

REPORT OF THE SENATE STANDING COMMITTEE ON PARLIAMENTARY AFFAIRS



House of the Federation

"THE ONE STOP SERVICE BILL, 2023"

Presented by:

SENATOR TAJ HAIDER

Chairman

Senate Standing Committee on Parliamentary Affairs

Report No. 4/2021-24

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE OF PARLIAMENTARY AFFAIRS ON "THE ONE STOP SERVICE BILL, 2023" REFERRED FOR CONSIDERATION AND REPORT BY THE HOUSE ON 25TH JULY, 2023

I, Senator Taj Haider, Chairman Standing Committee on Parliamentary Affairs, have the honor to present on behalf of the Committee, this report on "The One Stop Service Bill, 2023" which was referred to the Committee by the House on 25th July, 2023 for consideration and report.

2. The composition of the Committee is as under:-

| | |
|---|-------------------|
| i) Senator Taj Haider | Chairman |
| ii) Senator Azam Nazeer Tarar | Member |
| iii) Senator Muhammad Azam Khan Swati | Member |
| iv) Senator Dr. Muhammad Farogh Naseem | Member |
| v) Senator Sania Nishtar | Member |
| vi) Senator Abida Muhammad Azeem | Member |
| vii) Senator Hilal ur Rehman | Member |
| viii) Senator Farooq Hamid Naek | Member |
| ix) Senator Kamran Murtaza | Member |
| x) Senator Prof Sajid Mir | Member |
| xi) Senator Syed Ali Zafar | Member |
| xii) Senator Walid Iqbal | Member |
| xiii) Senator Syed Waqar Mehdi | Member |
| xiv) Minister for Parliamentary Affairs | Ex-Officio-Member |

3. The Committee took up the Bill in its meeting held on 1st August, 2023, which was attended by the following Members;

| | |
|----------------------------------|----------|
| i) Senator Taj Haider | Chairman |
| ii) Senator Abida Muhammad Azeem | Member |
| iii) Senator Sania Nishtar | Member |
| iv) Senator Syed Waqar Mehdi | Member |

4. At the outset, the Chair apprised the Committee that the Bill 'The One Stop Service Bill, 2023' had been introduced in the Senate by the Minister for Board of Investment (including Chinese and other FDI) and Special Initiatives and has been referred to the Committee by the House on 25th July, 2023, in pursuance of Rule 158 (2) of the Rules of Procedure and Conduct of Business in the Senate, 2012, which provides that any subject not so assigned or the subjects assigned to any Ministry for which a Standing Committee has not been constituted shall be dealt with by the Standing Committee of the Senate for Parliamentary Affairs.

5. Thereafter, Additional Secretary, Board of Investment (BOI), briefed the Members that The Special Economic Zones Act, 2012 was made for establishment, development and efficient operations of Special Economic Zones (SEZ) by providing a legal and regulatory framework to encourage domestic and international investors for promotion and establishment of industrial infrastructure and other related matters. In this regard, a one window to facilitate provision of all required public services in a time bound manner is globally acknowledged as a critical component to foster investment in Economic Zones and helps to reduce time for provision of required permits, certifications, NOC's etc. Accordingly, many attempts have been made at federal and provincial levels to provide investment facilitation through creation of such one windows to expedite provision of public services. However, none of these attempts could enable end-to-end provision of services to industrial users.

6. Moreover, Additional Secretary, Board of Investment (BOI), also apprised the Members that consultations were held with all major stakeholders, including provincial counterparts, SEZ developers, service providers etc. leading to development of an a legal framework i.e. One Stop Service Act, which enables provision of services to the investors through a single point of contact and will also enable speedy grant of approvals required to establish industrial undertakings in SEZs and will encourage rapid industrialization and economic activity in the country.

7. Additional Secretary, Ministry of Parliamentary Affairs, apprised the Committee that the Ministry supports The One Stop Service Bill, 2023, as the same has been approved by the Federal Cabinet.

8. Thereafter, the Committee initiated detailed deliberation on the Bill. Senator Syed Waqar Mehdi pointed out that the Committee needs to consider that whether there was a need for establishment of a new entity vide this Bill as the same processes can be performed by the Board of Investment (BOI) itself. Senator Abida Muhammad Azeem also opposed the Bill and stated that currently Special Economic Zones (SEZ) do not exist in Baluchistan. Additional Secretary, Board of Investment (BOI), apprised the Members that the first phase of Bostan Special Economic Zone in Baluchistan had been completed and progress is being made in this regard.

9. Senator Sania Nishtar opposed various Sections of the Bill and objected to the establishment of One Stop Service Center (OSSC) as a body corporate and pointed out that under Sections 3, 4, 5, 14, 15 and 16 of the Bill the One Stop Service Center (OSSC) Board have been accorded powers above and beyond the powers of the Federal Cabinet. Moreover, Section 13 of the said Bill provides that OSSC Board will have the power to prescribe Special Regimes and in case no Special Regimes exists the Board may by-pass or eliminate altogether any regulatory requirement for the purpose of this Bill which may lead to dangerous consequences for public at large. Senator Sania Nishtar also opposed Sections 25 and 26 which provides overriding effect of this Bill over other Acts and indemnifies OSSC against prosecution or any legal proceedings.

