

The Gazette  **of Pakistan**

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, OCTOBER 19, 2022

PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

Islamabad, the 18th October, 2022

No. F. 9(25)2022-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on 14th October, 2022 and is hereby published for general information:-

ACT NO. XXII OF 2022

An Act to establish the Export-Import Bank of Pakistan for the promotion of international trade

WHEREAS it is expedient and in the public interest to establish the Export-Import Bank of Pakistan, as the official export credit agency of the country to support, develop and promote international trade and the Islamic Republic of Pakistan's competitiveness in the international market-place by *inter alia* providing trade financing, trade credit insurance, equity participation, trade services and to provide for matters connected therewith or incidental thereto;

It is hereby enacted as follows:-

(1113)

Price : Rs. 40.00

CHAPTER-I

PRELIMINARY

1. **Short title, extent and commencement.**—(1) This Act shall be called the Export-Import Bank of Pakistan Act, 2022.

(2) It extends to the whole of Pakistan.

(3) This Act shall come into force at once, save for sections 35 and 36 which shall, to the extent provided therein, come into force on the date of the notification issued by the Federal Government or the respective Provincial Governments.

2. **Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

- (i) **“Bank”** means the Export-Import Bank of Pakistan established under section 3;
- (ii) **“Board”** means the Board of Directors of the Bank;
- (iii) **“chairman”** means the chairman of the Board;
- (iv) **“director”** means a member of the Board and shall include the President of the Bank;
- (v) **“entity”** means any entity other than a natural person and shall include a company, sole proprietorship, a partnership or association of persons, a trust, body corporate, society and foreign agencies;
- (vi) **“equity participation”** means participation by the Bank in a trade investment by way of an equity investment in an entity in or outside Pakistan;
- (vii) **“export”** shall have the same meaning assigned to it under the Imports and Exports (Control) Act, 1950 (XXXIX of 1950);
- (viii) **“finance”** shall have the same meaning assigned to it under the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001);
- (ix) **“financial institution”** shall have the same meaning assigned to it under the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001);

- (x) **“foreign agencies”** means any national, provincial, state or local government of a foreign country or any political sub-division and any agency thereof, including but not limited to a foreign export credit agency;
- (xi) **“import”** shall have the same meaning assigned to it under the Imports and Exports (Control) Act, 1950 (XXXIX of 1950);
- (xii) **“international trade”** means the export or export-oriented import of goods and services to and from Pakistan in accordance with laws for the time being in force and shall include re-export and merchanting trade;
- (xiii) **“international trade schemes”** means any existing or future funds, schemes and programs that are launched and implemented for the support, development and promotion of international trade;
- (xiv) **“negotiable instrument”** shall have the same meaning as is assigned to it under the Negotiable Instruments Act, 1881 (XXVI of 1881);
- (xv) **“person”** includes a natural person or any legal entity, in or outside Pakistan;
- (xvi) **“prescribed”** means prescribed by rules or regulations made under this Act;
- (xvii) **“President”** means the chief executive officer of the Bank appointed under section 15;
- (xviii) **“private sector director”** means a director appointed under section 17;
- (xix) **“prudential regulations”** means the rules, regulations, directions, orders and circulars issued, from time to time, by the State Bank under the Banking Companies Ordinance, 1962 (LVII of 1962) and any other law administered by the State Bank and constituting the regulatory framework applicable to the Bank;
- (xx) **“regulations”** means regulations made under section 41;
- (xxi) **“rules”** mean the rules made under section 40;
- (xxii) **“securities”** shall have the same meaning as is assigned to it under the Companies Act, 2017 (XIX of 2017);
- (xxiii) **“security interest”** means an interest in a or a charge on property by way of mortgage, lien, pledge or otherwise taken to secure the payment or performance of an obligation;

- (xxiv) “**State Bank**” means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956 (XXXIII of 1956) and being the central bank of the Islamic Republic of Pakistan;
- (xxv) “**trade credit insurance**” means a transaction to provide conventional or *Shariah* compliant insurance or reinsurance to any person in relation to risks associated with international trade or a trade investment;
- (xxvi) “**trade financing**” means a transaction to provide conventional or *Shariah* compliant finance to any person in relation to international trade or a trade investment;
- (xxvii) “**trade investment**” means an investment transaction, by way of debt or equity, by any person in or outside Pakistan for the establishment, expansion or acquisition of, or technology transfer, technical cooperation or development of intellectual property in relation to, an export or export oriented or import substituting business or industry; and
- (xxviii) “**trade services**” means a transaction to provide advisory, consulting or other support services to any person in connection with international trade or a trade investment.

