

An Act 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 purposes hereinafter appearing;

AND WHEREAS the Supreme Court of Pakistan in a case reported as 'Muhammad Idris vs Federation of Pakistan, PLD 2011 SC 213' held that the amendments in question in section 11 of the Banks (Nationalization) Act, 1974, did not fall within the ambit of sub-clause (a) to (g) of clause (2) of Article 73 of the Constitution thus could not have been introduced by way of Finance Act, 2007;

It is hereby enacted as follows:—

1. Short title and commencement.—This Act may be called the Banks (Nationalization) (Amendment) Act, 2016.

(2) It shall come into force at once and shall be deemed to have taken effect on the 1st July, 2007.

2. Amendment of section 11, Act XIX of 1974.—In the Banks (Nationalization) Act, 1974 (XIX of 1974), in section 11,—

(a) in sub-section (1), for clause (b), the following shall be substituted, namely:—

“(b) not less than five and not more than seven other members including one or more directors whose election by the private shareholders, removal and other matters shall be governed by the Companies Ordinance, 1984 (XLVII of 1984).” ;and

(b) in sub-section (3),—

(i) after the word “Board”, the words “representing the Federal Government’s direct and indirect shareholding”, shall be added; and

(ii) for clause (d), the following shall be substituted, namely:—

“(d) may be re-appointed for second and final term by the Federal Government, in consultation with the State Bank of Pakistan, for a further period of three years.”.

ABDUL JABBAR ALI,
Secretary.