

C O N F I D E N T I A L

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PROVINCIAL ASSEMBLY OF THE PUNJAB REPORT OF THE STANDING COMMITTEE ON FINANCE REGARDING THE PUNJAB REVENUE AUTHORITY (AMENDMENT) BILL 2015 (BILL NO. 51 OF 2015)

The Punjab Revenue Authority (Amendment) Bill 2015 (Bill No. 51 of 2015) was referred to the Standing Committee on Finance on 12 November 2015. The Committee considered the Bill in its meeting held on 21 December 2015.

2. The following were present:—

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| 1. | Makhdoom Hashim Jawan Bukht, MPA (PP-291) | Chairman |
| 2. | Rana Babar Hussain, MPA (PP-217)
Parliamentary Secretary for Finance | <i>ex-officio</i> Member |
| 3. | Mr Qaiser Iqbal Sindhu, MPA (PP-99) | Member |
| 4. | Mr Muhammad Ejaz Shafi, MPA (PP-290) | Member |
| 5. | Mr Muhammad Anees Qureshi, MPA (PP-176) | Member |
| 6. | Pir Kashif Ali Chishty, MPA (PP-231) | Member |

3. Dr Arshad Mahmood, Acting Secretary to Government of the Punjab, Finance Department and Mr Mohsin Abbas Syed, Director Law and Parliamentary Affairs Department represented their Departments. Hafiz Muhammad Shafiq Adil, Special Secretary, Provincial Assembly of the Punjab functioned as Secretary to the Committee.

4. The Acting Secretary to Government of the Punjab, Finance Department apprised the Committee about the aims and objects of the Bill. He stated that it was necessary in the public interest to validate the levy, charging, collection and realization of the sales tax on services or any other amount and certain other actions of Punjab Revenue Authority and to deal with other matters. He further stated that the Punjab Revenue Authority started collection of Punjab sales tax with effect from July 2012 and since then it had emerged as the largest tax collection agency of Punjab in terms of Revenue. However, recently, due to ongoing litigation before the Lahore High Court, issues relating to the establishment and constitution of the Punjab Revenue Authority had come under closer judicial scrutiny.

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5. He further stated that the legal position of Punjab Revenue Authority had suffered on account of two reasons. Firstly, the language with respect to the necessary notification required to be issued under sub-section (1) of section 3 of the Punjab Revenue Authority Act, 2012 was technically weak. Secondly, since its inception, the Authority was run by its sole Chairperson whereas the Punjab Revenue Authority Act, 2012 required a minimum of four members of the Authority, the requirement as such was only met in June 2015, through appointment of ex-officio members. That had resulted in questions over the validity of the taxes collected and proceedings by the Authority till June 2015. To consider the possible issues arising out of adverse judicial decisions as being anticipated, it had been deliberated that the only option to avoid any unnecessary complication arising out of such a judicial decision was to immediately bring legislation providing legal cover to any omission or defect while setting up the Punjab Revenue Authority. He requested the Committee that the Bill, as introduced, may be recommended to be passed by the Assembly.

6. The Committee after hearing the Members, having the view point of the Administrative Department as well as Law and Parliamentary Affairs Department and discussing various points at length, unanimously decided to recommend that the Bill as introduced, may be passed by the Assembly.

7. A copy of the Bill as introduced in the Assembly and as recommended by the Committee is at Annexure.

Lahore
21 December 2015

MAKHDOOM HASHIM JAWAN BUKHT
Chairman
Standing Committee on Finance

Lahore
21 December 2015


(RAI MUMTAZ HUSSAIN BABAR)
Secretary

(BILL AS INTRODUCED IN THE ASSEMBLY AND
RECOMMENDED BY THE STANDING COMMITTEE
ON FINANCE)

PROVINCIAL ASSEMBLY OF THE PUNJAB

Bill No. 51 of 2015

THE PUNJAB REVENUE AUTHORITY (AMENDMENT) BILL 2015

A
BILL

to validate the levy, charging, collection and realization of the sales tax on services or any other amount and certain other actions of Punjab Revenue Authority.

It is necessary in public interest to validate the levy, charging, collection and realization of the sales tax on services or any other amount and certain other actions of Punjab Revenue Authority and to deal with other matters.

Be it enacted by Provincial Assembly of the Punjab as follows:

1. **Short title and commencement.**- (1) This Act may be cited as the Punjab Revenue Authority (Amendment) Act 2015.
(2) It shall come into force at once and shall be deemed to have taken effect on and from 1 July 2012.
2. **Amendment in section 2 of Act XLIII of 2012.**- In the Punjab Revenue Authority Act 2012 (XLIII of 2012), for brevity cited as the said Act, in section 2, for clause (j), the following shall be substituted:
“(j) “member” means a member of the Authority and includes an *ex-officio* member;”.
3. **Amendment in section 5 of Act XLIII of 2012.**- In the said Act, in section 5, after subsection (3), the following new subsection (4) shall be inserted:
“(4) Till such time that the Authority is constituted under this Act, the Chairperson shall perform the functions and discharge the duties of the Authority.”
4. **Insertion of section 36 in Act XLIII of 2012.**- In the said Act, after section 35, the following new section 36 shall be inserted:
“36. **Validation.**- Notwithstanding any omission, discrepancy or defect in the establishment or composition of the Authority or anything to the contrary contained in this Act or the Punjab Sales Tax on Services Act 2012 (XLII of 2012) or the rules made thereunder:
(a) any action of the Chairperson on behalf of the Authority, or anything to the contrary contained in any decree, judgment or order of any court, the sales tax or any other amount levied, charged, collected or realized by the functionaries of the Authority from any person shall be deemed to have been validly taken, levied, charged, collected or realized under the Act; and
(b) any action taken by the Chairperson till the establishment of the Authority under section 3 of the Act shall be deemed to be the action taken by the Authority.”
5. **Repeal.**- The Punjab Revenue Authority (Amendment) Ordinance, 2015 (XXXI of 2015) is hereby repealed.

MINISTER INCHARGE

Lahore:
12 November 2015

RAI MUMTAZ HUSSAIN BABAR
Secretary