

[AS PASSED BY THE SENATE]

A

BILL

further to amend the Oil and Gas Regulatory Authority Ordinance, 2002

WHEREAS it is expedient further to amend the Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance No. XVII of 2002) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act may be called the Oil and Gas Regulatory Authority (Amendment) Act, 2017.

(2) It shall come into force at once.

2. Amendment of section 3, Ordinance No. XVII of 2002.- In the Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance No. XVII of 2002), hereinafter referred to as the said Ordinance, in section 3,-

(i) for sub-section (3), the following shall be substituted, namely:-

"(3) The Authority shall consist of four members, one from each of the four Provinces, to be appointed by the Federal Government.

(ii) sub-sections (4), (5), (6) and (7) shall be omitted;

(iii) after sub-section (3), substituted as aforesaid, the following sub-sections (4) and (5) shall be added, namely:-

"(4) Every member shall be a person of known integrity and eminence with a minimum of twenty years of experience in the fields of oil, petroleum and natural gas industry, management, corporate finance, law, administration or consumer affairs and every Member shall hold an appropriate degree in the relevant field.

(5) The term of the office of each member shall be four years.";

(iv) for sub-section (8), the following shall be substituted, namely:-

"(8) Subject to sub-section (9), the Chairman of the Authority shall be appointed from amongst the members for a period of one year, by rotation, in the following order, namely:-

(a) the member representing the Province of Balochistan;

- (b) the member representing the Province of Sindh;
 - (c) the member representing the Province of the Punjab; and
 - (d) the member representing the Province of Khyber Pakhtunkhwa."; and
- (v) in sub-section (10), after the words, "Federal Government" the words, "in consultation with the concerned Provincial Government" shall be inserted.

3. Amendment of section 9, Ordinance No. XVII of 2002.- In the said Ordinance, section 9 shall be re-numbered as sub-section (1) of that section and after sub-section (1), re-numbered as aforesaid, the following new sub-section (2) shall be added, namely:-

"(2) In case any dispute or conflict or conflict of interests arises between the Federal Government and any of the four Provinces or their respective authorities, or among Provinces on any matter that comes under the domain of this Authority, it would be resolved in the Council of Common Interests whose decision shall be final."

STATEMENT OF OBJECTS AND REASONS

After the 18th Constitutional Amendment in the Constitution of Pakistan, 1973, the Provinces have been granted greater autonomy in matters relating to their natural reserves, hence, any Regulatory mechanism working at Federal level to regulate the affairs of the distribution of these resources and matters connected therewith must be mutually shared and agreed upon. However, this can be made possible only if any regulatory mechanism possesses equal representation from all the provinces; hence, it is necessary to provide for the equal representation from all the provinces in Oil and Gas Regulatory Authority.

2. At the same time, it is also necessary that if any dispute arises in the affairs of the Authority, it is resolved at a Constitutional forum of the Council of Common Interests.

3. The Bill seeks to achieve the aforesaid objectives.

SENATOR SASSUI PALIJO
Member-in-charge

Explanation:- In this paragraph, "average monthly wages" means total wages drawn during the year of account divided by 12, or by the number of months a worker actually worked during a year in respect which he is entitled to the benefit under the scheme, as the case may be, and "wages" has the same meaning as in clause (vi) of section 2 of the Payment of Wages Act, 1936 (IV of 1936); but does not include any overtime allowance or bonus."

STATEMENT OF OBJECTS AND REASONS

The Blue-Chip companies are backbone of the economy of the country. They are paying huge taxes and profits to the Government of Pakistan, but the workers of said companies are not getting due dividends of progress these organizations are making day by day. The workers of the companies, as per law, are entitled of 5 % of the profit which said companies will earn from time to time. In this regard, a limit of Rs. 10000/- of a worker's pay is fixed to make him eligible for the share from the said profit of 5% which limit, in 2007, was enhanced up to Rs. 15000/- through Finance Bill of 2007. However, the Supreme Court of Pakistan held that amendments in the law including such enhancement through Finance Bill is illegal though the Act of enhancement itself is not objectionable.

2. It is important to note that due to above limit of Rs. 10000/- about 98% of the workers are kept deprived from receiving share out of profits. Resultantly, huge amounts from the profits are transferred to Workers Welfare Fund which is not too beneficial for the workers hence it causes desperation among workers.
3. By keeping the workers on priority, there is need to spend 80% of the above said 5 % of the profits on workers who by their sweat and blood are making the companies profitable and the remaining amount must be deposited in the Workers Welfare Fund.
4. This Bill is designed to achieve objective.

**SENATOR MUKHTIAR AHMED DHAMRAH @ AAJIZ
SENATOR GIANCHAND
SENATOR SASSUI PALIJO
MEMBERS-IN-CHARGE**