CHAPTER-II

ESTABLISHMENT OF THE BANK

3. **Establishment of the Bank.**—(1) On commencement of this Act, the Export-Import Bank of Pakistan shall stand established.

(2) The Bank shall be a body corporate having perpetual succession and a common seal, and shall by the said name sue and be sued.

(3) The head office of the Bank shall be situated in Islamabad, or at such other place as the Federal Government may, by notification in official Gazette, specify. The Bank may establish branches and offices anywhere in or outside Pakistan.

4. **Bank deemed a financial institution.**—Immediately on the commencement of this Act, the Federal Government shall, by notification in the official Gazette, declare the Bank as a financial institution under section 3A of the Banking Companies Ordinance, 1962 (LVII of 1962).

5. **Dissolution and Transfer of assets of EXIM Bank of Pakistan Limited.**—(1) Notwithstanding anything contained in the Companies Act, 2017

(XIX of 2017) and any other Pakistan law for the time being in force, the Federal Government shall, by an order published in the official Gazette, transfer to the Bank the whole of the undertaking of the existing EXIM Bank of Pakistan Limited.

(2) The order under sub-section (1) shall provide for—

- (a) that all the assets, rights, powers, authorities, privileges and all parproperties, movable and immovable, cash and bank balances, reserve funds, investments and all other interests and rights in, or arising out of such properties and all, or part of, debts, liabilities and obligations of whatever kind of the existing Export-Import Bank of Pakistan Limited Subsisting immediately before the date of the order shall stand transferred to and vest in the Bank;
- (b) that all the contracts entered into, or the rights, licences, approvals and consents acquired and all matters and things engaged to be done by, with or for the existing Export-Import Bank of Pakistan Limited before the date of the order shall be deemed to have been incurred, entered into, acquired or engaged to be done by, with or for the Bank, as the case may be;
- (c) that all suits and other legal proceedings instituted by or against the existing Export-Import Bank of Pakistan Limited before the date of the order shall be deemed to be suits and proceedings instituted by or against the Bank as the case may be and be dealt with accordingly; and
- (d) that the continuance of the services of all the permanent employees (excluding personnel on secondment, deputation or probation) of the EXIM Bank of Pakistan Limited in the Bank on not less favorable than the existing terms and conditions of their services, rights and privileges and other matters as were applicable to them before the date of the order.

(3) Upon issuance of the order under sub-section (1), the registrar of companies shall strike off the name of Export-Import Bank of Pakistan Limited which shall, with effect from the date of the order, cease to exist.

(4) Notwithstanding any law for the time being in force; transfer of any property, asset or liability pursuant to the said order shall not constitute a conveyance, novation or assignment, and no fees, taxes, levies, stamp duties or any other charges shall be payable by the Bank or the EXIM Bank of Pakistan Limited on the transfer and vesting of the whole or any part of the undertaking

and property and liabilities of existing EXIM Bank of Pakistan Limited to the Bank pursuant to the order issued under sub-section (1).

CHAPTER-III

CAPITAL OF THE BANK

6. **Share capital of the Bank.**—(1) The authorized share capital of the Bank shall be one hundred billion Rupees, or such other amount as the Federal Government may, from time to time, specify by notification in the official Gazette, and shall be divided into ten billion shares of a par value of Rupees ten each.

(2) The initial paid up capital of the Bank shall be ten billion Rupees divided into one billion fully paid-up shares at par value which shall be wholly subscribed by the Federal Government.

(3) On the recommendation of the Board, the paid-up capital of the Bank may, from time to time, be increased through subscription of shares by the Federal Government for such amount and on such terms as the Federal Government may approve.

