

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

to be asked at a sitting of the Senate to be held on

Thursday, the 11th February, 2010

16. *Mrs. Semeen Siddiqui: (Notice received on 22-01-2010 at 13:10 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state;

- (a) whether it is a fact that previously the Government Servants were allowed to purchase a Life Insurance Policy through State Life Insurance Corporation or any other company against General Provident Fund, if so, its details;*
- (b) whether it is also a fact that the said facility has now been withdrawn, if so, the date of its withdrawal and the reasons thereof; and*
- (c) whether there is any proposal under consideration of the Government to restore that facility, if so, when?*

Ms. Hina Rabbani Khar: (a) Yes, previously the Government servants were allowed to purchase a Life Insurance Policy through State Life Insurance Corporation or any other company against General Provident Fund. Its details are given in rule 17 of General Provident Fund (Central Services) Rules (**Annex-I**).

(b) Yes, the said facility has been withdrawn. The date of withdrawal of the said facility is 20th December, 1987 (Annex-II). The reasons are stated as follows:—

- (a) The cumbersome procedure for financing on Insurance Policy resulted in missing credits.
- (b) It was more convenient for Government servants to Finance Insurance Policies directly.
- (c) The final withdrawal of the GPF at the time of retirement etc. became difficult because of the missing credits.
- (c) There is no such proposal under consideration of the Government to restore the said policy.

Annexure-I

Payments towards Insurance Policies and Family Pension Funds

17. Subject to the conditions hereinafter contained in rules 18 to 27 :—

- * (a) subscriptions to a family pension fund approved in this behalf by the President may, at the option of a subscriber, be substituted in whole or part for subscriptions due to the Fund in Pakistan; and
- (b) the amount of subscriptions with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet—
 - (i) a payment towards a policy of life insurance;
 - (ii) the purchase of a single payment insurance policy;
 - (iii) the payment of a single premium or subscriptions to a family pension fund approved in this behalf by the President:

Provided that no amount shall be withdrawn (1) before the details of the proposed policy have been submitted to the Account Officer and accepted by him as suitable, or (2) to meet any payment or purchase made or effected more than twelve months before the withdrawal, or (3) in excess of the amount required to meet a premium or subscription actually due for payment within six months of the date of withdrawal :

Provided further that payments towards an educational endowment policy may not be substituted for subscriptions to the Fund and that no amounts may be withdrawn to meet any payment or purchase in respect of such a policy if that policy is due for payment in whole or part before the subscriber's age of normal superannuation:

Provided further that amounts withdrawn shall be rounded to the nearest whole rupee.

18. (1) If the total amount of any subscriptions or payments substituted under clause (a) of rule 17 is less than the amount of the minimum subscription payable to the Fund under rule 11 (1), the difference shall be rounded to the nearest rupee in the manner provided in clause (iv) of sub-rule (2) of rule 14 and paid by the subscriber as a subscription to the Fund.

*As substituted by G.P.M.F. Notification No. F. 12(38)-R. 6/69, dated the 10th January, 1970.

(2) If the subscriber withdraws any amount standing to his credit in the Fund for any of the purposes specified in clause (b) of rule 17, he shall, subject to his option under clause (a) of that rule, continue to pay to the Fund the subscription payable under rule 11.

19. (1) A subscriber, who desires to substitute a subscription or payment under clause (a) of rule 17, may reduce his subscription to the Fund accordingly:

Provided that the subscriber shall—

- (a) intimate to the Account Officer on his bill or by letter the fact of, and reason for, the reduction;
- (b) send to the Account Officer, within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer that the amount by which the subscription has been reduced was duly applied for the purposes specified in clause (a) of rule 17.

(2) A subscriber who desires to withdraw any amount under clause (b) of rule 17 shall—

- (a) intimate the reason for the withdrawal to the Account Officer by letter;
- (b) make arrangements with the Account Officer for the withdrawal;
- (c) send to the Account Officer, within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer that the amount withdrawn was duly applied for the purpose specified in clause (b) of rule 17.

(3) The Account Officer shall order the recovery of any amount by which subscriptions have been reduced, or of any amount withdrawn, in respect of which he has not been satisfied in the manner required by clause (b) of sub-rule (1) and clause (c) of sub-rule (2), with interest thereon at the rate provided in rule 14 from the emoluments of the subscriber and place it to the credit of the subscriber in the Fund.

