

BALUCHISTAN PROVINCIAL ASSEMBLY SECRETARIAT

NOTIFICATION

Dated Quetta, the October, 2009.

No. PAB/Legis: V (9)/ 2009. The Balochistan Pension Fund Management Authority Bill, 2009 having been passed by the Provincial Assembly of Balochistan on 17th October, 2009 and assented to by the Governor, Balochistan on 24th October, 2009 is hereby published as an Act of the Provincial Assembly.

BALUCHISTAN PENSION FUND MANAGEMENT AUTHORITY ACT, 2009 ACT NO.9 OF 2009

A ACT

To provide for establishment of an authority for management of pension fund and to generate revenue for discharge of the pension liabilities of the Government.

Preamble.

WHEREAS, it is expedient to establish an authority for management of a Pension Fund for the common benefit of the employees of the Government of Balochistan to provide for their Pensions and the matters connected therewith or ancillary thereto;

It is hereby enacted as follows: —

CHAPTER-I PRELIMINARY

Short title, extent and commencement

1. (1) This Act may be called the Balochistan Pension Fund Management Authority Act, 2009.

(2) It extends to whole of the Province of the Balochistan except the Tribal Area.

(3) It shall come into force at once.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context, —

(a) “Act” means the Balochistan Pension Fund Management Authority Act, 2009.

(b) “Authority” means the Balochistan Pension Fund Management Authority;

(c) “Board” means the Balochistan Pension Fund Management Board;

(d) “Chairman” means the Chairman of the Balochistan Pension Fund Management Board;

(e) “Committee” means a committee constituted under section 7, clause (f) of this Act.

(f) “Fund” means the Balochistan Pension Fund;

- (g) “Fund Manager” means the Fund Manager appointed under section 10, sub-section (1) of this Act;
- (h) “Government” means the Government of the Balochistan;
- (i) “Member” means the Member of the Management Board;
- (j) “Prescribed” means prescribed by the rules made under this Act;
- (k) “Province” means the Province of the Balochistan;
- (l) “Regulations” means the regulations framed under this Act;
- (m) “Reserve Fund” means the Reserve Pension Fund created under section 3, sub-section (1) of this Act;
- (n) “Rules” means the rules made under this Act; and

CHAPTER-II RESERVE AND PENSION FUNDS

- Reserve Fund.** 3. (1) The Government shall, by notification in official Gazette, create a Reserve Pension 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, 1973.
- Balochistan Pension Fund.** 4. The Government shall, by notification in the official Gazette, establish the Balochistan Pension Fund for proper management and discharge of its pension liabilities.

CHAPTER-III ESTABLISHMENT AND MANAGEMENT OF THE AUTHORITY

- Establishment of Authority.** 5. (1) There shall be established an Authority to be known as the Balochistan Pension Fund Management Authority for carrying out the purpose of this Act.
- (2) The Authority shall be a body corporate by the name of “the Balochistan Pension Fund Management Authority” and shall have perpetual succession and a common seal to enter into contract and may sue or be sued by the said name.
- (3) The Management and Administration of the Authority shall vest in the Management Board constituted under section 6 of this Act.
- (4) Subject to the provisions of this Act and the rules made there under, in the performance of its functions and in exercise

of its powers the Authority/Board shall act in accordance with the provisions of this Act and be bound by the directions of the Government.

Composition of the Balochistan Pension Fund Management Board.

6. There shall be a Management Board consisting of the following members: -
- (a) Minister for Finance, Government of Balochistan. Chairman.
 - (b) Chief Secretary Balochistan. Vice Chairman.
 - (c) Additional Chief Secretary, Planning & Development Department. Member.
 - (d) Secretary, Finance Department. Member.
 - (e) Secretary, Law Department. Member.
 - (f) Secretary, Services & G.A.Department. Member.
 - (g) Additional Secretary, (Regulation/Admn:) Finance Department. Member/Secy:

**CHAPTER-IV
POWERS AND FUNCTIONS OF THE BOARD**

Powers and functions of the Board.

7. Subject to the provisions of this Act, the Board shall, in the prescribed manner, exercise such powers and perform such functions as may be necessary for carrying out the purposes of this Act, including. —

- (a) formulation of investment policy, establishment of standards and procedures for the investment from the Reserve Fund;
- (b) investment of amounts from the Reserve Fund;
- (c) transfer of any profit generated through the investment to the Reserve Fund;
- (d) initiating proposals for making or amendment of the rules;
- (e) employ such persons as may be necessary for the purposes of this Act ;
- (f) constitution of committees from amongst its members to make recommendations on specific issue or issues;

- (g) preparation of an annual report for submission to the Government detailing the performance of the Authority;
- (h) borrow money from the Government or any other institution; and
- (i) performance of such other functions which are ancillary to the above functions or incidental to the purposes of this Act.