(4) The Federal Government shall, at all times, be the sole shareholder of the Bank.

7. **Borrowings.**—The Bank may, for the purposes of the Bank's business, borrow in local or foreign currency on such terms and conditions as may be prescribed by the Board and subject to the provisions of other laws, from the following sources, namely

- (a) the Federal Government;
- (b) international bilateral and multilateral agencies;
- (c) financial institutions;
- (d) the public by issuing, on its own or through a wholly owned or controlled subsidiary, securities in or outside Pakistan; or
- (e) through such other means as may be permitted under the prudential regulations or is otherwise approved by the State Bank.

8. **Reserves and provisions.**—The Bank may, in accordance with the prudential regulations, establish one or more general or special purposes reserves or provisions out of which may be paid any losses sustained by the Bank in the conduct of its business.

CHAPTER-IV

PURPOSE AND POWERS OF THE BANK

9. **Purpose of the Bank.**—The Bank is established for the purposes of—

- (a) supporting, promoting and developing international trade, trade investments, export-oriented and imported substituting businesses and industries in accordance with the provisions of this Act and the national trade policies and programs of the Federal Government;
- (b) the administration, operation and management of such international trade schemes as may be transferred or outsourced to the Bank by the Federal Government or any of its agencies, or the State Bank, as a trustee, agent, or service provider, on such terms and conditions as may be prescribed through the rules under this Act; and
- (c) the discharge of any function entrusted to it by the Federal Government by notification in official Gazette for the advancement of the purposes of the Bank under this Act and on such terms and conditions as may be specified, subject to the provisions of this Act, by the Federal Government in such notification.

10. **Powers and business of the Bank.**—(1) The Bank shall carry on such business and exercise such powers as are necessary or expedient for, or are incidental to, for the advancement of the purposes of the Bank under this Act, having due regard to the principles of financial soundness and sustainability.

(2) Without prejudice to the generality of the foregoing, and subject to other laws and any conditions as, may be prescribed, the Bank may—

- (a) acquire, hold, possess, lease or otherwise dispose of any interest in any movable and immovable property in or outside Pakistan;
- (b) provide, on its own or with other financial institutions or insurance providers in or outside Pakistan, trade financing, trade credit insurance and equity participation;
- (c) provide trade services;
- (d) restructure, reschedule or write-off any trade financing, trade credit insurance or equity participation by the Bank;
- (e) acquire or dispose of any interest in an entity, other than foreign agencies, in or outside Pakistan;

- (f) purchase, hold and sell local and foreign securities;
- (g) charge, receive and utilize fees, premium, and charges for carrying out its business;
- (h) take any security interest in any property;
- (i) obtain reinsurance from any foreign agencies or any insurance companies in or outside Pakistan;
- (j) draw, buy, sell, accept, negotiate, avalise, factor, discount or rediscount negotiable instruments drawn or payable in or outside Pakistan;
- (k) open, maintain and operate banks accounts in local and foreign currency with financial institutions in and outside Pakistan;
- (l) enter into and perform all contracts and agreements for conducting any of its business;
- (m) invest surplus funds of the Bank in accordance with the directions of the Board;
- (n) carry out insurance agency or brokerage activities;
- (o) act as an agent for any person or authorize any person to act as agent for the Bank;
- (p) incorporate subsidiaries and enter into joint ventures in or outside Pakistan with any person or foreign agency to conduct any form of business that can be conducted by the Bank or is incidental to the purpose of the Bank under this Act;
- (q) sell and realize all property, whether movable or immovable, which may in any way come into the possession of the Bank in satisfaction, or part satisfaction of, any of its claims; and
- (r) purchase, sell and otherwise deal in foreign exchange and derivative transactions.

CHARTER-V

MANAGEMENT

11. **Board of directors.**—(1) The general superintendence, direction and management of the affairs and business of the Bank and overall policy

making in respect of its operations shall, vest in the Board constituted under sub-section (2) which may exercise all such powers and do all such acts, deeds and things that may be exercised or done by the Bank.

