

## SECOND SCHEDULE

### Sub-section (2) of Section 11

- (2) The Board shall consist of seven (7) Directors, including the President, who shall be appointed as follows:
- (a) Chairman, Board of Investment, Chairman and Official Ex-Officio Director,
  - (b) Secretary, Ministry of Commerce, *Official Ex-officio Director*,
  - (c) Additional Secretary, Ministry of Finance, *Official Ex-officio Director*,
  - (d) Three (3) Directors to be appointed by the Federal Government from the private sector in accordance with section 17, *Private Sector Directors*; and
  - (e) The President to be appointed by the Board from the private sector in accordance with section 15 of this Act, *President*.

## **FIRST SCHEDULE**

### **Sub-section (3) of Section 28**

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)

- (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 terms 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.

**44. Liquidation of the Bank.** No provision of the Banking Companies Ordinance, 1962 (LVII of 1962), Companies Act, 2017 (XIX of 2017) or any Pakistan 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 such terms and conditions as the Federal Government may by its order of liquidation direct.

**45. 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.

(2) Confidential information under sub-section (1) may be disclosed by any Director, officer, employee or advisor of the Bank where such disclosure is 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 advisor who discloses any confidential information in violation of this section 40, 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.

**41. 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.

**42. 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 issue rules in respect of the following matters:

- (a) administration, operation and management of the international trade schemes and matters in connection with and incidental thereto; and
- (b) provide for any other matter which has to be, or may be, prescribed by rules.

**43. Power to make Regulations.** (1) The Board may 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 Bank may issue regulations for the following matters:

- (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 employee benefit trusts and schemes for the officers and employees of the Bank and matters in connection therewith and ancillary thereto;

- (b) appoint technical, professional and other advisors, 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.

**36. 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, officers, employees and other persons 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.

**37. 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:

- (a) the Islamabad Capital Territory, become applicable immediately; and
- (b) each of the Provinces, become applicable upon notification or legislation by the respective Provincial Governments.

**38. 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 or legislation by the Federal Government under the Income Tax Ordinance, 2001 (XLIX of 2001).

**39. Protection of Actions taken in Good Faith.** (1) No suit, prosecution, reference, or other legal proceedings, whether civil or criminal, shall lie against the Bank, the Board, the Chairman, the President or any other Director, officer, employees, advisors, 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 the Chairman, the President or any other Director, officer, employee, advisor, consultant or agent of the Bank against any liability, costs or expenses incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Bank, except where such liability, costs or expenses are incurred by his own negligence, default, or breach of duty.

**40. Confidentiality of Information.** (1) Except as permitted under sub-section (2), every Director, officer, employee or advisor 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;
- (c) confidential information relating to any foreign agency, the Federal Government or any agency thereof.

**31. 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

**32. Accounts:**(1) The financial year of the Bank shall commence on the first day of July and end on the thirtieth day of June.

(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 (2) Directors.

**33. 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.

## CHAPTER VIII – MISCELLANEOUS

**34. Review and 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 (3) years of the date of commencement of this Act and every five (5) years thereafter.

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

**35. 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

**25. Power to amend the Schedule** - The Federal Government may, by notification in the official Gazette, amend the schedule to this Act so as to add any entry thereto or modify or omit any entry therein.

## **CHAPTER VI – SOVEREIGN SUPPORT AND REPORTING, REGULATION AND APPLICATION OF OTHER LAWS**

**26. 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.

(2) For the purposes of the 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 Pakistan 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).

**27. Regulatory Authority:** Subject to the provisions of sections 28 of this Act, the Bank shall be subject to regulatory supervision by the State Bank.

**28. Application of other Pakistan Laws.**(1) The provisions of the Banking Companies Ordinance, 1962 (LVII of 1962) and rules, regulations, and directions issued thereunder, as applicable to financial institutions notified under Section 3A of the Banking Companies Ordinance, 1962 (LVII of 1962), 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 Pakistan laws specified in Schedule I to this Act and any rules, regulations, orders and directions issued thereunder, shall not apply to the Bank as are specified in Schedule I. The Federal Government may, by notification in the official Gazette, make such additions to the Schedule as it deems fit.