Delegation of powers. 8. The Board may delegate to the Fund Manager, the Committee or a Member, any of its powers or functions.

Limitations on the investment. 9. Notwithstanding anything contained in section 12 or under any other law for the time being in force, no investment shall be made by the Board from the Reserve Fund. —

- (a) for a period of more than three years or in any foreign market or firm, except with the prior approval of the Government;
- (b) for an amount of more than twenty-five percent of the Reserve Fund in one financial institution cumulatively except with the prior approval of the Government;
- (c) for an amount more than seventy-five percent of the Reserve Fund in the Government bonds cumulatively;
- (d) for an amount of more than five percent of the Reserve Fund in corporate or other bonds or short term financial instruments, per issue of the bond or the instrument; and
- (e) for an amount of more than five percent of the Reserve Fund in third party products, unit trust, mutual fund or through managed portfolios in each case.

Fund Manager 10. (1) The Government shall, by notification in the Official Gazette, appoint a Fund Manager for management of the Fund, which shall be from amongst a panel of at least three names recommended by the Board.

(2) The Fund Manager shall be a person having at least twelve years' experience of banking, accounting, custody of investment assets and management of pension fund assets and he

shall be a member of the Institute of Chartered Accountants of Pakistan or the Institute of Cost and Management Accountants of Pakistan.

(3) Subject to the provisions of this Act and the rules made there under the Fund Manager shall exercise such powers and perform such functions as may be assigned to him by the Board.

(4) The Fund Manager shall hold the office for a specific period, on such terms and conditions as may be determined by the Government.

(5) The Board may, after providing an opportunity of being heard, recommend removal of the Fund Manager during the tenure of his office.

(6) The Fund Manager may tender his resignation to the Government and shall cease to hold office upon acceptance of his resignation.

CHAPTER-V BUDGET, EXPENSES AND AUDIT

Budget and accounts.

11. (1) The Fund Manager shall be responsible for the preparation of the budget of the Fund for each financial year starting from the 1st day of July of a Gregorian calendar year and ending on 30th June of the succeeding year.

(2) The budget shall be placed for approval before the Board 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.

Expenses.

12. The expenses incurred on the operation of the Authority/Fund, including expenses relating to the functioning of the Board, shall be paid out of the Reserve Fund in such manner as may be prescribed.

Audit.

13 (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 shall be laid before the Board for approval.

CHAPTER-VI MISCELLANEOUS

Public servant.

14. 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).

Prohibition of inside trading.-	15. The provisions of Chapter III-A of the Securities and Exchange Act, 1969 (XVII of 1969), shall apply <i>mutatis mutandi</i> to the Members, employees, or any other person associated with the Authority/Fund.
Liability of the Government-	16. Notwithstanding anything contained in this Act, right to pension of any 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 pension.
Conflict of interest.	17. (1) No Member shall, directly or indirectly, receive any profit from his position as a Member. (2) The pecuniary interests of immediate family members or close personal or business associates of a Member shall also be considered the pecuniary interests of the Member. (3) A Member shall be in conflict of interest if he. — (a) is 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 Fund; (c) receives more than twenty-five percent of his individual income from a business entity that has a substantial interest in the Fund; <i>and</i> (d) himself, or one or more members of his family, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from his position on the Board. (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 Board or any of its committees takes cognizance of the matter. (5) If a Member is not concerned about the conflict of interest situation, he shall bring the matter before the Committee for advice. (6) The decision of the Board on conflict of interest shall be final.

(7) A Member shall not take part in the proceedings of the Board 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 Board shall be recorded in the minutes of the meeting.

Submission of annual report before to the Government.

18 The Board shall, within three months of a financial year, submit the annual report of the Fund pertaining to the previous financial year to the Government.

Rules.

19. The Government may make rules for carrying out the purposes of this Act.

Regulations.

20. The Board may with the approval of the Government make regulations not inconsistent with provisions of this Act and rules made there under.

Removal of difficulties.

21. If any difficulty arises in giving effect to any of the provisions of this Act the Government may make such Order, not inconsistent with the provisions of this Act, as may appear to him to be necessary for the purpose of removing the difficulty.

Repeal.

22. The Balochistan Pension Fund Management Authority Ordinance, 2007 (Ordinance No. XV of 2007), is hereby repealed.

Secretary

Balochistan Provincial Assembly