(2) The composition of the Board shall be as under—

- | | | |
|-----|---|-----------------------------|
| (a) | A person, nominated by the Federal Government | Chairman |
| (b) | Secretary, Ministry of Commerce | <i>ex-officio</i> director |
| (c) | Additional Secretary, Ministry of Finance | <i>ex-officio</i> director |
| (d) | three directors to be appointed by the Federal Government from the private sector in accordance with section 17 | <i>Independent</i> director |
| (e) | The President to be appointed under section 15 | <i>ex-officio</i> director |

(3) Each director shall exercise his powers and carry out his duties with due and reasonable care, skill and diligence and with a sense of objective judgment and independence, for the promotion of the objects, and in the best interests, of the Bank.

12. **Functions of the Board.**—Without prejudice to the generality of sub-section (1) of section 11, the Board shall perform the following functions, namely—

- (a) formulate, approve and ensure implementation and periodic review of policies to carry out effectively the provisions of this Act, including but not limited to, policies on trade financing, trade credit insurance, equity participations, risk management, treasury and investment, corporate governance, procurement, internal control system and audit, information technology (IT) security, human resource, expenditure, accounting and disclosure and any other operational area which the Board may deem appropriate from time to time;
- (b) approve and monitor the implementation of any long-term strategic plan, the annual business plan and operating and capital budgets for the Bank;
- (c) formulate, approve and issue regulations under section 41; and

- (d) discharge all such functions as are assigned to it under this Act or as may be prescribed.

13. Committees of directors.—(1) The Board shall, from amongst the directors, constitute an audit committee and may constitute such other committees as it considers necessary to assist it in carrying out its functions under this Act, and shall prescribe through regulations the constitution, powers and functions of such committees.

(2) The minutes of every meeting of a committee of directors shall be presented before the Board at its next meeting following the meeting of the committee.

(3) The Board or any of its committees may invite a representative of the Federal Government, a reputable private institution or a technical or professional expert to assist in the performance of its functions.

14. Chairman and Deputy Chairman.—(1) The office of the Chairman shall be separate and his responsibilities distinct from those of the President.

(2) In the event of the absence or incapacity of the Chairman, or if the office of the Chairman is vacant, the Deputy Chairman shall perform the functions of the Chairman during such absence, incapacity or vacancy.

15. Appointment of President.—(1) The Board shall appoint a full-time President in accordance with the procedure set forth in sub-section (2):

Provided that the President of the existing EXIM Bank of Pakistan Limited shall, in terms of clause (d) of sub-section (2) of section 5, be the first President of the Bank.

(2) The Board shall shortlist and recommend at least three candidates for the approval by the Federal Government of one of the candidates for the office of the President of the Bank. On receiving the approval of the Federal Government, the Board shall appoint such candidate as the President for a term of three years and on such terms and conditions as may be prescribed by the Board under this Act.

(3) A person from the private sector shall be eligible for recommendation as candidate and appointment as the President if he meets the fit and proper criteria as specified in the prudential regulations.

(4) The President shall be the chief executive officer of the Bank and shall, subject to the control, policies and directions of the Board, be responsible

for the management and day to day affairs of the Bank, and shall have such powers for this purpose as are delegated to him, from time to time, by the Board and that are not by this Act or by any rules or regulations expressly directed or required to be done by the Board.

(5) On the expiry of his term of office, the President shall, with the prior approval of the Federal Government, be eligible for reappointment for upto one term of three years each or less, and on such terms and conditions as may be determined by the Board.

16. *Ex-officio* directors.—(1) An *ex-officio* director shall hold office as director till such time as he holds the office by virtue of which he is a director, and upon his transfer, retirement, resignation, death or removal from such office, the person appointed in place of such director shall hold office for the remaining term of that director.

(2) If an official *ex-officio* director is absent from Pakistan or is unable to attend a meeting of the Board, he may authorize an officer not below the rank of additional secretary or joint secretary, as applicable, or equivalent to attend the meeting and take decisions on behalf of such director. A non-official *ex-officio* director may, in similar situation, authorize his Vice-chairman or equivalent for the purpose of attending the meeting and take decisions on behalf of such director.