**29. Act to override.** Without prejudice to and subject to section 28, this Act and rules and regulations issued thereunder shall be treated as a special law for the purposes of governing all matters relating to the Bank and shall have effect notwithstanding anything inconsistent contained in any other general or special Pakistan law for the time being in force.

**30. 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 shall be approved by the Board and shall be signed by the Chairman and the President.

(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 (1) 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 (1) 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 (3) 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 (5) Directors attending in person or through video-link.

(4) The Board shall decide 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 it may impose, delegate any of his functions to any other officers of the Bank with the approval of the Board.



(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 (6) months or more; or
- (c) has been absent from three (3) 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 of this Act.

**19. Remuneration of Directors.** The Board shall, in accordance with the prudential regulations and the procedure prescribed through regulations, determine the remuneration package of the Directors, and such remuneration package shall not be varied to his disadvantage during the term of their office.

*Explanation:* For the purposes of this section, remuneration package shall include:

- (a) fees and reimbursement of reasonable travel, accommodation and related expenses, for attending meetings of the Board; and
- (b) 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 may 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 the Act based on a performance evaluation carried out by the Board.

(4) A Director shall not be removed under clause sub-section (1) or (2) unless he has been given an opportunity of being heard 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 (2) months to the Board and Federal Government.

**22. Casual Vacancies:**(1) The office of a Director shall become vacant if he:

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

(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 Export-Import 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 to the Federal Government at least three (3) candidates for the selection and nomination by the Federal Government of one of the candidates for the office of the President of the Bank. On receiving the nomination of the Federal Government, the Board shall appoint such candidate as the President for a term of three (3) years and on such terms and conditions as may be determined by the Board in accordance with section 19.

(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 two additional terms of three years or less each, 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 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 that meet the fit and proper criteria as specified in the prudential regulations.

(2) A Private Sector Director shall be appointed for a term of three (3) years and on such terms and conditions as the Board may determine in accordance with section 19.

- (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) to 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.

## **CHAPTER 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 is given in Second Schedule.

(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:

- (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 & investment, corporate governance, procurement, internal control system and audit, IT security, human resource, expenditure, accounting & 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 43 of this Act;
- (d) discharge all such functions as are assigned to it under this Act or as may be prescribed hereunder.

**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.

## 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 Pakistan 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 and trade credit insurance;
- (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;

(d) the continuance of the services of all the permanent employees (excluding personnel on secondment, deputation or probation) of the Export-Import Bank of Pakistan Limited in the Bank on not less favorable than the existing terms and conditions of the 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 Pakistan law for the time being in force, a transfer of any property, asset or liability pursuant to the 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 Export-Import Bank of Pakistan Limited on the transfer and vesting of the whole, or any part of the undertaking and property and liabilities of Export-Import 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 [●] shares of a par value of [●] each.

(2) The initial paid up capital of the Bank shall be ten billion rupees divided into [●] 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 from the following sources:

- (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,

on such terms and conditions as may be prescribed by the Board and subject to the provisions of Pakistan laws.

**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.

- (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) As from the date of promulgation of this Act, there shall be established a corporation to be called the Export-Import Bank of Pakistan for the purpose of and to carry on the business as provided in this Act.

(2) The Bank shall be a body corporate having perpetual succession and a common seal and shall, by the name assigned to it under sub-section (1), 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 in or anywhere outside Pakistan.

**4. Bank deemed a Financial Institution.** Immediately after the commencement of this Act, the Federal Government shall issue a notification in the official Gazette notifying the Bank as a financial institution under section 3A of the Banking Companies Ordinance, 1962 (LVII of 1962).

**5. Dissolution of Export-Import Bank of Pakistan Limited.**(1)After the commencement of this Act, and 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, provide for the transfer to the Bank of the whole of the undertaking, and of the property or liabilities of the existing Export-Import Bank of Pakistan Limited and the dissolution, without winding up of, the existing Export-Import Bank of Pakistan Limited, with effect from the date of the order.

