

Punjab General Provident Investment Fund Act, 2009

05 of 2009

[08 July 2009]

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[08 July 2009]

An Act to provide for the establishment of the Punjab General Provident Investment Fund to generate revenue for the discharge of the liabilities of the General Provident Fund. Preamble.- Whereas it is expedient to establish the Punjab General Provident Investment Fund to generate revenue for the discharge of the General Provident Fund liabilities of the Government and to make provisions for ancillary matters. It is enacted as follows:-

CHAPTER 1
PRELIMINARY

1. Short Title, Extent And Commencement :-

- (1) This Act may be cited as the Punjab General Provident Investment Fund Act 2009.
- (2) It extends to the whole of the Province.
- (3) It shall come into force at once.

2. Definitions :-

In this Act-

- (a) "family" means a spouse, a parent, a grand parent, sibling or adopted sibling, child or an adopted child, or a maternal or paternal first cousin; or a parent, sibling or adopted sibling, child or an adopted child, or a maternal or paternal first cousin of the spouse;
- (b) "financial year" means the year starting from first day of July and ending on 30th day of June of the succeeding year;
- (c) "Fund" means the Punjab General Provident Investment Fund established under the Act;
- (d) "General Manager" means the General Manager of the Fund;
- (e) "General Provident Fund" means the General Provident Fund established under the Punjab Civil Servants Act, 1974 (VIII of 1974) and the Punjab General Provident Fund Rules, 1978;
- (f) "Government" means the Government of the Punjab;
- (g) "Government bonds" include the bonds issued by or under the authority of the Federal Government, a Provincial Government or by a body or entity owned or controlled by the Government, a Provincial Government or the Federal Government or a prescribed body or entity;
- (h) "Management Committee" means the General Provident

Investment Fund Management Committee;

(i) "Member" means a Member of the Management Committee;

(j) "prescribed" means prescribed by the rules made under the Act;

(k) "Province" means the Province of the Punjab;

(l) "regulations" means the regulations framed under the Act;

(m) "Reserve Fund" means the Reserve General Provident Fund created under section 3 of the Act;

(n) "rules" means the rules made under the Act; and

(o) "sub-committee" means a sub-committee of the Management Committee.

CHAPTER 2

RESERVE FUND AND PUNJAB GENERAL PROVIDENT INVESTMENT FUND

3. Reserve Fund :-

(1) The Government shall, by notification, create a Reserve General Provident Fund in the Public Account of the Province.

(2) The amounts placed in the Reserve Fund by the Government shall form part of the Public Account of the Province as defined in Article 118(2) of the Constitution of Islamic Republic of Pakistan.

4. Punjab General Provident Investment Fund :-

(1) The Government shall, by notification, establish the Punjab General Provident Investment Fund.

(2) The Fund shall be a body corporate with perpetual succession, common seal, power to enter into contract and may sue or be sued by the said name.

(3) The Fund shall perform such functions and exercise such powers with regard to the Reserve Fund as vested in it under this Act or the rules.

CHAPTER 3

MANAGEMENT COMMITTEE

5. Management Committee :-

(1) The Management Committee of the Punjab Pension Fund established under the Punjab Pension Fund Act 2007 (I of 2007) shall perform functions and exercise powers as the Management Committee of the Fund.

(2) In the performance of functions or exercise of powers under this Act, the Management Committee shall be known as the General Provident Investment Fund Management Committee.

(3) The management and administration of the Fund shall vest in the Management Committee.

(4) Subject to the provisions of this Act and the rules, in the performance of its functions and in exercise of its powers, the Management Committee shall act and be bound by the directions of the Government.

6. General Manager :-

The General Manager of the Punjab Pension Fund appointed under section 8 of the Punjab Pension Fund Act 2007 (I of 2007) shall act as the General Manager of the Fund.

CHAPTER 4

POWERS AND FUNCTIONS OF THE MANAGEMENT COMMITTEE

7. Powers And Functions Of The Management Committee :-

(1) The Management Committee shall-

- (a) formulate investment policy, establish standards and procedures for the investment of the assets of the Fund;
- (b) invest an amount from the Reserve Fund;
- (c) transfer the profit generated through the investment to the Reserve Fund;
- (d) prepare an annual report for submission to the Government detailing the performance of the Fund; and
- (e) perform such other functions as may be assigned to it under the rules or which are ancillary to the above functions.

(2) The Management Committee may-

- (a) initiate proposals for making or amendment of the rules;
- (b) employ a person as may be necessary for the purposes of this Act;
- (c) create a sub-committee from amongst its Members to make recommendations on an issue;
- (d) borrow on behalf of and in the name of the Fund;
- (e) incur liability on behalf of the Fund;
- (f) enter into a contract; and
- (g) exercise such other powers as may be conferred on it under the rules or which are incidental to the above powers.