Government decision.—A question has been raised as to what procedure should be followed in the case of those Government servants, who are posted in Pakistan Missions abroad and desire to withdraw amount from their Provident Fund for payment of premia to Insurance Companies located in Pakistan. It has been decided in consultation with the Comptroller and Auditor General that the following procedure may be followed in the case of non-gazetted staff :—

The application regarding the withdrawal of money from Provident Fund for payment of insurance premia may be made by the Government servants concerned to their administrative Ministry, as and when the premium falls due. The administrative Ministry will ask the A.G. P.R. to issue necessary Authority for the withdrawal of the amount equal to or less than the insurance premia payable by the Government servants concerned according to the balance available in the Provident Fund as the case may be. The applicant should also execute a power of attorney in favour of some one in Pakistan who will present the premium notice from the Insurance Company to the administrative Ministry concerned which will then submit the bill for the withdrawal of the amount to the A. G. P. R. On receipt of the amount from the A. G. P. R. the administrative Ministry would disburse the amount to the holder of the power of attorney, who will make payment to the Insurance Company concerned in Pakistan, and furnish the necessary receipt for the same to the administrative Ministry.

2. As for gazetted Government servants who are posted abroad, no particular procedure appears necessary in their case. Being their own drawing and disbursing officer, such Government servants can draw the amounts of their premia from their Fund accounts through their bankers in Pakistan who can make payments to the Insurance Companies concerned.

[G.P., M.F.O.M. No. D. 344-R. 3/61, dated 30th March, 1961.]

20. (1) Government shall not make any payments on behalf of subscribers to Insurance Companies nor take steps to keep a policy alive.

(2) A policy to be acceptable under these rules shall be one effected by the subscriber himself on his own life, and shall (unless it is a policy effected by a

male subscriber which is expressed on the face of it to be for the benefit of his wife, or of his wife and children, or any of them) be such as may be legally assigned by the subscriber to the President.

Explanation 1.—A policy on the joint lives of the subscriber and the subscriber's wife or husband shall be deemed to be a policy on the life of the subscriber for the purpose of this sub-rule.

Explanation 2.—A policy which has been assigned to the subscriber's wife shall not be accepted unless either the policy is first re-assigned to the subscriber or the subscriber and his wife both join in an appropriate assignment.

(3) The policy may not be effected for the benefit of any beneficiary other than the wife or husband of the subscriber or the wife or husband and children of the subscriber or any of them:

17. ***Mr. Abdur Rahim Khan Mandokhail:** (Notice received on 22-01-2010 at 13:10 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) *the number of promotional examinations held in income tax department during 2009;*
- (b) *the names of the successful candidates of those examinations indicating also the place of their present posting; and*
- (c) *whether promotional examination for Inspectors (PPS-14) was held during that year and successful candidates promoted accordingly, if not, the reasons thereof?*

Ms. Hina Rabbani Khar: (a) Only one promotional examination for the post of Income Tax Inspector (BS-14) was held during the year, 2009.

- (b) The list of successful candidates indicating their places of posting is at **Annex-I**.
- (c) ➤ Yes, only one examination for the post of Income Tax Inspector (BS-14) was held during the year 2009 at Lahore, Sialkot and Islamabad where vacancies against departmental promotion quota were available *i.e.* Lahore, Sialkot and Islamabad.
 - List of successful candidates promoted to the post of Income Tax Inspector against departmental promotion quota at Lahore and Sialkot is at **Annex-II**.
 - The promotion orders of successful candidates of RTO, Rawalpindi/Islamabad against departmental promotion quota have not been issued so far due to seniority dispute which is being resolved.

18. ***Mr. Muhammad Talha Mahmood:** (Notice received on 23-01-2010 at 08:40 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state the collection target fixed by the Government for different taxes during the financial year 2008-09 and the target achieved in each category?

