



THE STATE BANK OF PAKISTAN (BANKING SERVICES CORPORATION) ORDINANCE, 2001



CONTENTS

PART I PRELIMINARY

- 1 Short title, extent and commencement.
- 2 Definitions.

PART II ESTABLISHMENT AND OPERATION OF THE BANK

- 3 Establishment and incorporation of the Bank.
- 4 Bank to be a subsidiary of the State Bank.
- 5 Business and functions of the bank.
- 6 Share capital and limited liability.
- 7 Board of Directors.
- 8 Chairman.
- 9 Managing Director.
- 10 Disqualifications of the Managing Director.
- 11 Committees of Directors.
- 12 Delegation of powers and appointment of attorneys.
- 13 Accounts and audit.
- 14 Liquidation of the Bank.

PART III TRANSFER OF THE UNDERTAKING BY THE STATE BANK

- 15 Transfer of undertaking to the state bank.
- 16 Employees transferred to the Bank.

PART IV DIRECTION TO THE BANK

- 17 Power of the state bank to give direction.

PART V DELEGATION BY THE STATE BANK

- 18 Delegation of the powers of the State Bank.
- 19 Appointments under section 23B of the Foreign Exchange Regulation Act, 1947.

PART VI MISCELLANEOUS

- 20 Duty of officers and servants to maintain secrecy.
- 21 Bank and its officers to be public officers.
- 22 Persons in the service of the Bank to be public servants.
- 23 Productions of unpublished records of the Bank, etc.
- 24 Pension of Bank employees to be exempt from attachments, etc.
- 25 Exemption from taxes.
- 26 Power to make rules.
- 27 Power to make regulations.
- 28 Protection of action taken in good faith.
- 29 Ordinance to override, etc.
- 30 Removal of difficulties.

THE SBP BANKING SERVICES CORPORATION ORDINANCE, 2001

ORDINANCE NO. LXVII OF 2001

[31st December, 2001]

An Ordinance to provide for the establishment of SBP Banking Services Corporation as a subsidiary of the State Bank of Pakistan, and for the management and control thereof

WHEREAS it is expedient to provide for the establishment, management and control of SBP Banking Services Corporation as a subsidiary of the State Bank of Pakistan, and for the transfer thereto of a part of the undertaking and certain employees of the State Bank of Pakistan, and for matters connected therewith or ancillary thereto;

AND WHEREAS the president is satisfied that circumstances exist which render it necessary to take immediate action;

Now, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:—

PART I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Ordinance may be called the SBP Banking Services Corporation Ordinance, 2001.

(2) It shall come into force at once.

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

- (a) “Act” means the State Bank of Pakistan Act, 1956 (XXXIII of 1956);
- (b) “Bank” means the SBP Banking Services Corporation established under section 3;
- (c) “Board” means the Board of Directors of the Bank;
- (d) “Chairman” means the Chairman of the Board;
- (e) “Committee of Directors” means a Committee of Directors constituted under section 11;
- (f) “Director” means a member of the Board;

- (g) “Governor” means the Governor and includes an Acting Governor of the State Bank appointed under the Act;
- (h) “Managing Director” means the Managing Director appointed under section-9;
- (i) “Regulations” means regulations made under this Ordinance;
- (j) “Rules” means rules made under this Ordinance;
- (k) “Seal” means the common seal of the Bank;
- (l) “State Bank” means the State Bank of Pakistan established under the Act;
- (m) “Transfer Date” means the date specified in the Transfer Order;
- (n) “Transferred Order” means Transfer Order made under sub-section (1) of section 15;
- (o) “Transferred Employees” means the employees of the State Bank who shall, as from the Transfer Date, stand transferred to and become the employees of the Bank, by virtue of the Transfer Order; and
- (p) “Transferred Undertaking” means a part of the undertaking of the State Bank specified in sub-section (1) of section 15.

PART II.

ESTABLISHMENT AND OPERATION OF THE BANK.

3. Establishment and incorporation of the Bank. – (1) As from the date of promulgation of this Ordinance, there shall be established, a bank to be called SBP Banking Services Corporation.

(2) The Bank shall be a body corporate having perpetual succession and a seal and shall, by the name assigned to it by sub-section (1), sue and be sued.

(3) The head office of the Bank shall be situated in Karachi and it may establish branch, offices and agencies in Pakistan and any where outside Pakistan with the prior approval, in writing, of the State Bank.

4. Bank to be a subsidiary of the State Bank. -The Bank shall be a subsidiary of the State Bank, and the State Bank shall exercise control over the Bank in accordance with the provisions of this Ordinance.

5. Business and functions of the Bank. -(1) Subject to sub-section (2), the Bank under the overall supervision and control of the State Bank, may transact and carry on all or any of the following functions namely: -

- (a) The carrying on of the Transferred Undertaking, statutory and administrative functions and activities of the State Bank transferred or delegated by the State Bank to the Bank under this Ordinance;
- (b) the handling of receipt, supply and exchange of bank notes and coins which are legal tender;
- (c) the issue, supply, sale, encashment and handling of prize bonds, holding draws thereof and other savings instruments of the Federal Government of or a Provincial Government;
- (d) the performance of any other activity or business which the State Bank may, by order in writing, specify; and
- (e) The carrying on of any business and discharging of any functions and power as are incidental to, or in connection with, the affairs of the Bank, including, without limiting the generality of the foregoing and, the power to enter into any contracts or other instruments or any financial or other transactions, issue guarantees and indemnities, borrow and lend moneys, accept deposits of money, make investments, purchase and hold any property and assets, and to provide any services to the State Bank and to others and receive any fee, commission or other compensation for such services.

(2) The State Bank shall not transfer or delegate any of the functions specified in section 9A of the Act, including (i) formulation and monitoring of monetary and credit policies, (ii) regulation and supervision of the financial sector, (iii) foreign exchange regime and exchange rate policy, and (iv) payment and settlement system.

6. Share capital and limited liability.— (1) The authorized share capital of the Bank shall be one billion rupees or such other amount the State Bank may, from time to time, determine by order in writing and shall be divided into shares of one million rupees each.

(2) The paid-up capital of the Bank shall be such amount as may, from time to time, by order in writing be determined by the State Bank and held, *inter alia*, by it, including the fully paid-up shares issued to it under sub-section (7) of section 15.

(3) The share capital may be divided into different kinds and classes therein as may be prescribed by regulations.

(4) The liability of shareholders of the Bank shall be limited to the amount, if any, not fully paid-up on the shares held by them in the capital of the Bank.

7. Board of Directors. —(1) The general superintendence, direction and management of the affairs and business of the Bank and overall policy making in respect of its operations shall vest in the Board of Directors which may exercise all such powers and do all such acts, deeds and things that may be exercised or done by the Bank.

(2) In discharging its functions, the Board shall ensure compliance with the orders and directions that may be issued by the State Bank from time to time.