- (2) The order under sub-section (1) shall, inter alia, provide for:
- (a) all the assets, rights, powers, authorities, privileges and all properties, 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) all the contracts entered into, or the rights, licenses, 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) 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

- (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 Pakistan laws, 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 pursuant to a Pakistan law or otherwise;
- (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 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 pursuant to section 15 of this Act;
- (xviii) **"Private Sector Director"** means a Director appointed under section 17 of this Act;
- (xix) **"prudential regulations"** means the rules, regulations, directions, orders and/or 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) **"rules"** mean the rules made under section 42 of this Act;
- (xxi) **"regulations"** means regulations made under section 43 of this Act;
- (xxii) **"securities"** shall have the 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 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;

**BILL NO. [●] OF 2020**

**A**

**BILL**

**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 and trade services, and to provide for matters connected therewith or incidental thereto.

It is hereby enacted as follows:

**CHAPTER I**

**PRELIMINARY**

**1. Short title, extent and commencement:**

- (1) This Act may be called the Export-Import Bank of Pakistan Act, 2020.
- (2) This Act extends to the whole of the Islamic Republic of Pakistan.
- (3) This Act shall come into force with immediate effect, save for sections 37 and 38 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 of this Act, and having the trading name of EXIM Bank of Pakistan;
- (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 of the Bank, and shall include the President;
- (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);



42. Power to make Regulations
43. Liquidation of the Bank
44. Removal of Difficulties

19. Remuneration of Directors
20. Removal of Directors
21. Resignation of Directors
22. Casual Vacancies
23. Board Meetings
24. Delegation of Powers

#### **CHAPTER VI – SOVEREIGN SUPPORT AND REPORTING, REGULATION AND APPLICATION OF OTHER LAWS**

25. Sovereign Guarantee
26. Regulation by State Bank
27. Application of other Pakistan Laws
28. Act to override
29. Bank to furnish Performance Report
30. Strategic Policy Directions from Federal Government

#### **CHAPTER VII – ACCOUNTS AND AUDIT**

31. Accounts
32. Audit

#### **CHAPTER VIII – MISCELLANEOUS**

33. Review and Report to Parliament
34. Appointment of Employees, Advisors, Consultants, etc.
35. Directors, Officers, etc. not Civil Servants
36. Exemption from Stamp Duty
37. Exemption from Taxes
38. Protection of Actions taken in Good Faith
39. Confidentiality of Information
40. Common Seal
41. Power to make Rules

# THE EXPORT-IMPORT BANK OF PAKISTAN ACT, 2020

## CONTENTS

### Sections:

#### **CHAPTER I – PRELIMINARY**

1. Short title, extent and commencement
2. Definitions

#### **CHAPTER II - ESTABLISHMENT OF THE BANK**

3. Establishment of the Bank
4. Bank deemed a Financial Institution
5. Dissolution of Export-Import Bank of Pakistan Limited

#### **CHAPTER III – CAPITAL OF THE BANK**

6. Share Capital of the Bank
7. Borrowings
8. Reserves and Provisions

#### **CHAPTER IV – PURPOSE AND POWERS OF THE BANK**

9. Purpose of the Bank
10. Powers and Business of the Bank

#### **CHAPTER V – MANAGEMENT**

11. Board of Directors
12. Functions of the Board
13. Committees of Directors
14. Chairman and Deputy Chairman
15. Appointment of President
16. Ex-officio Directors
17. Appointment of Private Sector Director
18. Disqualification of Directors

## **STATEMENT OF OBJECTS AND REASONS**

The Government of Pakistan has taken several initiatives for the promotion and development of international trade as well as export-oriented industries and import substitution in the national economic interest.

In continuation of its efforts and reforms, and in line with best international practices, the Government of Pakistan is now seeking to establish the Export-Import Bank of Pakistan, as the national export credit agency for the promotion, expansion and diversification of international trade by providing credit, guarantee and insurance products as well as ancillary services to exporters and importers, in the form of a statutory corporation that has the backing and support of the Government of Pakistan as is customary for export credit agencies to achieve their desired potential and objectives.

[Name of Minister]