10. Additional Secretary, Board of Investment (BOI), stated that the idea for establishment of One Stop Service Centers (OSSC) was put forward three and half years back and the said idea had been deliberated upon since then. Moreover, BOI had engaged all major stakeholders for the creation of IT based portal and had also consulted Japan International Cooperation Agency (JICA) for creation of workflows, however, all local stakeholders and JICA failed to provide any consultancy in this regard. Therefore the said Bill has been drafted keeping in view these issues.

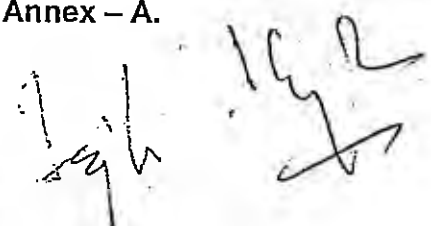
11. The Chair, with the permission of the Members, also laid before the Committee the list of views/ comments submitted by Senator Syed Ali Zafar on the Bill which were received in written form wherein Senator Syed Ali Zafar had proposed that adequate time was required for properly considering and finalizing the Bill as the Bill appeared to be tabled in a haste and also contained various Legal and Constitutional anomalies which needed to be addressed in detail.

12. Chairman Committee also expressed that certain sections of the Bill are in conflict with matters related to the provinces after the 18th Amendment and recommended that Board of Investment (BOI) to provide for major role of provinces in the Bill along with inclusion of representation from Provinces and major service providers in the OSSC board. Chair also recommended BOI to establish an IT Cell within the organization for performing functions of One Stop Service Center (OSSC) instead of establishing a new entity under the said Bill.

13. Therefore, Chairman Committee while taking cognizance of importance, necessity and objective of the Bill and the observations/ objections raised by the Members, put before the Committee Members that the Bill in its present form, as introduced in the Senate, may not be passed by the Senate and Board of Investment (BOI) may be recommended to kindly improve upon the Bill in light of objections and recommendations made by the Committee. Members unanimously agreed with the Chair.

14. Accordingly, in the light of detailed discussion, the Committee unanimously voted that the Bill, as introduced in the Senate, may not be passed in its present form. Copy of the Bill as introduced in the Senate is at Annex – A.


(HASSAN FAROOQ DAR)
Section Officer/ Secretary
Committee


(SENATOR TAJ HAIDER)
Chairman
Senate Standing Committee on Parliamentary Affairs

Islamabad, the
2nd August, 2023.

AS INTRODUCED IN THE SENATE

A

Bill

to provide for establishment of one stop service for investors in special economic zones and the country, in general

WHEREAS, it is necessary to provide a legal framework for ease of doing business through establishment and enforcement of special regimes, elimination of regulatory requirements, empowerment of the developers and business process reengineering for efficient business environment in the special economic zones;

WHEREAS, in order to ensure unhindered right to lawful business and trade as protected in Article 18 and free trade across Pakistan as given in Article 151 of the Constitution of the Islamic Republic of Pakistan, it is expedient that a body be established to simplify business processes, facilitate implementation and realization of local and foreign investment plans while lowering cost of governance and doing business in special economic zones;

NOW, THEREFORE, in order to provide One Stop Service for the aforesaid purposes and to provide for matters connected therewith and ancillary thereto;

It is hereby enacted as follows:—

CHAPTER I

INTRODUCTORY

1. **Short title, extent and commencement.**— (1) This Act may be called the One Stop Service Act, 2023.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. **Definitions.**— (1) In this Act, unless there is anything repugnant in the subject or context:—

(a) “applicant” means a user that makes a formal application to OSSC for provision of any Service;

(b) “BOA” means the Board of Approvals as defined under clause (c) of section 3 of the Special Economic Zones Act 2012 (XX of 2012);

- (c) "BOI" means the Board of Investment as defined under clause (d) of section 3 of the Special Economic Zones Act 2012 (XX of 2012);
- (d) "electronic" includes electrical, digital, magnetic, optical, biometric, electrochemical, wireless or electromagnetic technology;
- (e) "electronic document" includes any document, record, information, communication or transaction in electronic form related to OSS;
- (f) "electronic signature" means any letters, numbers, symbols, images, characters or any combination thereof in electronic form, applied to, incorporated in or associated with an electronic document, with the intention of authenticating or approving the same, in order to establish its authenticity or integrity or both;
- (g) "focal point" means the focal point duly authorized by the service provider pursuant to clause (c) of sub-section (1) of section 10;
- (h) "one stop service" or "OSS" means one stop service which is an information and communication technology based facility established by BOI under section 8 to enable provision of end-to-end services within the stipulated time, that allows an applicant to lodge formal application with standardized information and documents through a single-entry point to seek services without being required to submit the same data element more than once;
- (i) "OSSC" means the one stop service center as established by BOI under section 3 and includes any of its regional or sub-regional offices as may be established in or outside Pakistan for efficient and effective delivery of OSS under this Act;
- (j) "prescribed" means prescribed by rules or regulations made under this Act;
- (k) "public sector entity" means Federal Government, its entity and any statutory or other corporation or authority or any other entity, by whatever name it may be called, subject to the overall control or direction or owned by the Federal Government, and includes such other Provincial or Local Government or their entities, which enter into an agreement with OSSC for efficient service delivery in accordance with the provisions of this Act;
- (l) "registration" means issuance of a unique user identifier to any entity to access the OSS, in the prescribed manner;