17. Appointment of private sector director.—(1) The Federal Government shall appoint such person from the private sector as a private sector director who meets the fit and proper criteria as specified in the prudential regulations.

(2) A private sector director shall be appointed for a term of three years and on such terms and conditions as the Board may determine under section 19.

(3) On the expiry of his term of office, a private sector director may be reappointed by the Federal Government for an additional term of three years or less and on such terms and conditions as may be determined by the Board.

18. Disqualification of directors.—No person shall continue to hold office as director who—

- (a) fails to meet the fit and proper criteria as specified in the prudential regulations;
- (b) is incapable of discharging his duties by reasons of physical or mental unfitness for a period of six months or more; or
- (c) has been absent from three or more successive meetings of the Board without leave of the Board and in the case of an *ex-officio*

director fails to appoint another person to act as director as required under section 16.

19. Remuneration of directors.—(1) The Board shall, determine the remuneration package of the directors in the prescribed manner, and such remuneration package shall not be varied to their disadvantage during the term of their office.

(2) For the purposes of this section, remuneration package shall include fees and reimbursement of reasonable travel, accommodation and related expenses, for attending meetings of the Board and any extra services to be provided by the directors, other than the President.

20. Removal of directors.—(1) The Federal Government may remove a director, other than the President, from his office in accordance with this section for any one or more reasons under sub-section (3).

(2) The President may be removed from his office by the Board, with the prior approval of the Federal Government, in accordance with this section and for any one or more reasons under sub-section (3).

(3) A director shall be removed if he—

- (a) becomes ineligible for one or more reasons under section 18; or
- (b) is not discharging his responsibilities and functions under this Act based on a performance evaluation carried out by the Board.

(4) A director shall not be removed unless he has been given an opportunity of being heard in the manner prescribed before taking any such action.

21. Resignation of directors.—The President and any private sector director may, at any time, resign from his office by giving a written notice of at least two months to the Board and Federal Government respectively.

22. Casual vacancies.—(1) The office of a director shall become vacant if he—

- (a) dies;
- (b) completes the term of his office and is not re-appointed;
- (c) is removed from office under section 20; or
- (d) resigns from office under section 21.

(2) If the office of the President is vacant, the Board may appoint any director or senior officer of the Bank to act as the President for the time being and shall fix the terms and conditions of his appointment and his remuneration, provided that such acting President shall not continue in office for a period exceeding one month without prior approval of the Federal Government.

(3) If the office of the President or a private sector director becomes vacant, a person shall be appointed to fill the vacancy at the earliest and no later than two months from the date on which such vacancy occurs.

(4) The person appointed under sub-section (3) to fill a vacancy created under clause (a), (c) or (d) of sub-section (1), shall hold office for the remainder of the term of the director in whose place he is appointed.

(5) Upon resignation or expiration of the term of office, if the new director has not yet been appointed, the director resigning or retiring at the end of such term, shall remain in office until the appointment of the new director.

23. Board meetings.—(1) There shall be at least one meeting of the Board every quarter to be convened by the Chairman, provided that the Chairman shall convene a meeting at any time on the request, in writing, of three or more directors..

(2) The Chairman shall preside the meetings of the Board. If the Chairman is not present at the meeting, the Deputy Chairman shall preside over such meeting. If the Chairman and the Deputy Chairman are not present at the meeting, the directors attending the meeting shall, if they constitute a quorum, elect a director to act as the Chairman and preside over such meeting.

(3) The quorum for a meeting of the Board shall not be less than five directors attending in person or through video-link.

(4) The Board shall make decisions by a majority of the votes of the directors present and voting at a meeting of the Board at which quorum is present. Each director shall have one vote. In case of an equality of votes, the Chairman shall have a casting vote.

(5) A resolution in writing signed by all directors shall be as effective as if such resolution has been passed at a meeting of the Board.

(6) Minutes shall be kept of the proceedings of every meeting of the Board and all determinations and decisions of the Board shall be in writing and signed by the President.

