

[AS PASSED BY THE SENATE]

A

BILL

further to amend the Foreign Exchange Regulation Act, 1947

WHEREAS it is expedient further to amend the Foreign Exchange Regulation Act, 1947 (VII of 1947) for the purposes, hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act may be called the Foreign Exchange Regulation (Amendment) Act, 2020.

(2) It shall come into force at once.

2. Amendment of section 23, Act VII of 1947.- In the Foreign Exchange Regulation Act, 1947 (VII of 1947), in section 23,-

(a) In sub-section (1),-

(i) after the word "with", the word "rigorous" shall be inserted; and

(ii) for the word "two", the word "five" shall be substituted;

(b) in sub-section (2), the expression "for such period as the Federal Government may from time to time, by notification in the Official Gazette, declare" shall be omitted;

(c) in sub-section (3),-

(i) the expression "and not declared by the Federal Government under the preceding sub-section to be cognizable for the time being" shall be omitted; and

(ii) in the proviso, the expression "and is not declared by the Federal Government under the preceding sub-section to be cognizable for the time being" shall be omitted and for full stop, at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

"Provided further that if a person not authorized under section 3, 3A or 3AA is found involved in illegal foreign exchange business the complaint as required in this sub-section shall not be required."; and

(d) after sub-section (3A) the following new sub-section shall be inserted, namely:-

"(3B) A Tribunal taking cognizance under sub-section (1) shall conclude the proceedings within six months. The Tribunal may, by giving cogent reasons in writing, extend the said period by six months further."

STATEMENT OF OBJECTS AND REASONS

Foreign exchange policy and operations in Pakistan are governed under the provisions of Foreign Exchange Regulation Act, 1947 (FERA, 1947), which empowers the State Bank of Pakistan to regulate flows of foreign exchange into and out of the country. However, the State Bank of Pakistan does not have explicit powers under FERA, 1947 to issue any regulation / instruction relating to the inland movement of foreign currencies.

Furthermore, it has also been considered necessary to enhance the punishments provided in section 23 of FERA, 1947 to create firmer deterrence against contravention of various provisions of the Act.

This Bill, therefore, seeks to amend FERA, 1947 in order to enable the State Bank of Pakistan to regulate the foreign exchange regime in Pakistan more comprehensively as well as to strengthen the effectiveness of the Act.

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on Finance and Revenue**