- (m) "risk based methodology" means a methodology to identify and assess the extent of a likely hazard and to estimate the probability and consequences of negative outcomes on life, property, economy or environment etc;
- (n) "service" includes any service, benefit, incentive, license, approval, clearance, certification or permit etc, as may be required by the applicant, and made available under this Act, for realization or sustainability of investment, including aftercare services and facilitation, or fulfillment of regulatory requirements;
- (o) "service charges" means the fees or charges or any monetary payment prescribed, levied or processed by OSSC for provision of any service through OSS;
- (p) "service provider" means the Public Sector Entity or any private sector entity, services of which may be provided on the OSS;
- (q) "SEZ" means the Special Economic Zone as defined under Special Economic Zones Act, 2012 (XX of 2012);
- (r) "SOP" means the standard operating procedures to ensure provision of services within stipulated time;
- (s) "stipulated time" means the time available to the service provider for provision of services as prescribed under regulations; and
- (t) "user" means an entity duly incorporated under the applicable laws, which is eligible to undertake any economic activity as a zone enterprise or zone developer or any other entity that is provisionally approved by OSSC to apply for the services on OSS, as the case may be.

(2) All other words and expressions used in this Act and not defined herein shall have the same meanings as are assigned thereto in the Special Economic Zones Act, 2012 (XX of 2012).

CHAPTER II

ESTABLISHMENT AND FUNCTIONS OF ONE STOP SERVICE CENTER

3. **Establishment of one stop service center.**— (1) On the date of commencement of this Act there shall stand established in BOI a center to be known as One Stop Service Center (OSSC), to exclusively facilitate efficient delivery of one stop services and matters ancillary thereto, across Pakistan that shall use, including but not limited to, any electronic and technological means available or made available in the future, for this purpose.

(2) The OSSC shall be a body corporate, having perpetual succession and a common

seal, with powers to enter into any contracts or other instruments or any financial or other transactions, borrow moneys, seek investments, make investments, create subsidiaries, purchase, acquire, develop, manage, sell, lease, sub-lease, sub-let, hold etc, moveable and immoveable property, and to provide any services and receive any fee, commission or other compensation for such services, and shall by said name sue and be sued.

4. Functions of OSSC.—The OSSC may —

- (a) receive applications for any service and submit it to the concerned service provider *via* OSS system for processing and necessary disposal;
- (b) grant and issue approvals, as the case may be, whether manually or electronically, to the applicant, by exercising the powers of service providers, given to it, through delegation of authority or through their authorized focal points, as the case may be;
- (c) formulate and notify SOP, in consultation with service providers, for provision of pre and post establishment services to applicants through OSS system;
- (d) provide necessary information, consultancy-services, advice and assistance to the user;
- (e) provide necessary advice and directions to service providers and focal points;
- (f) exercise control over and supervise and monitor the activities of OSS;
- (g) monitor the progress of the applications and take necessary steps to quickly resolve the outstanding applications, if any;
- (h) enter into agreements with service providers and other entities for efficient service delivery;
- (i) undertake detailed regulatory and sector mapping to identify existing processes and procedures to promote ease of doing business;
- (j) provide for bypassing, simplification or elimination of disproportionate or non-risk based regulatory requirements, including but not limited to, elimination of redundancies through business process reengineering and

prescription of special regimes, including compliance regime and procedures for provision of services to users;

- (k) establish facilitation desks, regional or sub-regional offices in and outside Pakistan;
- (l) recommend initiation of departmental proceedings on account of inefficiency of any service provider to the competent authority;
- (m) prescribe, levy or process, as the case may be, any service charges for provision of any service;
- (n) assist, recommend or direct service providers in digitization and automation of their processes at their own cost;
- (o) requisition any resource, human or otherwise, from any stakeholder or service provider, as the case may be, at their cost, for the purposes of timely and efficient operation of OSSC;
- (p) implement and enforce all decisions of the OSSC Board;
- (q) take steps for promotion of OSSC activities, internationally and domestically;
- (r) coordinate, facilitate and carryout all activities related to OSSC Board; and
- (s) take any other step as deemed appropriate to ensure that the services are provided within the stipulated time.

