

**INTRODUCED ON 15-11-2021**

**[AS INTRODUCED IN THE SENATE]**

**A**

**BILL**

*further to amend the State Bank of Pakistan Act, 1956*

**WHEREAS** it is expedient further to amend the State Bank of Pakistan Act, 1956 (XXXIII of 1956) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

**1. Short title and commencement.**—(1) This Act may be called the State Bank of Pakistan (Amendment) Act, 2021.

(2) It shall come into force at once.

**2. Insertion of new section 36A, Act XXXIII of 1956.**— In the State Bank of Pakistan Act, 1956 (XXXIII of 1956), after section 36, the following new section shall be inserted, namely:-

**"36A. Minimum Credit Limit to be extended to private sector.**—(1) The Bank shall determine and ensure maintenance of minimum limit of credit to be extended by the scheduled banks or financial institutions to the private sector in each Province and the Islamabad Capital Territory in pursuance of its monetary and fiscal policy objectives.

(2) The minimum credit limit required to be maintained under sub-section (1) shall not be less than total deposits received by scheduled banks or financial institutions from that Province or, as the case may be, the Islamabad Capital Territory."

**STATEMENT OF OBJECTS AND REASONS**

The private sector of smaller provinces of the country especially Balochistan and Khyber Pakhtunkhwa had a long standing demand to eliminate improper, unjustified and inequitable credit/lending by the commercial banks in their provinces which is leading to continuous deprivation, disparity and slow progress of industrialization and commercial activities in those provinces.

Senate Standing Committee on Finance in its report laid in the Senate on 10<sup>th</sup> March 2021 observed that commercial banks can not be forced to extend loans unless a law exists that demands the same, hence, recommended to bring legislation in this regard.

Moreover, the Senate of Pakistan on 31<sup>st</sup> May 2021 also unanimously passed a resolution demanding immediate and result oriented steps including introduction of new legislation or amending the present laws/rules/regulations to ensure that the minimum credit/lending of the commercial banks to the private sector for establishing industry and commercial activities in the smaller provinces is at par with those provinces' total deposits in the banks.

Hence, the Bill seeks to achieve the above said purposes.

**SENATOR MOHSIN AZIZ**  
**Member-in-charge**