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CHINA PAKISTAN ECONOMIC CORRIDOR AUTHORITY ACT, 2021

ACT NO. V OF 2021

[4th June, 2021]

An Act to provide for the establishment of China Pakistan Economic Corridor Authority

WHEREAS it is expedient to establish the China Pakistan Economic Corridor Authority for the purposes hereinafter appearing and to provide for matters connected therewith and ancillary thereto;

It is hereby enacted as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the China Pakistan Economic Corridor Authority Act, 2021.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

(i) “Authority” means the China Pakistan Economic Corridor Authority established under section 3;

(ii) “Budget Committee” means the committee as provided under sub-section (4) of section 16;

(iii) | “Chairperson” means the chairperson of the Authority appointed under section 6, and includes any person performing for the time being the functions of the Chairperson;

(iv) “Executive Director Operations” means the Executive Director Operations

appointed under section 8;

(v) “Executive Director Research” means the Executive Director Research appointed under section 9;

(vi) | “Government” means the Federal Government;

(vii) "Joint Cooperation Committee" means the Committee jointly headed by the Minister for Planning Development and Special Initiatives of the Islamic Republic of Pakistan and the Vice Chairperson of the National Development and Reform Commission of the People's Republic of China;

(viii) "Joint Working Group" means the working group constituted and working under the Joint Cooperation Committee;

(ix) | "Member" means a Member of the Authority appointed under section 7 and shall include the Chairperson, Executive Director Operations and Executive Director Research;

(x) "misconduct" means misconduct as defined in the rules made pursuant to the Civil Servants Act, 1973 (Act LXXI of 1973);

(xi) "Principal Accounting Officer" shall mean the person specified in sub-section (3) of section 16;

(xii) "record" includes an account, book, return, statement, document, report, chart, table, diagram, form, survey, image, invoice, letter, map, agreement, memorandum, plan, voucher, financial and non- financial information, and anything containing information, whether in writing, digital or in electronic form or represented or reproduced by any other means, and recording of details of electronic data processing systems and programs to illustrate what the systems and programs do and how they operate;

(xiii) "regulations" means the regulations made under section 25 of this Act; and

(xiv) "rules" means the rules made under section 24 of this Act.

CHAPTER II

ESTABLISHMENT OF THE AUTHORITY

3. Establishment of the Authority—(1) The Government shall, by notification in the official Gazette, establish an authority to be known as the China Pakistan Economic Corridor Authority, for carrying out the purposes of this Act.

(2) The Authority shall carry out its functions, in accordance with the provisions of this Act, and shall report to the Prime Minister through its Division concerned.

(3) The Authority shall be a body corporate, having perpetual succession and a common seal, with power to enter into contracts within its budgetary allocation following all the applicable rules and

regulations, acquire or dispose of property, both movable and immovable, and may, by its name, sue or be sued.

(4) The head office of the Authority shall be at Islamabad.

4. Powers and Functions of the Authority —(1) In addition to such other powers and functions as may be assigned under this Act, the Authority shall be responsible for planning, facilitating, coordinating, enforcing, monitoring, and evaluating the smooth implementation of all activities related to the China Pakistan Economic Corridor, in accordance with the Memorandum of Understanding between the National Development and Reform Commission of the People's Republic of China and the Ministry of Planning Development and Special Initiatives of Islamic Republic of Pakistan on Outline of the Long Term Plan of China-Pakistan Economic Corridor signed in Beijing on the 8th day of November 2014, as well as decisions taken, from time to time, at meetings of the Joint Cooperation Committee:

Provided that the function of planning shall follow the existing arrangement being adopted by the Planning Commission:

Provided further that the Government may, from time to time, assign additional functions and responsibilities in this regard, and issue further guidelines to the Authority:

Provided also that existing arrangement of China Pakistan Economic Corridor related activities shall continue until the Authority becomes functional under this Act.

(2) The Authority may call for any pertinent information, required by it for carrying out the purposes of this Act, from any person, institution or body that is or has been involved, directly or indirectly, in any China Pakistan Economic Corridor related activity, or any matter incidental or consequential thereto. Any person institution or body called upon by the Authority, or its authorized officer, to provide such information shall do so within the period prescribed by the Authority or such officer.

