

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

BILL

to provide for setting up of the Pakistan International Airlines Corporation into a public limited company

WHEREAS it is expedient to provide for conversion of the Pakistan International Airlines Corporation into a public limited company under the Companies Ordinance, 1984 (XLVII of 1984) and to deal with ancillary matters;

It is hereby enacted as follows:

1. **Short title, extent and commencement.**—(1) This Act may be called the Pakistan International Airlines Corporation (Conversion) Act, 2016.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

- (a) **“arrangement”** means an arrangement in writing between the Company and any relevant entity setting forth the terms, conditions and manner of transfer of one or more assets of the Company to a relevant entity along with the consideration for the same, which transfer is subject to be provisions of section 4;
- (b) **“assets”** includes all properties, rights and entitlements of every description and nature whatsoever, whether present or future, actual or contingent, and tangible or intangible, in Pakistan or elsewhere and includes but not limited to property held on trust, both movable and immovable, benefits, claims, receivables, cash balances, documents, investments, privileges and powers;
- (c) **“Company”** means Pakistan International Airlines Corporation Limited incorporated under the Companies Ordinance;
- (d) **“Companies Ordinance”** means the Companies Ordinance, 1984 (XLVII of 1984);
- (e) **“Company request”** means a written request made by the Company to the Federal Government to issue an order pursuant to section 4 to effect transfer to a relevant entity

of specified assets in terms of the relevant arrangement, provided nevertheless, such request may only be made once the Company has to that extent complied with the provisions of sub-section (3) of section 196 of the Companies Ordinance and the applicable code of corporate governance;

- (f) **“conversion”** with all its cognate expressions means, in accordance with the provisions of this Act, the conversion of the Corporation into a Company;
- (g) **“commencing date”** means the date of promulgation of this Act;
- (h) **“Corporation”** means the Pakistan International Airlines Corporation established under the Pakistan International Airlines Corporation Act, 1956 (XIX of 1956);
- (i) **“liabilities”** includes all borrowings, duties, obligations, loans encumbrances of every description and nature whatsoever in Pakistan or elsewhere, whether present or future, actual or contingent, and disclosed or undisclosed;
- (j) **“order”** means any order issued by the Federal Government pursuant to sub-section (1) of section 4 and notified in the official Gazette and the expression “orders” shall be construed accordingly;
- (k) **“PIAC Act”** means the Pakistan International Airlines Corporation Act, 1956 (XIX of 1956);
- (l) **“proceedings”** includes any suit, arbitration or other legal or administrative proceedings applications, appeals, awards, reviews or revisions filed or pending;
- (m) **“relevant entity”** means anybody corporate or company owned or controlled by the Federal Government or the Federal Government itself;
- (n) **“specified assets”** means the assets specified in the relevant arrangements;
- (o) **“undertakings”** include all projects, ventures and operations undertaken by the Corporation, individually or collectively, in collaboration with some other person, and
- (p) **“validity period”** means the period starting from the commencing date and ending on the second anniversary of the commencing date., or on such earlier date as may be notified by the Federal Government in the official Gazette.

3. **Conversion of Corporation into a Company.**— (1) The Corporation shall be deemed to have been converted into a public company limited by shares with effect from the commencing date.

(2) As and from the commencing date, --

(a) the Company shall be deemed to hold and own all assets and liabilities of the Corporation without any conveyance, alienation or assignment and without any further act, deed or registration and without discharging or invalidating any contract; and

(b) without prejudice to the generality of the foregoing clause, the Company shall, --

(i) be entitled to the benefit of all notifications, licenses, permissions, sanctions, authorizations, concessions, decrees, air service agreements, orders and benefits whatsoever issued or granted in favour of the Corporation as on the commencing date, including but not limited to the permission connected with the listing of the securities of the Corporation on the relevant stock exchanges; and

(ii) be deemed to have taken over and shall be entitled to enforce, all rights, licenses, grants and concessions and to have assumed all liabilities of the Corporation and shall be liable to pay and discharge all liabilities of every description and nature whatsoever of the Corporation.

(3) The shareholders of the Company shall be deemed without any fresh issuance of shares to own and hold the same number of fully paid shares with such rights and privileges (including as to class, kind and face value) as they owned and Company shall be deemed to be equivalent to the authorized capital of the Corporation as on the commencing date and no fee or charges shall be payable in this regard.

(4) All proceedings of every description and nature whatsoever by or against or relating to the Corporation pending on the commencing date in any court, tribunal, or other authority shall be continued, defended, prosecuted and enforced by or against or relating to the Corporation, and the same shall not abate, be discontinued, prejudiced or otherwise affected by the provisions of this Act.

(5) The Company shall be deemed to be the successor-in-interest of the Corporation, and the name of the Company shall be deemed to have been substituted for the name of the Corporation in all contract, agreements, licenses, orders, certificates, powers of