8. Delegation Of Powers And Functions :-

(1) Subject to sub-section (2), the Management Committee may delegate to the General Manager, a sub-committee or a Member

any of its powers or functions.

(2) The Management Committee shall not delegate the power or function to-

- (a) frame, amend or repeal regulations;
- (b) approve the investment policy, standards and procedures for the operation of the Fund; or
- (c) fill a vacancy in a sub-committee.

9. Limitations On The Investment :-

Notwithstanding anything contained in section 7 or any other law for the time being in force, no investment in a financial year shall be made by the Management Committee from the Fund-

- (a) for a fixed period of more than three years except with the prior approval of the Government;
- (b) in a foreign market or an entity registered outside Pakistan, except with the prior approval of the Government;
- (c) for an amount of more than twenty-five percent of the Reserve Fund in one financial institution cumulatively;
- (d) for an amount more than seventy-five percent of the Reserve Fund in the Government bonds;
- (e) for an amount of more than five percent of the Reserve Fund in a n issue of corporate or other bonds or short term financial instruments, cumulatively;
- (f) for an amount of more than five percent of the Reserve Fund in a unit trust authorised for sale in Pakistan; and
- (g) in an asset or a security prohibited by the rules.

CHAPTER 5

BUDGET, EXPENSES AND AUDIT

10. Budget And Accounts :-

(1) The General Manager shall prepare the budget of the Fund for a financial year.

(2) The General Manager shall place the budget proposals for approval before the Management Committee at least thirty days prior to the commencement of a financial year.

(3) The accounts of the Fund shall be maintained in such manner as may be prescribed.

11. Expenses :-

The expenses incurred on the operation of the Fund, including

expenses relating to the functioning of the Management Committee, shall be paid out of the Fund in the manner as may be prescribed.

12. Audit :-

(1) The Government shall appoint a firm of chartered accountants for the annual audit of the accounts of the Fund.

(2) Annual audit report of the accounts of the Fund and the Reserve Fund shall be laid before the Management Committee for approval.

CHAPTER 6

MISCELLANEOUS

13. Public Servant :-

All persons acting or purporting to act in pursuance of any provision of this Act, shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (XLV of 1860).

14. Prohibition Of Insider Trading :-

The provisions of Chapter III-A of the Securities and Exchange Ordinance, 1969 (XVII of 1969) or any other law for the time being in force on the subject shall, mutatis mutandis, apply to the Members, employees, or any other person associated with the Fund.

15. Liability Of The Government :-

Notwithstanding anything contained in this Act, right to payment of benefits from membership of the General Provident Fund of a person shall not be restricted, extinguished, annulled or varied and the Government shall not be absolved from its liabilities with respect to the payment of such benefits.

16. Conflict Of Interest :-

(1) No Member shall directly or indirectly receive any profit from his position as a Member except the reasonable expenses incurred by him in the performance of his duties.

(2) The pecuniary interest of family or close personal or business associates of a Member shall be considered as the pecuniary

interest of the Member.

(3) A Member shall be in conflict of interest if he-

(a) is an employee, or a paid consultant of a business entity that has, or of a trade association of business entities that have, a substantial interest in the management of the Fund;

(b) owns, controls, or has, directly or indirectly, more than ten percent interest in a business entity that has a substantial interest in the management of the Fund;

(c) receives more than twenty-five percent of his individual income from a business entity that has a substantial interest in management of the Fund;

(d) not being an ex-officio Member, is in employment of any government in Pakistan, or a body managed or controlled by the government, except as a teacher or academician in an institute of higher learning; and

(e) or one or more members of his family, business partners or close personal associates, may benefit either directly or indirectly, financially or otherwise, from his position on the Management Committee.

(4) A Member shall disclose a potential, real or perceived conflict of interest as soon as he becomes aware of the potential conflict and before the Management Committee or a sub-committee takes cognizance of the matter.

(5) If a Member is not certain about the conflict of interest situation, he shall bring the matter before the Management Committee for advice.

(6) The decision of the Management Committee on conflict of interest shall be final.

(7) A Member shall not take part in the proceedings of the Management Committee in which any question of his conflict of interest is on the agenda.

(8) The disclosure of conflict of interest and the decision of the Management Committee shall be recorded in the minutes of the meeting.

17. Submission Of Annual Report Before The Assembly :-

The Government shall, within six months of the end of a financial year, submit an annual report of the Fund in the Provincial Assembly of the Punjab.

18. Rules :-

The Government may, by notification, make rules for carrying out the purposes of this Act.

19. Regulations :-

Subject to the provisions of this Act and the rules, the Management Committee may, by notification in the official Gazette, frame regulations to give effect to the provisions of this Act.