5. **OSSC Board for ensuring one stop service.** – (1) The Prime Minister may, on recommendation of the BOI and by notification in the official Gazette, constitute a Board called the OSSC Board for ensuring the supervision of OSSC and its activities under this Act, to be headed by the Federal Minister concerned with the affairs of BOI, as its chairperson, and where the chairperson is not present Chairman BOI or Secretary BOI shall preside.

(2) OSSC Board shall have not less than seven and not more than fifteen *ex-officio* and independent members, provided that not less than three independent members shall be appointed from private sector from amongst persons of renowned integrity, expertise, experience and knowledge.

(3) The term of independent members shall not be more than three years extendable for another term upon satisfaction of the appointing authority:

Provided that an independent member shall hold office during the pleasure of the appointing authority and may be removed from office if such member has, in the opinion of the appointing authority, so abused the position as to render his continuance in office detrimental to public interest:

Provided also that no member shall be removed from office until he has been given a reasonable opportunity of being heard:

Provided further that any independent member may resign from his office upon tendering his resignation to the appointing authority.

(4) An *ex-officio* member shall hold office as member till such time he holds the office by virtue of which he is a member and upon his transfer, retirement, resignation or removal from office, the person appointed in such person's place shall be the member.

(5) OSSC Board shall meet at least once in a quarter whereas its procedure shall be such as may be prescribed by regulations.

(6) The Secretariat of BOA shall provide necessary secretarial support whereas the Director General OSSC shall be *ex-officio* member of the Board and shall also act as its secretary.

(7) OSSC Board may constitute committees comprising two or more of its members for performance of any task or inquiry as specified by the OSSC Board and such committee shall furnish its recommendations or report to the OSSC Board in such period as the OSSC Board may specify.

(8) Decision of the OSSC Board shall be made by simple majority of the members present and voting and the Chairperson shall have a casting vote in case of equality of the votes.

(9) Secretary OSSC may with the permission of the Chairperson, invite representatives from any public or private sector entity for specific agenda item relating to that entity; and the representative so invited shall be considered a member of the OSSC Board for that specific agenda and shall have a vote.

(10) OSSC Board may delegate any of its powers and assign its functions subject to such conditions as it may deem fit to impose, to the Secretary or any officer of the OSSC.

6. Management of the OSSC.— (1) The OSSC shall be managed in the prescribed manner in BOI, whereas superintendence and control of the OSSC shall vest with the OSSC Board

established under section 5.

(2) The Chairperson OSSC Board shall appoint a Director General OSSC from amongst the officers of the BOI to manage affairs of the OSSC. The Director General OSSC and the employees of the OSSC shall be delegated maximum authority at appropriate levels, as deemed necessary, through rules for its smooth and independent working.

(3) For the effective and efficient management, development, operations, enhancement and up-gradation of the OSSC including its regional, sub-regional offices and other such desks and set ups, as may be approved by the OSSC Board. The OSSC Board shall be empowered to create posts and appoint such officers, experts, consultants and staff on such terms and conditions as may be prescribed by rules that shall be market competitive to attract and retain such resources:

Provided that where a government employee is required to serve in OSSC, his terms and conditions of employment as to his pay and perquisites shall not be less favourable than the officers working in OSSC in equivalent pay scales and those to which he would have otherwise been entitled if he had not been so required to serve.

Provided further that retention of employees posted under this sub-section or extension in their tenure shall be subject to objective performance assessment by the OSSC as per its performance evaluation benchmarks or human resource policy.

7. **Jurisdiction of OSSC outside SEZs.**— Upon considering a proposal from any entity, the OSSC Board may, by a notification in the official Gazette, extend the setup of OSSC for provision of all or any of OSSC services to investors outside the SEZs and within the scope of the said proposal, in the same manner as applicable to SEZs.

CHAPTER III

OSS SYSTEM, APPLICATION SUBMISSION AND PROVISION OF ONE STOP SERVICE

8. **Establishment of OSS system.**— (1) In order to provide any services to applicant through OSSC by using technology, BOI may establish OSS as per its own automation method, through which any electronic document, authorization, permit, certification, licence, approval or any other form of information, whether required, delivered or provided by a registered user shall be deemed to have been required, delivered, provided or done under this Act and all such electronic information shall be valid and admissible for all legitimate usage.

(2) The applicant shall not be required to apply separately to any service provider for

any service once that service has been incorporated on OSS except through the OSSC:

Provided that, the OSSC shall, in the prescribed manner, send the documents and information to the service provider, which it may use for its official records:

Provided further that the OSSC may requisition any information, including but not limited to status updates and reports from any service provider for monitoring, evaluating and regulating purposes.

(3) OSSC may enter into partnerships or itself develop or acquire, fully or partly, any requisite software, hardware, system code, data, infrastructure or anything ancillary thereto, in order to effectively operate the OSS, whereas, unless otherwise agreed in writing by the BOI, such software, hardware, system, code, data, infrastructure or anything ancillary thereto shall at all times be accessible to and remain the property of the BOI.

9. **Methods for submission of application.**—(1) Any user intending to receive service after registration on OSS, shall submit the application through any of the following methods, as per prescribed procedures, namely:—

- (a) by online self-submission on OSS; or
- (b) by applying through OSSC facilitation desks of regional or sub-regional offices.