(3) The Authority may in the performance of its functions seek assistance or facilitation of any office, authority or agency working under the Government, a Provincial government or a local government or of a representative designated by the Provinces and Territories. In this regard, Provinces and Territories may appoint a representative to provide input and assist the Authority in performance of its functions under this Act.

(4) Without prejudice to generality of the foregoing, the Authority may:

(i) take-up issues involved for the smooth implementation of the CPEC Framework, with the relevant ministries, offices and departments.

(ii) interface with National Development and Reform Commission of the Government of the People's Republic of China after due deliberations and consultations with

relevant ministries, departments, and other existing fora constituted by the Government;

(iii) organize meetings of Joint Cooperation Committee and Joint Working Groups;

(iv) ensure inter-provincial and inter-ministerial coordination for China Pakistan Economic Corridor related activities;

(v) ensure narrative building and communication of China Pakistan Economic Corridor related activities;

(vi) conduct sectoral research for informed decision making, providing input for long-term planning and identifying potential areas and projects for intervention; and

(vii) perform any other function which is necessary for the discharge of its functions under this Act, with the approval of the Prime Minister.

CHAPTER III MANAGEMENT AND ADMINISTRATION OF THE AUTHORITY

5. Composition of the Authority —(1) The Authority shall comprise a Chairperson, an Executive Director Operations, an Executive Director Research and six other Members.

(2) The Chairperson shall be the convener and head of the Authority.

(3) The Authority may, with the prior approval of the Prime Minister, co-opt any other person, as a Member, from time to time.

(4) An officer of the Authority, so nominated by it, shall act as Secretary to the Authority. The Secretary shall be the custodian of the common seal of the Authority.

(5) The Authority may, whenever deemed appropriate, employ officers, staff, experts, consultants, advisors, public and civil servants, or other employees, on such terms and conditions as may be determined by the Authority, from time to time.

6. Appointment of the Chairperson —(1) The Chairperson of the Authority shall be appointed by the Government for a term of four years, on such terms and conditions as may be determined by the Government.

(2) The Chairperson shall be eligible for re-appointment for one additional term of four years:

Provided that no person shall be appointed as Chairperson for more than two consecutive terms.

(3) The Government may, by rules, prescribe the qualifications and experience required for appointment of the Chairperson.

(4) The Prime Minister, if necessary, may designate any Member of the Authority, as provided in sub-section (1) of section 5 to act as Chairperson.

7. Appointment of the Members.—(1) Members of the Authority shall be appointed by the Prime Minister for a term of four years, on such terms and conditions as may be determined by the Prime Minister.

(2) Upon completion of the first term, each Member shall be eligible for re-appointment for one additional term of four years:

Provided that no person shall be appointed as Member for more than two consecutive terms.

(3) The qualifications and experience required for appointment as a Member shall be such as may be prescribed by the Rules.

8. Executive Director Operations.—(1) The Prime Minister shall, upon the recommendation of the Authority, appoint Executive Director Operations, for a term of four years, on such terms and conditions as may be prescribed by the Authority.

(2) The Executive Director Operations shall be eligible for reappointment for one additional term of four years:

Provided that no person shall be appointed as Executive Director Operations for more than two consecutive terms.

(3) The Authority may, by regulations, prescribe the qualifications and experience required for appointment of the Executive Director Operations.

9. Executive Director Research —(1) The Prime Minister shall, upon the recommendation of the Authority, appoint Executive Director Research, for a term of four years, on such terms and conditions, as may be prescribed by the Authority.

(2) The Executive Director Research shall be eligible for re- appointment for one additional term of four years:

Provided that no person shall be appointed as Executive Director Operations for more than two consecutive terms.

(3) The Government may, by regulations, prescribe the qualifications and experience required for appointment of the Executive Director Research.

10. Removal or Resignation of Chairperson, Executive Directors and Members.—(1) The Chairperson, Executive Director Operations, Executive Director Research or any other Member may, prior to expiry of their respective terms, resign from office by writing under his hand addressed to the Prime Minister.

(2) The Prime Minister or any person so designated by him may, after conducting an inquiry, remove the Chairperson from office on grounds of inefficiency, incapacity or misconduct. The procedure for conducting such an inquiry shall be such as may be prescribed by rules.

(3) The Prime Minister may, upon recommendation of the Authority, remove the Executive Director Operations, Executive Director Research or any Member from office on grounds of inefficiency, incapacity or misconduct. For the purposes of such recommendation, the Authority shall conduct an inquiry in such manner as may be prescribed by regulations.

