

[AS PASSED BY THE SENATE]

A

BILL

further to amend the Banks (Nationalization) Act, 1974

Whereas it is expedient further to amend the Banks (Nationalization) Act, 1974 (XIX of 1974), for the purpose hereinafter appearing;

It is hereby enacted as follows: -

1. **Short title and commencement.** — (1) This Act may be called the Banks (Nationalization) (Amendment) Act, 2010.

(2) It shall come into force at once.

2. **Amendment of Section 11A, Act XIX of 1974.**— In the Banks (Nationalization) Act, 1974 (XIX of 1974), in section 11A, paragraphs (i), (ii) and (iv) and entries relating thereto shall be omitted.

STATEMENT OF OBJECTS AND REASONS

Consequent upon non-agreement of State Bank of Pakistan (SBP) to classify House Building Finance Corporation (HBFC) as a Bank or DFI and transfer of administration/regulation of Non-Banking Finance Companies to Securities & Exchange Commission of Pakistan (SECP), the provisions of the Banks (Nationalization) Act, 1974 may not be applied to HBFC. The corporation of HBFC is also under way. The Federal Government will have to notify HBFC as a Non-Bank Finance Company (NBFC) under clause (b) of section 282 of Companies Ordinance, 1984. Accordingly, the name of HBFC is required to be deleted from Banks (Nationalization) Act, 1974 (XIX of 1974). In this regard, the following action is required to be taken:-

“Removal of HBFC from the Banks (Nationalization) Act, 1974.”

2. Till the time the Act for corporatization is enforced/promulgated, the HBFC Act, 1952 shall continue to be applicable. After the completion of the process of corporatization of HBFC, it shall be registered under the Companies Ordinance 1984 and the HBFC Act, 1952 will be repealed and it would attain the status of NBFC. However, prior to the issuance of such notification, the name of HBFC has to be deleted from Banks (Nationalization) Act, 1974 (XIX of 1974) through an amendment in Banking (Nationalization) Act, 1974 as proposed above.

3. The Bill seeks to achieve the aforesaid object.

MINISTER-IN-CHARGE