(2) All relevant information, documents and service charges, if any, have to be submitted with the application:

Provided that if any information or document cannot be submitted, the applicant shall provide a self-declaration, in the prescribed manner, stating the reasons for non-submission of such information or documents and the same shall be submitted *via* OSS within the time frame as given in the relevant SOP.

(3) On receipt of applications under clause (a) of sub-section (1), the OSSC shall immediately conduct an initial scrutiny of the relevant documents as per the prescribed SOP.

(4) In case the application is found in order, the OSSC shall forward the application to the relevant focal point, whereas in case of any deficiency the application shall be returned to the applicant for completion of documentation:

Provided that in case of self-declaration by the applicant within the meaning of sub-section (2), the documents or information, as the case may be, constituting the self-declaration shall not

constitute a part of the initial scrutiny or construed as a deficiency for the purposes of this sub-section.

(5) OSSC shall deposit the service charges received with the application in favour of the relevant service provider as accruable to it while making use of electronic means.

CHAPTER IV

FUNCTIONS AND ROLE OF SERVICE PROVIDERS AND FOCAL POINTS

10. Functions of service provider.— (1) For the purposes of this Act, a service provider shall—

- (a) as may be authorized under relevant statutes, delegate maximum possible authority to OSSC for application processing and disposal;
- (b) frame an SOP, for each Service, in consultation with OSSC;
- (c) nominate, notify and authorize one or more focal points in the prescribed manner to process, evaluate, monitor and dispose the applications received from the OSSC, within the stipulated time and execute relevant activity as per the manner specified in relevant SOP;
- (d) provide service to the applicant exclusively through OSS in the prescribed manner, while employing its own resources and remaining within stipulated timelines, unless otherwise extended;
- (e) accept and process electronic documents and grant electronic approvals bearing electronic signature of OSSC through OSS;
- (f) make all necessary efforts to reduce the time it takes to process an applicant's request and provide the requisite Service, in the shortest possible time, with maximum time being the stipulated time, expiry of which shall instigate escalation in the prescribed manner;
- (g) make all necessary efforts to automate its services, in case digital solution is not available at the time of incorporation of its service on OSS;
- (h) be liable to hold appropriate proceedings against the delinquents on unreasonable delay in provision of any service to the applicant if reported so by OSSC;
- (i) be responsible for establishing and managing fully manned OSS cells under the supervision of focal point to provide back-office support, as deemed necessary; and

- (j) be able to execute activities through third party as may be specified under the relevant SOP, if required.

(2) Service providers shall assist OSSC Board in removal of redundancies and streamlining and simplification of procedures through business process reengineering, special regimes and implementation thereof through OSSC.

11. Assumption of role as service provider. -- (1) A zone developer or any other entity having a contractual relationship with the zone developer, as may be allowed by OSSC Board, shall be able to assume the role of service provider for provision of a particular service, including but not limited to supply of electricity, gas and water *via* OSS, if --

- (a) it enters into an agreement with a public sector entity for provision of service on its behalf; or
- (b) it is licensed by the public sector entity for provision of service on its behalf.

(2) Upon assumption of role of service provider under sub-section (1) the zone developer or any such entity, may execute any of the related activities by itself or through a third party, as deemed necessary:

Provided that the stipulated time and service charges, if any, accruable to the developer or any such entity, shall not be more than those which would have been accrued in case such services are provided by the public sector entity itself.

(3) Notwithstanding anything contained in any other law for the time being in force, for the purposes of this section, the public sector entity shall frame and notify simplified procedures to enable assumption of the role of service provider by a zone developer or any such entity, under sub-section (2), whether through agreement, licensing or delegation of authority.

(4) The assumption of role under sub-section (1), shall remain subject to compliance with the relevant applicable laws to the satisfaction of the concerned public sector entity for which that public sector entity may undertake quality checks or audits, as may be specified under the relevant SOP.

(5) A zone developer or any other entity having a contractual relationship with the zone developer, as may be allowed by OSSC Board, shall be authorized to provide the service of approval of building plans within stipulated time *via* OSS, thereby allowing commencement of construction activities:

Provided that the stipulated time and service charges, if any, accruable to the developer or any such entity, shall not be more than those which would have been accrued in case such Services

are provided by the public sector entity itself:

Provided further that nothing in this sub-section shall bar the user to get the aforesaid Service directly from the relevant public sector entity, while updating its record on the OSS for enforcement of building code.

12. **Focal point.**— (1) A focal point shall be authorized on behalf of their organization through requisite delegation of authority, or otherwise, and shall be fully competent to exercise maximum authority under applicable laws to dispose of the applications received from the OSSC, within the stipulated time in an efficient manner and execute relevant activity, as per the relevant SOP:

Provided that if any focal point is unable to execute any activity for any specific reason, he shall immediately inform the competent authority of the service provider and in such case such authority shall, within the earliest possible time, provide the required service.