(7) The Board shall meet at such times and places and shall observe such rules of Procedure in regard to the business transacted at its meetings as may be prescribed by the Board.

(8) No act or proceedings of the Board or any committee of the Board shall be invalid merely on the ground of the existence of any vacancy in, or defect in the constitution of, the Board or such committee.

24. **Delegation of powers.**—(1) The Board may, for the purpose of ensuring smooth and efficient functioning of the Bank and subject to the conditions and limitations as it may impose, delegate any of its functions or powers to the President or any director or any officer of the Bank.

(2) The President may, at his discretion, and subject to the conditions and limitations as he may impose, delegate any of his functions to any other officers of the Bank with the approval of the Board.

CHAPTER-VI

SOVEREIGN SUPPORT AND REPORTING, REGULATION AND APPLICATION OF OTHER LAWS

25. **Sovereign guarantee.**—(1) The Federal Government hereby guarantees all liabilities and obligations of the Bank in relation to its business, subject to such limits on the amount and validity period of the sovereign guarantee as may, from time to time, be notified by the Federal Government by way of a notification in the official Gazette. No amounts may be payable by the Federal Government in excess of, or beyond the validity period of, the sovereign guarantee as notified by the Federal Government pursuant to this sub-section.

(2) Before issuing a notification under sub-section (1), the Federal Government shall determine, with the prior consultation of the Board and the State Bank, the limits on the amount of the sovereign guarantee in accordance with the existing laws and the exposure limits specified in the prudential regulations.

(3) No fees shall be payable by the Bank to the Federal Government in relation to the sovereign guarantee under sub-section (1).

26. **Regulatory authority.**—Subject to the provisions of sections 27 of this Act, the Bank shall be subject to regulatory supervision by the State Bank.

27. **Application of other laws.**—(1) The provisions of the Banking Companies Ordinance, 1962 (LVII of 1962) and rules, regulations, and directions issued there under, as applicable to financial institutions notified under the said Ordinance, shall be applicable to the Bank in relation to the Bank's activities, subject to such modifications as may be determined, from time to time, by the State Bank, to be necessary or expedient for the advancement of the objectives of the Bank under this Act in the public interest.

(2) The provisions of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and rules, regulations, and directions issued thereunder, shall be applicable to the Bank in relation to its dealings with foreign exchange, subject to such modifications as may be determined, from time to time, by the State Bank, to be necessary or expedient for the advancement of the objectives of the Bank under this Act in the public interest.

(3) For the advancement of the objectives of the Bank under this Act in the public interest the laws specified in the Schedule and any rules, regulations, orders and directions issued there under, shall not apply to the Bank. The Federal Government may, by notification in the official Gazette, make such additions to the Schedule as it deems fit.

28. Bank to furnish performance report.—(1) The Bank shall, at the end of each financial year, furnish, through the Ministry of Finance, to the Federal Government, a performance report with respect to the implementation by the Bank of the national trade policies and programs of the Federal Government it is pursuing or proposes to pursue in the conduct of its business under this Act.

(2) The performance report under sub-section (1) shall be approved by the Board and shall be signed by the Chairman and the President.

29. Strategic policy directions from Federal Government.—(1) If in the opinion of the Federal Government, the Bank is carrying out its business, operations and activities in a manner that is inconsistent with the national trade policies and programs of the Federal Government, the Federal Government may, by notification in the official Gazette, and after prior consultation with the State Bank and the Board, issue such strategic policy directions to the Bank as it considers necessary in the public interest and not otherwise inconsistent with the principles of financial soundness and sustainability and prudential regulations.

(2) Policy directions issued by the Federal Government under sub-section (1) shall be binding on the Bank.

CHAPTER-VII

ACCOUNTS AND AUDIT

30. Accounts.—(1) The financial year of the Bank shall commence on the first day of January and end on the thirty-first day of December.

(2) The Bank shall maintain proper accounts and other records to reflect a true and fair view of its state of affairs and prepare quarterly, half-yearly and annual statement of accounts in accordance with the prudential regulations, and any regulations prescribed by the Board.