(4) In case of a vacancy occurring due to death, resignation, retirement or removal of the Chairperson, Executive Director Operations, Executive Director Research or a Member, the appointment of another qualified person to the said post shall be made within a period not exceeding ninety days from the date of such vacancy.

11. Committees and sub-committees —The Chairperson may constitute committees and sub-committees and assign specific tasks to the said committees or sub-committees for efficient performance of the functions of the Authority. The committees or sub-committees, so constituted, shall perform their mandated tasks in the manner to be specified by the Chairperson.

12. Meetings of the Authority —(1) On the direction of the Chairperson, the Executive Director Operations, or any other officer designated in this regard by the Authority, shall call a meeting of the Authority.

(2) The Chairperson shall also call a meeting of the Authority, within five working days, on being requested in writing to do so by at least three Members of the Authority.

(3) The Members of the Authority shall have reasonable notice of the date, time, and place of a meeting of the Authority and each matter on which a decision has to be made:

Provided that in case of an urgent issue, the requirement of prior notice may be waived by the Chairperson.

(4) The Authority may, by the regulations, prescribe the manner in which Authority meetings are to be held.

(5) The Authority shall meet at least once in every quarter of the financial year.

(6) The Chairperson, or in his absence, any other Member so nominated by the Chairperson, shall preside the meeting of the Authority.

(7) The decision of the Authority shall be taken by the majority of total Members.

(8) The quorum for a meeting shall be two-third of the total Members with a fraction being counted as one.

(9) No act or proceedings of the Authority shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Authority.

13. Conflict of Interest —(1) No person shall be appointed as Chairperson, Member, Executive Director Operations or Executive Director Research if he or his dependents have any direct or indirect financial interest in, or have any connection which might reasonably be viewed as giving rise to a conflict of interest with any person institution or body involved in any China Pakistan Economic Corridor project or initiative. No person appointed as Chairperson, Member, Executive Director Operations or Executive Director Research shall, during his or her term in office, have or maintain any direct or indirect financial interest with any person involved in any China Pakistan Economic Corridor project or initiative. The Chairperson, Member, Executive Director Operations or Executive Director Research shall not, at any time during their respective terms of office, engage themselves in any other service, business, vocation or employment.

(2) If at any time, the Chairperson, Member, Executive Director Operations or Executive Director Research of the Authority, in any, way, develops a conflict of interest as described in sub-section (1), he or she shall promptly disclose the said interest to the Authority, which shall promptly inform the Prime Minister, who shall decide on the continuation in office of such person.

(3) Every person who knowingly contravenes any of the provisions of sub-section (1) or sub-section (2) shall be guilty of misconduct.

14. China Pakistan Economic Corridor Business Council.—(1) There shall be a China Pakistan Economic Corridor Business Council, to be constituted and notified by the Board of Investment, as prescribed by the regulations.

(2) The China Pakistan Economic Corridor Business Council shall advise the Authority on how best to achieve the objectives of this Act, in accordance with the Memorandum of Understanding between the National Development and Reform Commission of the People's Republic of China and the Ministry of Planning Development and Special Initiatives of the Islamic Republic of Pakistan specified in sub-section (1) of section 4 of this Act.

(3) The Board of Investment shall act as secretariat of Business Council which shall meet periodically.

(4) A Secretary to the Business Council shall be nominated by the Board of Investment.

CHAPTER IV BUDGET, FINANCE AND AUDIT

15. China Pakistan Economic Corridor Fund.—(1) The Authority may establish a CPEC Fund to further its objectives in such manner and on such terms and conditions as approved by the Finance Division.

16. Budget, Finance and Accounts.—(1) A single line budget shall be provided to the Authority.

(2) The Authority shall, in respect of each financial year, prepare its own budget, and shall maintain complete and accurate books of accounts and other records relating to its financial affairs.

(3) The Chairperson shall be the Principal Accounting Officer of the Authority.

(4) The budget prepared by the Authority shall be reviewed by the Budget Committee consisting of three members of which two shall be nominated by the Authority and one member by the Division concerned. The Budget Committee shall ensure that the Authority complies with all requirements of this Act and the rules and regulations.

(5) All investments by the Authority shall be made with the approval of the Budget Committee.