(2) Focal point shall start the activities for provision of Services by considering an application, even if any information or document is partially incomplete, in pursuance of the self-declaration made by the applicant under sub-section (2) of section 9:

Provided that the activities for provision of service may be initiated on the basis of self-declaration if:

- (a) any information or document cannot be submitted with the application due to a situation which is beyond control of the applicant or for any special circumstances; and
- (b) after obtaining the promised information or document as per the self-declaration, the disposal of the application shall not take more time than the stipulated time.

(3) Without prejudice to the stipulated timeline for disposal of applications, focal point shall be able to take advice from his competent authority for disposal of a specific case, under intimation to OSSC to enable addition in the relevant SOP, if needed.

(4) After being satisfied with the application submitted under section 9 and the information and documents attached with it, the focal points shall issue the electronic approval *via* OSS by approving the required service within the stipulated time.

(5) If the focal point is not satisfied with the application and relevant documents, if any, submitted under section 9, he may return the application by stating the reasons and suggesting remedial course of action that shall be immediately communicated to the applicant *via* OSS.

(6) Upon receipt of returned application, the focal point shall reconsider the case as per the remedial course of action earlier suggested under sub-section (5) and if the application so returned is again found deficient, he may return or reject the same.

(7) If an application is rejected under the sub-section (6) the concerned applicant may apply for reconsideration of such application within fifteen working days of such rejection in the prescribed manner.

(8) An applicant shall not be stopped from submitting a new application only for the reason that his original application or the application for reconsideration was rejected.

CHAPTER V

SPECIAL REGIMES

13. Special regimes and elimination of regulatory requirements.— (1) For the purposes of expeditious implementation of investment, the OSSC Board shall prescribe special regimes including but not limited to compliance regimes employing risk-based methodology for services, to be observed and complied with by the entities under this Act:

Provided that in case of non-prescription of a special regime for a particular service, the OSSC Board shall have the power to approve any proposal for business process re-engineering or bypassing, simplification or elimination of regulatory requirements through risk-based methodology:

Provided also that any elimination of any requirement or business process reengineering or prescription of a special regime including compliance regime, shall be effective upon endorsement of the Federal Government:

Provided further that lack of change in the relevant statutes shall not bar any public sector entity to give effect to any elimination of any requirement or adoption of reengineered business processes or enforcement of special regimes including compliance regime, upon endorsement of the same from the Federal Government.

(2) In order to facilitate the applicant and reduce the stipulated time, the OSSC board shall specify a framework for performance of joint inspections by the OSSC as per the relevant SOPs:

Provided that the framework of joint inspections shall endeavor to eliminate individual inspections by service providers or any other entity on their behalf.

(3) For the purposes of this section, any violation or non-compliance of the conditions specified under the prescribed special regime, including compliance regime, by the Applicant, shall entail imposition of penalties including monetary penalties, forced closure of business, demolition of structures, seizure of property etc., as may be specified under the said regime to protect the interests of the public at large.

(4) Unless prescribed otherwise by the OSSC board, the SEZ committees shall be authorized to facilitate OSSC in administration of special regimes in their respective SEZs.

(5) For the purposes of effective implementation of the special regimes under this section, all public sector entities, shall duly nominate a designated person who shall report to the OSSC Board.

CHAPTER VI

ACCOUNTABILITY, NEGLIGENCE, ENFORCEMENT AND DISPUTE RESOLUTION

14. **Accountability of Providing One Stop Service.** – (1) OSSC shall submit consolidated reports to the OSSC Board on the functions performed by it.

(2) After reviewing the reports, if it is observed that any focal point or any office bearer of service provider in the prescribed escalation chain, as the case may be, is negligent, reluctant or irregular in performing their activities, the Secretary OSSC Board may give direction to take necessary steps pursuant to section 15:

Provided that upon receipt of any such complaint or observance of delay, reluctance or negligence, the Secretary OSSC Board may take such steps as may be delegated to him by the OSSC Board.

(3) The relevant public sector entity and service provider shall take immediate steps for execution of the direction given under sub-section (2) and shall keep OSSC informed regarding the steps taken.

15. **Outcome of negligence or non-performance of obligations under this Act.** – (1) Notwithstanding anything to the contrary contained in any other law for the time being in force, if any person is reported or found negligent in performing his duty or activity and if an application cannot be disposed of within the stipulated time, such act shall be considered as inefficiency and misconduct under the respective laws governing the employment of the said person.

(2) Upon receipt of any information under sub-section (1), the competent authority of

the respective delinquent shall take appropriate action under the applicable law, in addition to repayment of any service charges, received by service provider in lieu of processing of the applicant's request, as well as payment of prescribed damages.

16. **Dispute resolution.** — (1) Subject to section 15, the OSSC Board may, constitute committees or sub-committees, as the case may be, for resolving any disputes that may arise during the course of implementation of this Act or for any actions taken or intended to be taken under this Act or rules made thereunder.

