



# THE CORPORATE INDUSTRIAL RESTRUCTURING CORPORATION ORDINANCE, 2000



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#### **SCHEDULE.**

**THE CORPORATE AND INDUSTRIAL RESTRUCTING CORPORATION ORDINANCE,  
2000**

**ORDINANCE NO. L OF 2000**

*[22nd September, 2000]*

***An Ordinance to make provisions for the acquisition, restructuring, rehabilitation, management, disposition and realization of non performing loans and other assets of various banks and financial institutions***

WHEREAS it is expedient, in the public interest, to deal with financial institutions and their assets, to assist the business sector by dealing with distressed enterprises and to promote the rehabilitation of the national economy by making provisions for the acquisition, restructuring, rehabilitation, management, disposition and realization of non-performing loans and other assets of various banks and financial institutions and for matters ancillary or incidental thereto;

AND WHEREAS, the National Assembly and the Senate stand suspended in pursuance of the Proclamation of the Fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999;

AND WHEREAS, the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and Provisional Constitution Order No. 1 of 1999, as well as Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:—

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## CHAPTER I.—PRELIMINARY

**1. Short title, extent and commencement.**—(1) This Ordinance may be called the Corporate and Industrial Restructuring Corporation Ordinance, 2000.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

- (a) "Administration Committee" means the administration committee established under section 12;
- (b) "Board" means the Board of directors constituted under section 6;
- (c) "bonds" mean bonds, debentures, participation term certificates, term finance certificates, redeemable capital certificates or similar instruments providing for schedule or contingent payment of debt obligations;
- (d) "book value" means the rupee amount, inclusive of principal and accrued profit, owed by any obligor in connection with any financial asset as reflected on the books and records of the financial institution, as of the transfer date;
- (e) "Chairman" means the chairman of the Board;
- (f) "Chief Executive" means the Chief Executive Officer of the Corporation;
- (g) "collateral" means any asset, property, right, claim, entitlement, share, undertaking, guarantee, agreement, document or instrument, security interest, charge, mortgage, lien, hypothecation, pledge or assignment in respect of or as security for any financial asset;
- (h) "Commission" means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997; (XLII of 1997)
- (i) "Corporation" means the Corporate and Industrial Restructuring Corporation established under section 4;
- (j) "director" means a director of the Board;
- (k) "financial asset" means any short, medium or long term interest and non-interest bearing loan, finance, advance, lease, installment, term finance certificate, participation term certificate, musharaka, modaraba, profit and loss sharing agreement, redeemable capital, guarantee or contractual right to receive payment of money in respect of sums advanced or committed to an obligor by a financial institution including collateral pertaining thereto;

- <sup>1</sup>[(l) "financial institution" means any bank or other financial institution operating in Pakistan wherein the Federal Government holds any equity.]
- (m) "Government entity" means any Ministry, Division, Department or office of the Federal Government or any corporation, company, trust, statutory body or other entity of which more than fifty per cent of the equity or beneficial interest is directly or indirectly owned or controlled by the Federal Government;
- (n) "non-performing asset" means any financial asset:
- (a) which is held as an asset on the books of a financial institution;
  - (b) with respect to which the obligor has been in arrears on any payment obligation for a period more than three hundred and sixty-five days, including—
    - (i) collateral with respect to any financial asset; and
    - (ii) a whole or partial right or interest of a financial institution in any financial asset, that otherwise constitutes a non-performing asset including a financial asset with respect to which the financial institution has an ongoing funding obligation; and
  - <sup>2</sup>[(c) with respect to which the obligor's outstanding payment obligation to any financial institution exceeds thirty million rupees:

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<sup>1</sup>Subs. by the Corporate and Industrial Restructuring Corporation (Amdt.) Act, 2005 (3 of 2005) s. 2 for clause (1).

<sup>2</sup>Subs. by the Corporate and Industrial Restructuring Corporation (Amdt.) Ordinance, 2000 (57 of 2000)s. 2 for the original sub-clause (c).