

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

Bill

further to amend the Loans for Agricultural, Commercial and Industrial Purposes Act, 1973 in its application to such areas in the Federation as are not included in any Province

WHEREAS, it is expedient further to amend the Loans for Agricultural, Commercial and Industrial Purposes Act, 1973 (XLII of 1973), in its application to such areas in the Federation as are not included in any Province, for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title and commencement.— (1) This Act shall be called the Loans for Agricultural, Commercial and Industrial Purposes (Amendment) Act, 2019.

(2) It shall come into force at once.

2. Amendment of section 3, Act XLII of 1973.— In the Loans for Agricultural, Commercial and Industrial Purposes Act, 1973 (XLII of 1973), hereinafter called as the said Act, in section 3,—

(a) after clause (a), the following new clause shall be inserted, namely:—

“(aa) “designated agency” means a department or authority as the Minister-in-charge of the Federal Government or Provincial Government as the case may be may, by notification in the official Gazette, designate to prepare, issue and authenticate e-pass book and cause to give effect to entries in revenue record;” and

(b) after clause (d), the following new clause shall be inserted, namely:-

“(da) “pass book” means a title-document prepared in the prescribed manner setting out particulars of land owned by land owner and shall include e-pass book prepared or issued by a designated agency;”.

3. Amendment of section 4, Act XLII of 1973.- In the said Act, in section 4, in sub-section (1), the words “setting out particulars of the land owned by him” shall be omitted.

STATEMENT OF OBJECTS AND REASONS

- (1) Agricultural Pass Book System was introduced by the Federal Government through promulgation of Loans for Agricultural, Commercial & Industrial Purposes (LACIP) Act, 1973 for simplifying the agricultural loans procedure, which was subsequently amended in 1987 to provide for assessment of value of land on market price in addition to PIU (Produce Index Unit).
- (2) The Pass book can be obtained from any Post Office on nominal price. The Pass Book contains record of entire land owned by the land owner falling within territorial jurisdiction of Tehsil/Sub-Tehsil/Issuing Authority possessed by him/her alongwith his/her legal share with any encumbrance or charge thereon at the time of its issuance duly authenticated by the concerned Kanungo/Revenue Officer.
- (3) LACIP Act-1973 and Rules made there under provide complete mechanism right from issuance of Agricultural Pass Book, land valuation, legal share, charge creation upto the redemption of charge on land after repayment of loan.
- (4) Presently 99% ZTBL loans are provided on Agricultural Pass Book system which is prepared by the Revenue Authorities in accordance with provisions of “Loans for Agricultural, Commercial & Industrial Purposes Act, 1973 (LACIP Act) and Rules made there under”.
- (5) After introduction of Mark-up Free Agricultural E-Credit Scheme, Government of the Punjab has been financing under digitalized/E-Pass Book System. Since digitalized/E-Pass Book is not recognized by LACIP Act, 1973 & Rules made there under or any other Law, therefore, loans provided on the basis of this digitalized/E-Pass Book are likely to jeopardize the interest/funds of the Bank.
- (6) In order to avoid any legal implications as well as to safeguard the loans/funds of the Bank, the amendments in the “Loans for Agricultural, Commercial & Industrial Purposes Act, 1973” are imperative & essential across the Pakistan to safeguard the financing of the Banks/DFIs under digitalized/E-Pass Book system.

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