(2). The committees or sub-committees, constituted under sub-section (1), shall be fully competent to deliberate or review any decision made by any service provider or a focal point and hear the complaints or grievances of the applicants and to give a decision or recommendation with a majority vote that shall be binding for all parties:

Provided that the relevant service provider, focal point and the applicant, shall be given fair chance of representation before reaching any verdict.

CHAPTER VII

BUDGET, FINANCE AND AUDIT

17. **OSSC Fund.**—(1) There shall be created a Fund to be called the OSSC Fund, which shall vest in the OSSC and shall be utilized by it in line with the provisions of this Act. All sums received by OSSC shall be credited to the Fund. Such sums may include —

- (a) amount as the Federal Government may allocate to the BOI, from time to time, in the annual budget;
- (b) funds, loans and grants by the Federal Government for payment of salaries, establishing infrastructure and running day-to-day business of the OSSC;
- (c) aid, loans or investments, whether foreign or local, obtained or raised by the OSSC;
- (d) income generated from levy of service charges as provided in sub-section (2);
- (e) income generated from use and sales of digital products and services; and
- (f) any other source, as approved by the OSSC Board, upon recommendation of the OSSC.

(2) The OSSC Board may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy service charges for any of the services provided by or on behalf of the OSSC, at such rate as may be specified therein.

(3) A single line budget shall be provided to the OSSC.

(4) Secretary BOI shall be the principal accounting officer for OSSC.

(5) OSSC may open and maintain accounts in local and foreign currency with the State Bank of Pakistan or with any scheduled bank in Pakistan as may be prescribed by rules:

Provided that bank accounts of the OSSC shall be opened with the prior approval of principal accounting officer.

(6) The Federal Government upon recommendation of BOI may allocate additional funds and grants to the OSSC in case the income from OSSC service charges is insufficient to meet the operating expenses.

(7) The management, operations and maintenance of all accounts and sums received or raised therein and any spending or investments made therefrom, under this Act, shall be done by the OSSC in the manner as may be prescribed by rules:

Provided that all sums received or raised under this Act shall be placed in a non-lapsable account and may be utilized for meeting the expenses of the OSSC, its allied operations, and enhancement of the OSS including, but not limited to, procuring, owning, hiring, developing, maintaining, upgrading, marketing or operating etc. any OSS related promotion, software, hardware, system, code, data, infrastructure, property required or utilized by the OSSC, BOI and service providers, and for hiring, training, research, capacity building and welfare of their employees, or any other legitimate usage, in the prescribed manner.

(8) OSSC shall, in respect of each financial year, prepare its own budget in accordance with prescribed procedures and shall maintain complete and accurate books of account of its annual expenses and receipts.

(9) In respect of each financial year, the OSSC shall submit for approval of the principal accounting officer, by such date and in such form as may be specified, a budget statement showing the estimated receipts and expenditure and the sums which are likely to be required from the Federal Government during the next financial year.

(10) The budget prepared by the OSSC shall be reviewed by the budget committee

consisting of three officers to be nominated by the BOI, two from amongst the officers posted in the OSSC and one from BOI. The budget committee shall ensure that the OSSC complies with all requirements of this Act, the rules and regulations pertaining to such budget.

(11) All investments by the OSSC shall, subject to the provisions of other laws for the time being in force in this behalf, be made with the approval of the OSSC Board.

(12) The OSSC may apply for international grants for the purpose of achieving objectives of this Act.

(13) Subject to Articles 169 and 170 of the Constitution, the accounts of the OSSC shall be audited annually by the Auditor General of Pakistan and copies of the Auditor General's report on the accounts shall be submitted to the BOI and the Federal Government.

CHAPTER VIII

MISCELLANEOUS

18. **Assistance from other agencies.** — Notwithstanding anything contained in any other law for the time being in force, the Secretary OSSC Board may, with the approval of the Chairperson OSSC Board, seek assistance from any Federal or Provincial entity, by whatever name it may be called, to enforce the provisions of this Act or rules made hereunder, and provision of any such assistance upon receipt of request shall be binding on the recipient.

19. **Power to seek assistance from BOA.**— The OSSC Board shall be empowered to request the BOA or any of its members for necessary intervention, facilitation or direction to any service provider or any other entity to implement the decisions of the OSSC Board and to achieve the objectives of this Act.

20. **Power to make rules.**— (1) For the purpose of this Act, the Federal Government on recommendation of BOI may, by notification in the official Gazette, make, repeal or amend rules, including but not limited to the matters related to funding, spending, recruitment etc.

(2) Until rules are made under sub-section (1), the OSSC Board may, by notification in the official Gazette, give any general or special order for expediting and ensuring one stop service, subject to being consistent with this Act.

21. **Power to make regulations.**— (1) For the purpose of this Act, the OSSC Board may, by notification in the official Gazette, make regulations, for matters related to processing of applications, including but not limited to stipulated timelines, escalations, special regimes etc.