(3) The statement of accounts of the Bank shall be approved by the Board and shall be signed by the Chairman and the President, or in the absence of the Chairman, by the President and any two directors.

31. Audit.—(1) The annual statement of accounts of the Bank shall be audited each financial year by an independent external auditor appointed under sub-section (2) in accordance with the directions of the State Bank, as applicable to the Bank, and any regulations prescribed by the Board.

(2) The Board shall appoint a duly qualified firm of chartered accountants within the meaning of the Chartered Accountants Ordinance, 1961 (XII of 1961) from the panel of auditors maintained by the State Bank from time to time, as the independent auditor of the Bank for such term and such remuneration as the Board may determine.

(3) The Board shall, in addition to the audit under sub-section (1), cause to be carried out internal audit of the Bank's statement of accounts, systems, and procedures, and the internal auditors' reports shall be submitted to the Board.

(4) Notwithstanding anything contained in sections 30 and 31, the maintenance and audit of accounts of the Bank shall be subject to the provisions of Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan.

CHAPTER-VIII

MISCELLANEOUS

32. Review report to Parliament.—(1) The Federal Government shall review, or shall cause the review of, the Act and the Bank and its activities after three years of the date of commencement of this Act and every five years thereafter.

(2) The Federal Government shall, within one year after the review undertaken under sub-section (1), submit a report on such review to both houses of the Parliament for consideration.

33. Appointment of employees, advisors, consultants, etc.—In order to carry on its business under this Act, the Bank may—

- (a) on full time, temporary or on deputation basis, employ officers and other employees in the manner and on the terms and conditions as may be prescribed by regulations; and
- (b) appoint technical, professional and other advisers, agents, consultants and experts to advise the Bank or do any act in relation

to the Bank's business under this Act on such terms and conditions as it may consider appropriate.

34. Directors, officers, etc. not to be civil servants.—Save as otherwise provided or contemplated by this Act and only for the purposes so provided or contemplated, nothing herein contained shall be construed to mean that any director, officer, employee and other person employed by the Bank is or shall be deemed to be in the service of Pakistan or is to be regarded or treated as a civil servant.

35. Exemption from stamp duty.—Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899), the Bank shall not be liable to the payment of any stamp duty in respect of any instrument by, or in favour of, the Bank:

Provided that this section shall within the jurisdiction of the Islamabad Capital Territory, become applicable immediately on commencement of this Act and each of the Provinces, shall become applicable upon notification or legislation by the respective Provincial Governments.

36. Exemption from taxes.—Notwithstanding anything contained in the Wealth Tax Act, 1963 (XV of 1963), the Income Tax Ordinance, 2001 (XLIX of 2001), the Sales Tax Act, 1990 (III of 1951), the Federal Excise Act, 2005 (VII of 2005) or any other law for the time being in force relating to wealth tax, income tax, super tax, sales tax, excise tax, or any other tax, the Bank shall not be liable to pay any wealth tax, income tax, super tax, sales tax, excise tax, or any other tax on its income, wealth, or services:

Provided that, in relation to income tax, this section shall become applicable upon notification by the Federal Government under the Income tax Ordinance, 2001 (XLIX of 2001).

37. Protection of actions taken in good faith.—(1) No suit, prosecution, reference, or other legal proceedings, shall lie against the Bank, the Board, the Chairman, the President or any other director, officer, employees, advisers, consultants or experts of the Bank in respect of any act, omission, interpretation or determination taken or made in good faith with respect to or under this Act or any rule or regulation made thereunder, or under any order made or direction issued by the Federal Government, State Bank or the Bank.

(2) Without prejudice to the provisions of sub-section (1), the Bank shall indemnify and keep indemnified any person who is or has been the Chairman, President or any other director, officer or employee, adviser or consultant of the Bank against any liability, costs or expenses incurred by him for anything done or deemed to have been done in good faith.

38. Confidentiality of information.—(1) Except as permitted under sub-section (2), every director, officer, employee or adviser of the Bank shall

preserve and aid in preserving confidentiality with regard to the following information that may come to his knowledge in the performance of his duties:

- (a) confidential information relating to the affairs of the Bank;
- (b) confidential information relating to the affairs of its customers; and
- (c) confidential information relating to any foreign agency, the Federal Government or any agency thereof.

