the National Assembly Standing Committee.

6- Financial Irregularities & Audit Oversight

The Committee directed a dedicated briefing from the Auditor General's Office on financial irregularities amounting to Rs. 9.769 trillion. The Deputy Auditor General was further instructed to submit written responses, including bifurcated figures identifying actual financial losses.

7- Local Payment Systems (PayPak):

The Committee directed SBP to instruct commercial banks to offer PayPak cards for domestic transactions. It recommended that payments for ATM withdrawals within Pakistan should not be routed through international networks such as Visa and MasterCard, and called for nationwide PayPak awareness campaigns, including SMS-based outreach.

8- Remittances & Foreign Exchange

The Committee recommended reducing the per-dollar cost paid to money transfer operators and banks to approximately one rupee. It also directed SBP to provide comprehensive transaction data on remittance inflows and incentive payouts, alongside a thorough review of the existing remittance incentive scheme.



9- IT & Freelancer Exports:

The State Bank of Pakistan (SBP) was directed to provide disaggregated data distinguishing IT and non-IT freelancers to address classification discrepancies. The Committee also recommended that SBP and FBR jointly verify that entities claiming IT export benefits are legitimate registered exporters, in order to prevent misuse and tax arbitrage.

10- Women's Rights & Workplace Dignity:

The Committee directed SBP to issue clear instructions to banks prohibiting the imposition of compulsory dress codes, including abaya requirements, on female employees, while ensuring adherence to respectful and professional standards.

11- Right-Sizing & Autonomous Departments:

The Committee directed the Cabinet Division to furnish comprehensive details on the number of employees affected, the financial implications, and the projected benefits of the right-sizing policy. It further instructed to submit a detailed report on proposed departmental mergers.

12- Consumer Banking Protection:

The Committee directed SBP to examine SMS alert charges imposed by banks. It further recommended that banks clearly display PayPak, Visa, and MasterCard options on account opening forms and discontinue the automatic issuance of international cards unless explicitly requested by customers.

13- AI & Technology in Customs:

The Committee directed FBR Customs to present a detailed briefing on the application of Artificial Intelligence in Risk Management Systems (RMS), including current usage, future enhancements, and capacity-building measures for officers.





Way Forward

The Senate Standing Committee on Finance and Revenue demonstrated a highly active and multi-dimensional role throughout 2025–26, combining legislative rigor with strong institutional oversight.

From producing substantial amendments during the Budget Session to addressing complex fiscal, governance, and economic challenges across all quarters, the Committee ensured accountability of key institutions such as FBR and SBP while engaging extensively with stakeholders.



Its work reflects a consistent effort to strengthen transparency, improve financial governance, and respond to emerging national and economic issues, positioning it as a critical pillar in Pakistan’s fiscal and legislative framework.

Committee’s Resolve:

The Committee shall continue to closely monitor the implementation of enacted legislation and ensure compliance with its directions through structured follow-up mechanisms. The Committee shall focus more on strengthening digital regulatory frameworks, enhancing audit follow-up and recovery processes, and accelerating the modernization of customs systems through technological integration. Greater emphasis will be placed on strengthening tax administration, promoting domestic financial systems, and enhancing transparency, while continuing to advance fiscal discipline and accountability through effective oversight and coordination.



SENATOR SALEEM MANDVIWALLA, CHAIRMAN SENATE STANDING COMMITTEE ON FINANCE AND REVENUE PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE, ISLAMABAD ON MARCH 12, 2026.



Our committee has paved the way for transformative reforms and we shall remain committed to fostering transparency, empowering taxpayers, and driving inclusive growth.

Through our collaborative efforts with all the stakeholders, ministries, and citizens, we will translate these commitments into tangible results, shaping a prosperous future for generations to come.



“Thank you for your partnership in this endeavour”

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