(2) Until regulations are made under sub-section (1), the OSSC Board may, by notification in the official Gazette, give any general or special order for expediting and ensuring one stop service, subject to being consistent with this Act:

22. **Admissibility of electronic documents.**— (1) Any law, for the time being in force, and requiring documents to be created, retained, authenticated, notarised, duplicated, submitted, delivered or evidenced shall be deemed to have been complied with if such documents are available and retrievable in the electronic form *via* OSS.

(2) Any permit, licence, authorisation or approval required under any law to be issued shall be deemed to have been lawfully issued if the same is issued in electronic form *via* OSS.

(3) Any information, documents, data, authentication, or authorization transmitted, received, stored, done or processed in OSS electronically may bear such marks, numbers, bar codes or identifiers which shall be deemed to bear electronic signatures and shall be admissible as evidence in any legal fora within and outside Pakistan.

(4) Any electronic exchange of information, declaration, documents or record, transaction, accounts, offer or acceptance of an offer, notice, order, payment, authentication, authorisation or information, required, delivered or provided by any of the service provider or OSSC, authorised or registered users or any other entity, organisation or department shall be deemed to have been provided, required, delivered or done in accordance with the law for the time being in force, if and when communicated electronically through the OSS or its allied systems and shall be admissible as an evidence in any court of law, tribunal or before an inquiry commission or any quasi-judicial authority etc.

23. **Recovery of fines and other dues as arrears of land revenue.**— The OSSC may, subject to such direction from the OSSC Board, recover the fines imposed or other dues recoverable under this Act as arrears of land revenue.

24. **Provisions to apply on Provincial & Local Governments.**— Notwithstanding anything to the contrary contained in any other law, rule, regulation etc., for the time being in force, any Provincial or Local Government or any of its entity may enter into an agreement with OSSC for provision of their services to the applicant and become a service provider. Such agreement shall be in accordance with the provisions of this Act and not otherwise.

25. **Overriding effect of the Act.**— Notwithstanding anything to the contrary contained in any other law, rule, regulation etc, for the time being in force, the provisions of this Act shall prevail over the provision of the said law which is in conflict with this Act relating to provision of any Service, and that part of the law or provision of the law shall be considered invalid.

to the extent of the conflict.

26. **Indemnity.**— No suit, prosecution, or other legal proceeding shall lie against the OSSC for anything done in good faith or intended to be done under this Act or any rule made hereunder. The staff, employees, advisers and consultants of the OSSC or posted therein, shall not be liable in their personal capacity for any act or omission done in their official capacity in good faith and in case of any such proceedings, they shall be indemnified by the OSSC which shall bear all the expenses thereof, till final decision of the case.

27. **Removal of difficulties.** — In case any difficulty arises in giving effect to any provisions of this Act, the Federal Government may, by notification in the official Gazette, make such order as it may deem fit for removal of the difficulty.

STATEMENT OF OBJECTS AND REASONS

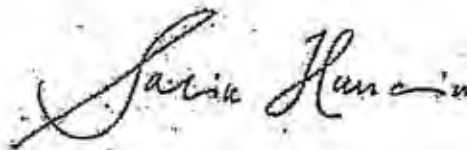
The Special Economic Zones Act, 2012 was made for establishment, development and efficient operations of Special Economic Zones (SEZ) by providing a legal and regulatory framework to encourage domestic and international investors for promotion and establishment of industrial infrastructure and for other related matters. To incentivize such investment, the said Act provides certain fiscal and allied incentives to the Zone Enterprises and Zone Developers.

2. However, the benefit of the fiscal and allied incentives is derived from setting up of businesses within the stipulated timelines. The provision of required permits, certifications and NOCs as well as provision of other public services in a timely manner plays a key role in enabling timely colonization of an SEZ. In this regard, a one window to facilitate provision of all required public services in a time bound manner is globally acknowledged as a critical component to foster investment in Economic Zones. One such window that provides time-bound accelerated processing of applications and requests through One Stop Service (OSS) for all essential services, clearances, licenses, and permits to investors to setup their businesses in the SEZs, with the aim to simplify procedures and remove redundancies is needed to attract and retain investors.

3. In the past, many attempts have been made at federal and provincial levels to provide investment facilitation through creation of such one windows to expedite provision of public services. However, none of these attempts could enable end-to-end provision of services to industrial users, owing to the lack of legal cover and administrative coordination to enable a special regime able to override the general provisions in other legal statutes.

4. In view of extensive consultations held with all major stakeholders, including provincial counterparts, SEZ developers, zone enterprises, and service providing departments, an all-encompassing and robust legal framework has been devised, to enable provision of services to the investors through a single point of contact, that is structured around only three entities, i.e. investor, OSSC and Service Provider, wherein the OSSC is to act as a bridge between the investor and the Service Provider.

5. The enactment of this legal framework through One Stop Service Act, will enable speedy grant of approvals required to establish industrial undertakings in SEZs. This investor centric law will encourage rapid industrialization and economic activity in the country leading to job creation, technology transfer and development of industrial infrastructure.



(Chaudhry Salik Hussain)

**Federal Minister for Board of Investment (including
Chinese & other FDI) and Special Initiatives**