Ms. Hina Rabbani Khar: Tax-wise target fixed for financial year 2008-09 and collection in each category realized during the fiscal year was as follows:

FY: 2008-09

(Rs. in Billion)

Tax Head	Target	Tax Collection
Direct Taxes	463.0	440.3
Sales Tax	454.0	452.3
Federal Excise Duty	117.0	116.0
Customs Duties	145.0	148.4
Total Taxes	1179.0	1157.0

19. ***Mr. Abdur Rahim Khan Mandokhail:** (Notice received on 23-01-2010 at 12:25 p.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state:

- (a) *whether the Government has re-instated all the sacked employees of Intelligence Bureau in pursuance of the provisions of Sacked Employees (Re-instatement) Ordinance, 2009; and*
- (b) *whether it is a fact that those reinstated employees are neither being paid monthly salaries on regular basis nor they have been paid other financial benefits admissible to them under the said ordinance, if so, its reasons and the time by which the same will be paid to them?*

Minister Incharge of the Cabinet Division: (a) Yes. The re-instatement of sacked employees in Intelligence Bureau has been made under Sacked Employees (Re-instatement) Ordinance, 2009.

(b) The reinstated employees in Intelligence Bureau are being paid their monthly salaries on regular basis.

It may be mentioned that in accordance with the ordinance, Intelligence Bureau reinstated the sacked employee in one scale higher of their substantive pay scales they held at the time of termination of their services. However, AGPR raised objections to the placing of reinstated employees in one scale higher and asked for the endorsement of Finance Division. Accordingly, Intelligence Bureau referred the case to Finance Division for endorsement as demanded by AGPR. Afterwards, the Finance Division while issuing instructions to AGPR to release the provisional pay of reinstated employees, advised Intelligence Bureau to refer the case to Anomaly Committee for guidance / clarification. Accordingly, the issue was referred to Anomaly Committee.

The advice of the Anomaly Committee has been received on 19-01-2010. In the light of advice of Anomaly Committee, Intelligence Bureau has approached the Finance Division with the request to issue further necessary instructions to AGPR to pay the monthly salaries to the reinstated employees in one scale higher.

As regards the payment of other financial benefits admissible to the reinstated employees, like the arrears for three years in three equal installments the Intelligence Bureau has requested the Finance Division to release the requisite funds. The same are yet to be provided by the Finance Division. However, Intelligence Bureau is vigorously pursuing the case with concerned authorities in Finance Division for early release of requisite funds. The due installments will be paid to the reinstated employees when the funds are received from the Finance Division.

20. ***Mr. Muhammad Talha Mahmood:** (Notice received on 25-01-2010 at 08:50 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to refer to question No.160 replied in the House on 20th January, 2010 and state the steps being taken by the Government for stability of Pak Rupee against international currencies?

Ms. Hina Rabbani Khar: To stabilize the exchange rate of pak rupee against other currencies Government in collaboration with the SBP has taken the following steps:—

- ◆ Limits on advance payments have been tightened. Now advance import payments will only be allowed against letter of credits and have been further reduced from 50% to 25%.
- ◆ Exchange companies have been directed to close all Nostro accounts abroad and transfer foreign currency from their accounts held outside Pakistan to commercial banks in Pakistan.
- ◆ Exchange companies have been encouraged to focus on promoting home remittances.
- ◆ In order to meet the demand of foreign currencies within Pakistan, the exchange companies have been directed to surrender their surplus foreign currency to State Bank.
- ◆ Forward booking against all types of imports have been suspended temporarily.
- ◆ Foreign exchange dealing time for customer and inter-bank transactions has been restricted.
- ◆ In order to further strengthen monitoring mechanism of transactions made through exchange companies, all exchange companies will be required to take prior approval of State Bank for all transactions of US\$ 50,000 or above on account of outward remittances or sale of foreign currencies to the customers.

- ◆ Crack down on illegal transfer of foreign exchange by the exchange companies has also been initiated.
- ◆ New Remittance Initiatives by the GoP and the SBP will also ease the inflows position which will help stabilizing the exchange rate.

21. ***Hafiz Rashid Ahmad:** (Notice received on 25-01-2010 at 11:25 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) *the number of tractors provided to the farmers by the Zarai Taraqiati Bank Ltd. during the last two years;*
- (b) *the procedure adopted for the provision the said tractors; and*
- (c) *whether any quota has been reserved for the members of the Parliament in this regard?*

Ms. Hina Rabbani Khar: (a) ZTBL has financed 37,747 tractors during the last two year.

