

NATIONAL ASSEMBLY SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE AND REVENUE ON THE CORPORATE RESTRUCTURING COMPANIES (AMENDMENT) BILL, 2021 (ORDINANCE NO. IX OF 2020)

I, the Chairman of Standing Committee on Finance and Revenue have the honor to present this report on the Bill further to amend the Corporate Restructuring Companies Act, 2016 (XXXII of 2016) [The Corporate Restructuring Companies (Amendment) Bill, 2021 (Ordinance No. IX of 2020)] (Government Bill) referred to the Committee on 27th July, 2020.

2. The Committee comprises the following:-

1).	Mr. Faiz Ullah	Chairman
2).	Mr. Sadaqat Ali Khan	Member
3).	Mr. Aamir Mehmood Kiani	Member
4).	Mr. Amjid Ali Khan	Member
5).	Mr. Raza Nasrullah	Member
6).	Makhdoom Syed Sami-ul-Hassan Gillani	Member
7).	Mr. Jamil Ahmed Khan	Member
8).	Mr. Faheem Khan	Member
9).	Mr. Aftab Hussain Siddique	Member
10).	Dr. Ramesh Kumar Vankwani	Member
11).	Mr. Muhammad Israr Tareen	Member
12).	Mr. Ahsan Iqbal Chaudhary	Member
13).	Mr. Qaiser Ahmed Sheikh	Member
14).	Chaudhary Khalid Javed	Member
15).	Mr. Ali Pervaiz	Member
16).	Dr. Aisha Ghaus Pasha	Member
17).	Dr. Nafisa Shah	Member
18).	Syed Naveed Qamar	Member
19).	Ms. Hina Rabbani Khar	Member
20).	Mr. Abdul Wasay	Member
21).	Minister for Finance and Revenue	Ex-officio Member

3. The Committee considered the Bill as introduced in the National Assembly placed at Annexure-‘A’, in its meetings held on 12-02-2021, 02-03-2021 and 04-03-2021. The Committee recommends that the Bill as introduced may be passed by the National Assembly.

Sd/-
(**TAHIR HUSSAIN**)
Secretary
Islamabad, the 5th March, 2021

Sd/-
(**FAIZ ULLAH**)
Chairman

[AS REPORTED BY THE STANDING COMMITTEE)**A****BILL**

further to amend the Corporate Restructuring Companies Act, 2016

WHEREAS it is expedient further to amend the Corporate Restructuring Companies Act, 2016 (XXXII of 2016), for the purposes herein after appearing;

It is hereby enacted as follows:-

1. **Short title and commencement.**- (1) This Act shall be called the Corporate Restructuring Companies (Amendment) Act, 2021.

(2) This Act shall come into force at once.

2. **Amendments in Section 2, Act XXXII of 2016.**- In the Corporate Restructuring Companies Act, 2016 (XXXII of 2016), hereinafter referred as the said Act, in section 2,-

(a) in sub-section (1),-

(i) after clause (ii), the following new clause shall be inserted, namely:-

(iia) "Companies Act" means the Companies Act, 2017 (XIX of 2017);";

(ii) in clause (iv), in sub-clause (a), after the word "institutions", the expression ", save as otherwise provided for in section 8A" shall be added;

(iii) clause (vi) shall be omitted;

(iv) in clause (x) after the word "obligation", the words "or which has been classified by the financial institution as a loss in its books in accordance with the applicable laws" shall be added;

(v) clause (xii) shall be omitted; and

(vi) after clause (xxi), the following new clause (xxia) shall be inserted, namely:-

"(xxia) " trust" means a trust constituted pursuant to section 6A,";

(b) in sub-section (2), for the word "Ordinance", the words "Companies Act" shall be substituted.

3. **Amendment in section 4, Act XXXII of 2016.**- In the said Act, in section 4, in sub-section (2), for the word "Ordinance", the words "Companies Act" shall be substituted.

4. **Amendments in section 5, Act XXXII of 2016.**-In the said Act, in section 5, in sub-section (1),-

- (a) in clause (g), the word "and", occurring at the end, shall be omitted; and
- (b) in clause (h), for full stop at the end a semicolon shall be substituted and thereafter the following new clauses shall be added, namely:-
 - "(i) to provide finance as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001) for carrying out the purposes of this Act;
 - (j) to establish and provide management services to trusts in terms of section 6A;
 - (k) to act as an agent for any financial institution for the purpose of recovering their non-performing assets as provided under section 6B; and
 - (l) to develop and implement a scheme in terms of section 8A."

5. **Amendments in section 6, Act XXXII of 2016.** - In the said Act, in section 6, in sub-section (1),-

- (a) in clause (a),-
 - (i) the expression "established, owned or" shall be omitted; and
 - (ii) after the expression "affiliates,", the expression "subject to clause (e) of sub-section (1)," shall be inserted;
- (b) in clause (c), the word "and", occurring at the end, shall be omitted;
- (c) in clause (d), for the full stop at the end, a semicolon shall be substituted and thereafter the word "and" shall be inserted; and
- (d) after clause (d), amended as aforesaid, the following new clause shall be added, namely:-
 - "(e) any transfer or assignment of non-per forming assets pursuant to the transfer and assignment agreement shall be deemed to be effected by operation of law and not-
 - (i) by virtue of execution of such agreement by any party thereto; and
 - (ii) constitute any assignment, transfer, devolution, conveyance, lease, consent order, alienation, parting with possession or any other disposition under any applicable law other than the provisions of section 6."