

GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(EXPENDITURE WING)

No.F.5(3)Exp.III/2009

Islamabad, the 10th April, 2010

OFFICE MEMORANDUM

SUBJECT:- MEASURES TO ENSURE FISCAL DISCIPLINE.

The undersigned is directed to say that with a view to improve financial discipline, and streamline the management of public accounts, it has been decided to restrict the validity of cheques upto three months or 30th June, whichever is earlier. Accordingly, the cheque issued during a financial year shall be payable at any time within three months after the month of issue, but not beyond the 30th June. If the currency of cheque expired, owing to its not being presented at the treasury or Bank within the specified period, it may be received back by the drawer who shall then destroy and issue a new cheque in lieu of it provided that the validity of the fresh cheque shall expire on the 30th June. Thus a cheque issued in one financial year shall not be valid from encashment in the next financial year. Necessary amendments in the relevant Federal Treasury Rules have been effected and notified by the Finance Division vide Notification No. F. 5(3)Exp.III/2009, dated 31st March, 2010. (Copy enclosed)

2. All Ministries/Divisions/Departments are requested to ensure observance of above mentioned financial discipline by strictly adhering to the following instructions:-

- i. That the budgetary allocations placed at their disposal are expended uniformly as far as possible during the financial year. They should further ensure that all validly accrued liabilities are promptly cleared and are not postponed towards the end of financial year.
- ii. All release of funds for development/non-development expenditure be completed by Ministries/Divisions, by 15th May. Release of inevitable nature, if any after the said date, would only be made by the Finance Division, after ensuring that the funds are likely to be expended well before the close of the financial year.
- iii. There should be no re-appropriation/supplementary grant after 15th May to ensure timely processing of claims by the Ministries/Divisions/Departments.
- iv. All Ministries/Divisions/Departments should submit and draw their claims from AG Office for all validly accrued liabilities on or before 10th June of that financial year.
- v. In case of requirement of any additional information by the Accounts Officer (Accountant General's Office/District Accounts Office/Agency Accounts Office), Accounts Office shall return the un-passed bill urgently and the concerned departments shall respond promptly and resubmit the bill/claim not later than 15th June.
- vi. In order to adhere to the aforesaid schedule, all the concerned authorities shall ensure the issuance of sanctions, completion of code formalities

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and procurement of stores well in time, so that the claims can be presented for pre-audit to the respective Accounts Offices timely.

- vii. All PLAs/Assignment Accounts holders should make necessary arrangements as detailed above to ensure encashment of their cheque well in time. All cheques drawn against PLAs/Assignment Accounts shall be cleared upto 30th June.
- viii. The PIFRA shall generate regular reports for information of all Principal Accounting Officers, apprising them of the latest funding position in respective heads. This would facilitate PAOs to take timely action for making good of the shortfall.

3. All Ministries/Divisions are requested to communicate the above mentioned instructions to their attached Departments, Sub-ordinate offices, affiliated Autonomous, Semi Autonomous bodies and Corporations.


(Liaquat Ali)
Section Officer(Exp.III)
Ph: 9201005

All Secretaries/Additional Secretaries Incharge of the Ministries/Divisions.

Copy forwarded for similar necessary action to:

1. President Secretariat (Public), Islamabad.
2. President Secretariat (Internal), Islamabad..
3. Prime Minister's Secretariat (Public), Islamabad.
4. Prime Minister's Secretariat (Internal), Islamabad
5. Supreme Court of Pakistan, Islamabad.
6. Federal Shariat Court, Islamabad.
7. National Assembly Secretariat, Islamabad.
8. Senate Secretariat, Islamabad.
9. Wafaqi Mohtasib's Secretariat, Islamabad
10. Federal Tax Ombudsman's Secretariat, Islamabad
11. Election Commission of Pakistan, Islamabad
12. Auditor General of Pakistan, Islamabad.
13. Controller General of Accounts, Islamabad.
14. AGPR, Islamabad.
15. Chief Accounts Officer, Ministry of Foreign Affairs, Islamabad.
16. Finance Division (Military), Rawalpindi
17. Central Directorate of National Savings, Islamabad.
18. Monopoly Control Authority, Islamabad.
19. Mint Master, Pakistan Mint, Lahore,
20. Federal Treasury Office, Islamabad/Karachi.
21. All Addl. Finance Secretaries/Joint Secretaries, Finance Division, Islamabad.
22. Additional Finance Secretary (IF) with the request to issue annexed instruction to Banks.
23. All FAs, Finance Division, Islamabad.


(Liaquat Ali)
Section Officer (Exp.III)

Government of Pakistan
Finance Division
(Expenditure Wing)

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Islamabad, the 31st March, 2010

NOTIFICATION

S.R.O. (1)2010.- In exercise of the powers conferred by Article 79 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to direct that the following further amendments shall be made in the Treasury Rules of the Federal Government, namely:-

In the aforesaid Rules,-

(a) for rule 162, the following shall be substituted, namely:-

“162. Cheques shall be payable at any time within three months after the month of issue but not beyond the 30th June. Thus a cheque bearing date any time in February is payable at any time up to 31st May.

If the currency of the cheque should expire owing to its not being presented at the treasury or Bank within the period specified above, it may be received back by the drawer who should then destroy it and issue a new cheque in lieu of it provided that the validity of the fresh cheque shall expire on the 30th June. Thus a cheque issued in one financial year shall not be valid for encashment in the next financial year.”;

(b) in rule 169, for sub-rule (2), the following shall be substituted, namely:-

“(2) Letter of credit issued in favour of post offices shall lapse at the close of the month for which they are issued. In all other cases, a letter of credit or assignment shall lapse at the close of the financial year in which it is issued.”; and


(c) in rule 170(A),-

(i) for sub rule (10) the following shall be substituted, namely:-

“(10) Any amount remaining undrawn at the close of a financial year shall lapse”; and

(ii) sub-rule (11) shall be omitted.

[No. 5(3)Exp.III/2009]


(Obaidur Rehman Khan)
Deputy Secretary (Exp)