(b) Loans for purchase of tractors are extended to the customers on their choice subject to eligibility, credit worthiness and merit of the case *i.e* security of land, building or any tangible security acceptable to the Bank.

(c) No quota is reserved for Parliamentarians. All eligible customers can apply and obtain loan for purchase of tractor on merit of the case.

24. ***Mr. Muhammad Talha Mahmood:** (Notice received on 27-01-2010 at 09:00 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) *the number of persons working in each branch of National Bank of Pakistan in Hazara Division on contract, adhoc and daily wages basis indicating also the salary, allowances and other fringe benefits admissible to them; and*
- (b) *whether there is any proposal under consideration of the Government to regularize the services of the said persons, if so, when?*

Ms. Hina Rabbani Khar: (a) 10 persons are working on contract basis in Abbottabad Region/Hazara Division. List of these persons indicating their salary, allowances and other fringe benefits is annexed.

No employee on adhoc or daily wages basis is working in Hazara Division.

(b) No proposal is under consideration to regularize the services of said persons.

25. ***Begum Najma Hameed:** (Notice received on 28-01-2010 at 09:00 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) the prescribed limit of over-draft for the provinces; and*
- (b) the amount of over-draft availed by the NWFP so far and whether the said amount has been converted into loan, if so, its details?*

Ms. Hina Rabbani Khar: (a) Overdraft limits of Provinces are as under:—

Punjab	Rs.26,993 million
Sindh	Rs.9,955 million
NWFP	Rs.5,556 million
Balochistan	Rs.4,521 million

(b) Currently NWFP Govt. has the credit balance. Credit balance as on 02-02-2010 is Rs.1,536 million. No amount has been converted into loan.

26. ***Hafiz Rashid Ahmad:** (Notice received on 28-01-2010 at 10:30 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) the name of incumbent Chairman Industrial Development Bank of Pakistan indicating also the salary, allowances and other fringe benefits admissible to him; and*
- (b) the criteria laid down for appointment against the said post?*

Ms. Hina Rabbani Khar: (a) The name Chairman/Managing Director of IDBP is Mr. Jamal Nasim. The salary, allowance and other fringe benefits paid to Mr. Jamal Nasim are as under:—

Basic Pay	Rs. 48,732/-
Allowances	Rs. 82,372/-
Utilities	<u>Rs. 56,331/-</u>
TOTAL	<u>Rs. 187,435/-</u>

(b) The criteria laid down for appointment against the said post are as under:—

- (i) Chairman/MD, IDBP is appointed by the Federal Government in consultation with State Bank of Pakistan.
- (ii) The Person should be professionally qualified a career banker having experience of at least 15 years including minimum of three years at senior level.
- (iii) The person to be appointed as Chairman /MD, IDBP should meet the “Fit and Proper Test” criteria formulated specially for this purpose by SBP.

27. ***Hafiz Rashid Ahmad:** (Notice received on 28-01-2010 at 10:30 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state the details of small industrial units in the country to which the Industrial Development Bank of Pakistan granted loans during the last five years indicating also the amount of loan granted in each case?

Ms. Hina Rabbani Khar: The information in respect of Question No.27 may be treated as Nil, as the financial restructuring of the Bank is under process. A new bank is being formed which will be functioning shortly. Due to liquidity constraint, the Bank has not lent any financial assistance during the last five years and is only concentrating on recoveries.

28. ***Dr. Abdul Khaliq Pirzada:** (Notice received on 28-01-2010 at 14:45 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state whether there is any proposal under consideration of the Government to provide incentives to government employees who possess higher qualifications?

Ms. Hina Rabbani Khar: There is no such proposal under consideration of the Government to provide incentives to Government employees who possess higher qualifications.

29. ***Dr. Abdul Khaliq Pirzada:** (Notice received on 28-01-2010 at 14:45 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state whether there is any proposal under consideration of the Government to bring the rates of ceiling / hiring of houses in Rawalpindi at par with those in Islamabad, if so, when?

Ms. Hina Rabbani Khar: At present, there is no such proposal under consideration of the Government to bring the rates of ceiling/hiring of houses in Rawalpindi at par with those in Islamabad.

*Islamabad :
The 10th February, 2010.*

RAJA MUHAMMAD AMIN,
Secretary.