17. Audit—(1) The Auditor General of Pakistan shall annually audit the accounts of the Authority.

(2) The Authority, in addition to the audit under sub-section (1), shall cause its accounts to be annually audited by a Chartered Accountant or a firm of Chartered Accountants.

(3) The auditor appointed under sub-section (2) shall be provided such access to the books, accounts and other documents as may be considered necessary for the audit of accounts by the auditor.

(4) The auditor appointed under sub-section (2) shall submit the annual or any special audit report to the Authority, and the Authority, under intimation to the Government, shall take appropriate remedial or other action in the light of the audit report.

(5) The Authority shall prescribe, by regulations, procedures for financial management and internal audit.

18. Annual Report.—(1) The Authority shall, within three months of the end of a financial year, submit to the Prime Minister, its annual report, which shall consist of the accounts and audit reports of the Authority, a comprehensive statement of the work and activities carried out by the Authority during the preceding financial year, and its proposed activities as well as such other matters as may be deemed necessary by the Authority.

(2) The Prime Minister, at any time, may seek any details or clarification from the Authority about its financial affairs.

(3) Quarterly progress reports of the Authority shall be published on the official website of the Authority.

CHAPTER V MISCELLANEOUS

19. Delegation of Powers.—(1) The Authority may by general or special order, subject to such conditions and restrictions as may be specified in the order, delegate to any officer of the Authority, any of the powers, duties or functions of another officer of the Authority:

Provided that, the delegation of financial powers shall be in accordance with the provisions of system of financial control and budgeting and instructions issued by Finance Division from time to time.

20. Public servants—The Chairperson, Members, Executive Director Operations, Executive Director Research, officers, or other employees of the Authority, or experts, consultants, advisors employed, hired or engaged by the Authority from time to time shall, when acting or purporting to act in pursuance of any of the provisions of this Act, rules or regulations, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (XLV of 1860).

21. Chairperson, etc. not to be civil servants.—The Chairperson, Members, Executive Director Operations, Executive Director Research, officers, or other employees of the Authority, or experts, consultants, advisors employed, hired or engaged by the Authority from time to time, shall be governed by the terms and conditions of their appointment, and shall not be deemed to be civil servants within the meaning of the Civil Servants Act, 1973 (Act LXXI of 1973):

Provided that if a Civil Servant is appointed to a post in the Authority, on deputation, he shall continue to be governed by the Civil Servants Act, 1973 (Act LXXI of 1973) and the rules made thereunder.

22. Confidential Information.—(1) Except as provided under the regulations, no person shall communicate or allow to be communicated, any record or information obtained pursuant to this Act, to a person not legally entitled to that record or information or allow any person not legally entitled to that record or information to have access to any record obtained under this Act.

(2) A person who knowingly receives any record or information obtained under this Act shall hold such record or information subject to the same restrictions under sub-section (1) as apply to the person from whom such record or information were received.

23. **Indemnity.**—No suit, prosecution or other legal proceeding shall lie against the Authority, the Chairperson, Member, Executive Director Operations, Executive Director Research, employees, officers, experts, consultants or advisors of the Authority, in respect of anything done or purported to be done in good faith, under the provisions of this Act or the rules and regulations.

24. **Power to make rules**—The Government may, by notification in the Official Gazette, make rules not inconsistent with the provisions of this Act, for carrying out the purposes of this Act.

25. **Power to make regulations**—The Authority may make regulations, not inconsistent with the provisions of this Act or the rules, for carrying out the purposes of this Act.

26. **Overriding effect**—The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation, for the time being in force, and any such law, rule or regulation shall, to the extent of any inconsistency, cease to have effect on the commencement of this Act.

27. **Savings.**—(1) All actions duly taken under the China Pakistan Economic Corridor Authority Ordinance, 2019 (XII of 2019) shall be deemed to have been validly taken and done under this Act and shall always be deemed to have been so taken and done.

(2) Subject to this Act, any license, order, agreement, directive, instruction or other instrument, issued or executed under the China Pakistan Economic Corridor Authority Ordinance, 2019 (XII of 2019), shall be deemed to have been issued under this Act and shall continue to be in force until it expires or is cancelled or withdrawn by the competent authority.

28. **Power to remove difficulties**—If any difficulty arises in giving effect to any provision of this Act, the Prime Minister may make such order not inconsistent with the provisions of this Act, as may be necessary to remove the difficulty.