(2) Confidential information under sub-section (1) may be disclosed by any director, officer, employee or adviser of the Bank where such disclosure in accordance with Pakistan law, is necessary for the performance of his duties or enforcement of this Act, or with the written consent of the person to whom the information relates.

(3) Every such director, officer, employee or adviser who discloses any confidential information in violation of this section, shall be punishable with fine which may extend to one million Rupees, and where a contravention or default is a continuing one, with a further fine which may extend to one hundred thousand rupees for every day during which such contravention or default continues.

(4) A fine under sub-section (3) shall be imposed and recovered by the State Bank.

39. Common seal.—(1) The Bank shall have a common seal which shall be kept by the President or such other person as the Chairman may authorize.

(2) The seal shall be authenticated in the manner as may be prescribed by regulations and any document purported to be sealed with the seal so authenticated shall be receivable as evidence of the particulars stated in the document.

40. Power to make rules.—(1) The Federal Government may, by notification in the official Gazette, make rules, not inconsistent with the provisions of this Act, for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the power in sub-section (1), the Federal Government may make rules in respect of the following matters, namely—

- (a) administration, operation and management of the international trade schemes and matters in connection with and incidental thereto; and

- (b) any other matter which has to be, or may be, prescribed by rules.

41. **Power to make regulations.**—(1) The Board may, by notification in the official Gazette, make regulations, not inconsistent with the provisions of this Act and the rules made thereunder, for or with respect to any matter that by this Act is required or permitted to be prescribed by regulations or that is necessary to be prescribed for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the power under sub-section (1), the Board may make regulations for the following matters, namely—

- (a) general administration and management of the Bank, including powers and responsibilities of the Chairman, Deputy Chairman and President, procedure of the Board and its committees, constitution and powers of committees of the Board, including the audit committee, disclosure of conflict of interest, appointment of secretary; and matters in connection therewith and ancillary thereto;
- (b) procedure for determination of remuneration of directors;
- (c) procedure for preparation, adoption and amendment to long term strategic plans and annual business plan and operating budgets of the Bank;
- (d) mode of recruitment, salary and allowances and other conditions of service of officers and employees of the Bank and matters in connection therewith and incidental thereto;
- (e) establishment, management and administration of employees' benefit trusts and schemes for the officers and employees of the Bank and matters in connection therewith and ancillary thereto;
- (f) the manner in which the common seal may be authenticated and matters in connection therewith and incidental thereto;
- (g) the manner and form in which contracts binding on the Bank may be executed;
- (h) types and term and conditions of the trade financing, trade credit insurance and trade services, including levy and rates of fees, charges and premiums in respect thereof;
- (i) procedures for preparation and audit of statement of accounts and matters in connection therewith and ancillary thereto;

- (j) issuance of securities by the Bank and matters in connection therewith and incidental thereto; and
- (k) any other matter which has to be, or may be, prescribed by regulations.

42. **Liquidation of the Bank.**—No provision of the Banking Companies Ordinance, 1962 (LVII of 1962), Companies Act, 2017 (XIX of 2017) or any other law relating to the winding up of bodies corporate shall apply to the Bank, and the Bank shall not be placed in liquidation save by the order of the Federal Government, and in such manner and under terms and conditions as the Federal Government may by its order of liquidation direct.

43. **Removal of difficulties.**—if any difficulty arises in giving effect to any provision of this Act or rules or regulations issued thereunder, the Federal Government may, by order published in the official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing such difficulty.

SCHEDULE
[see section 27(3)]

1. Companies Act, 2017 (XIX of 2017), including as applicable to body corporates.
2. Insurance Ordinance, 2000 (XXXIX of 2000).
3. Competition Act, 2010 (XIX of 2010).
4. The Public Investment (Financial Safeguard) Ordinance, 1960 (XLVI of 1960).

MAJOR (R) SYED HASNAIN HAIDER,
Acting Secretary.