

[TO BE INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Companies Profits (Workers' Participation) Act, 1968

WHEREAS it is expedient further to amend the Companies Profits (Workers' Participation) Act, 1968 (XII of 1968), in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. Short title and commencement.- (1) This Act shall be called the Companies Profits (Workers' Participation) (Amendment) Act, 2023.

(2) This Act shall come into force at once.

2. Amendment of section 1, Act No. XII of 1968.- In the Companies Profits (Workers' Participation) Act, 1968 (XII of 1968), hereinafter referred to as the said Act, in section 1, in sub-section (2), after the word "Pakistan", the expression ", to all the Federal Government institutions throughout Pakistan and trans-provincial industrial establishments" shall be inserted.

3. Amendments of section 2, Act No. XII of 1968.- In the said Act, in section 2,-

(A) in clause (b), for the expression "Companies Ordinance, 1984 (XLVII of 1984)", the expression "Companies Act, 2017 (XIX of 2017)" shall be substituted;

(B) in clause (d), the expression "as defined in section 87C of the Companies Act, 1913 (VII of 1913)," shall be omitted;

(C) in clause (f), -

(i) for the expression "(xxx)", the expression "(xxxiii)" shall be substituted; and

(ii) for the expression "Ordinance, 2002 (XCI of 2002)", the expression "Act, 2012 (X of 2012)" shall be substituted; and

(D) after clause (f), amended as aforesaid, the following new clauses shall be added, namely: -

"(g) "governing body" means the governing body of the Fund constituted under section 7 of the Ordinance;

- (h) "Ordinance" means the Workers' Welfare Fund Ordinance, 1971 (XXXVI of 1971);
- (i) "Workers Welfare Fund" means the Fund as defined in clause (c) of section 2 of the Ordinance;
- (j) "industrial establishment" shall have the same meaning as assigned thereto in clause (f) of section 2 of the Ordinance;
- (k) "stand-alone industrial establishment" means any industrial establishment or group of establishments which are situated within the jurisdiction of a province; and
- (l) "trans-provincial industrial establishment" shall have the same meaning as assigned thereto in clause (xxxii) of section 2 of the Industrial Relations Act, 2012:

Provided that any industrial establishment or group of establishments situated, registered or working in one province or in the Federation and the head office of which is in another province or Federation shall be treated as trans-provincial industrial establishment. "

4. Amendment of section 4, Act No. XII of 1968.- In the said Act, in section 4, in sub-section (7), for the words "Federal Government", the words "secretary of the concerned division" shall be substituted.

5. Insertion of new section 4A, Act No. XII of 1968.- In the said Act, after section 4, amended as aforesaid, the following new section 4A shall be inserted, namely:-

"4A. Committee for monitoring. — (1) The governing body may, by notification in the official Gazette, constitute a committee, if required, to monitor implementation of this Act and the schemes thereunder and to advise the governing body on appropriate administrative, legislative and other measures essential to achieve the objectives of this Act.

(2) The committee constituted under sub-section (1) shall consist of a Chairman and not more than five members, with at least one member each representing the Federal Government, industrial establishments, companies and workers.

(3) The committee constituted under sub-section (1) may call for such record or information as may be required for purposes of implementation of the provisions of this Act or as may be prescribed.

(4) The governing body shall frame terms of references of the said committee on case to case basis."

6. Amendments of section 5, Act No. XII of 1968.- In the said Act, in section 5, -

(A) in sub-section (1), for the words "Federal Government", the words "governing body" shall be substituted and for the word "five", the words "twenty-five" shall be substituted;

(B) for sub-section (4), the following shall be substituted, namely: -

"(4) The governing body of Workers Welfare Fund shall, upon receiving an application made in this behalf by any person aggrieved by the order under sub-section (1) within a period of six months from the date of the order, review the order and take appropriate action."; and

(C) after sub-section (5), the following new sub-section shall be added, namely: -

"(6) The outstanding amounts of five percent of the profits and penalty imposed by an order under sub-section (1) shall, if it is not paid accordingly within the time specified in the order, be recoverable as arrears of land revenue under the Land Revenue Act, 1967 (XVII of 1967).".

7. **Amendment of section 6, Act No. XII of 1968.**- In the said Act, in section 6, for the words "Federal Government", the words "secretary of the Workers Welfare Fund" shall be substituted.

8. **Amendment of section 7, Act No. XII of 1968.**- In the said Act, in section 7, in sub-section (1), for the words "Federal Government", the words "governing body" shall be substituted.

9. **Insertion of new section 11, Act No. XII of 1968.**- In the said Act, after section 10, the following new section shall be inserted, namely: -

"11. **Saving.**- Notwithstanding any judgment of any court, including the Supreme Court or a High Court, any amendments made so far in this Act through various Finance Acts from the commencement of the Finance Act, 2006 (III of 2006) till the Finance Act, 2008 (I of 2008) shall be deemed to have been validly made under this Act and any actions taken, notices issued, contributions collected, benefits paid shall be deemed to have been validly taken, issued, collected and paid under this Act.".

10. **Amendments of Schedule, Act No. XII of 1968.**- In the said Act, in the Schedule, -

(A) in paragraph 4, in clause (a), for the heading "Categories" and entries relating thereto, the following shall be substituted, namely:-

"CATEGORIES

1. Workers drawing average monthly wages not less than the minimum wages for unskilled workers fixed, from time to time, by the Federal Government:

Provided that in case of dispute, on minimum wage, between the Federal Government and Provincial Government for its fixation, then that minimum wage shall be applicable where the industrial establishment or worker is located.

2. Workers drawing average monthly wages exceeding minimum wages for unskilled workers fixed, from time to time, by the Federal Government but not exceeding one and a half in excess thereof.
3. Workers drawing average monthly wages exceeding minimum wages for unskilled workers fixed, from time to time, by the Federal Government but not exceeding two and half in excess thereof.

Illustration, -

Categories	Average wages in Rupees
1	upto 20,000
2	20,001 to 30,000
3	30,001 to 50,000

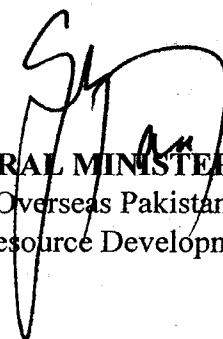
(Maximum three times of minimum wage)"; and

- (B) in paragraph 12, for the words "Federal Government", the words "governing body" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

In accordance with the Companies Profit (Workers Participation) Act of 2022, the Workers Welfare Fund (WWF), which operates under the administrative supervision of the Ministry of Overseas Pakistanis and Human Resource Development (OP&HRD), ensures the employees share in company profits. According to this Act, every eligible company has to establish a Worker's participation Fund through Board of trustees which will manage and administer the Fund in line with provisions of the, *ibid*, Act. The Act needed to be amended following the 18th amendment, and the revisions aim to increase the benefits that are available to industrial workers by expanding the Act's scope to include the Federation which are not included in any province as well as other amendments to up hold the spirit of 18th amendment.

2. The Bill seeks to achieve the aforesaid objects.


FEDERAL MINISTER
Ministry of Overseas Pakistanis and
Human Resource Development