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JOINT SECRETARY (NJPMC)
LAW & JUSTICE COMMISSION of PAKISTAN
GOVERNMENT of PAKISTAN

PRESS RELEASE

A Special Meeting of the National Judicial (Policy Making) Committee (NJPMC) was held today under the Chairmanship of Hon'ble Mr. Justice Mian Saqib Nisar, Chief Justice of Pakistan / Chairman NJPMC in the Committee Room of the Supreme Court of Pakistan, Islamabad for consideration of Dispute Resolution Mechanism for China-Pakistan Economic Corridor (CPEC) Projects.

The meeting was attended by the Hon'ble Members of the NJPMC including Hon'ble Chief Justice, Federal Shariat Court Mr. Justice Sheikh Najam-ul-Hassan, Hon'ble Chief Justices of the Provincial High Courts including Hon'ble Mr. Justice Muhammad Noor Meskanzai, Chief Justice High Court of Balochistan, Hon'ble Justice Syed Mansoor Ali Shah, Chief Justice Lahore High Court, Hon'ble Mr. Justice Yahya Afridi, Peshawar High Court, Hon'ble Mr. Justice Ahamed Ali M. Sheikh, Chief Justice High Court of Sindh. The Hon'ble Mr. Justice Mushir Alam, Judge Supreme Court of Pakistan, Hon'ble Mr. Justice Muhammad Yawar Ali, Senior Puisne Judge Lahore High Court and Hon'ble Mr. Justice Mian Shakirullah Jan, Former Judge Supreme Court of Pakistan/Member Law and Justice Commission of Pakistan (LJCP) attended the meeting on special invitation. Dr. Muhammad Raheem Awan Secretary Law and Justice Commission of Pakistan (LJCP) convened the meeting.

Mr. Karamat Hussain Niazi, Secretary, Ministry of Law and Justice, Mr. Arshad Mirza, Secretary, Ministry of Interior, Mrs. Parveen Agha, Secretary, Ministry of Railways, Mr. Tariq Mahmood Pasha, Chairman, Federal Board of Revenue, Ms. Samaira Nazir Siddiqui, Secretary, Board of Investment, Mr. Shoaib Ahmad Siddiqui, Secretary, Ministry of Planning, Development & Reforms, Mr. Furqan Bahadur Khan, Secretary, Ministry of Communications, Dr. Aamer Ahmad, Additional Secretary, Ministry of Energy (Power Division), Mr. Aitzaz Ahmed, Special Secretary, Ministry of Foreign Affairs, Mr. Hassan Nasir Jamy, Additional Secretary, Ministry of Energy (Petroleum Division), Mr. Waqar Ahmed, Senior Joint Secretary, Ministry of Maritime Affairs and Mr. Hassan Daud Butt, Project Director (CPEC), Ministry of Planning, Development & Reform also attended the meeting on special invitation.

The Hon'ble Chief Justice of Pakistan/Chairman NJPMC informed that during his visit to China in 2017, the Presiding Officer/Hon'ble Chief Justice of Supreme Court of China showed his concern about dispute resolution mechanisms to deal with likely disputes arising out of China-Pakistan Economic Corridor (CPEC) projects and desired that some expeditious dispute resolution mechanism may be framed. Similarly, later in meeting, in respect of CPEC projects, the outgoing Chinese Ambassador also reiterated that for resolution of disputes that may arise between individuals and Chinese government a mechanism should be evolved. Moreover, he further stated that the incoming Chinese Ambassador has also reminded him of the amicable settlement of CPEC related disputes.

The Hon'ble Chairman NJPMC also stated that dispute resolution under the general law in Pakistan often takes long time and the procedural and substantive laws requires upgradation to this effect. He further stated that 'arbitration' is usually adopted as an alternate dispute resolution mechanism, however, when it is made rule of court, objections and appeals arise therefrom and the dispute resolution is delayed. He further stated that 'negotiation' is another method of dispute resolution, however, if the parties do not agree then it is not effective. He further stated that the 'mediation' is also an effective method of dispute resolution.

The Hon'ble Chief Justice of Pakistan/Chairman NJPMC informed that the purpose of the meeting was to share views about dispute resolution mechanism for Chinese Investors/Government in Pakistan.

Hon'ble Mr. Justice Mushir Alam, Judge Supreme Court of Pakistan informed that with the CPEC investment in Pakistan there is likelihood of civil and criminal disputes in Pakistan. He emphasized the need of one law mechanism for One Belt One Road countries and that all the countries should adopt a uniform mechanism for dispute resolution. He further emphasized the need of international research center for dispute resolution at Islamabad for which the judiciary may provide support. He further suggested that a Conference of the Hon'ble Chief Justices of the CPEC countries may be held.

Hon'ble Justice Syed Mansoor Ali Shah, Chief Justice Lahore High Court informed that with the huge CPEC investment disputes may arise. He emphasized the need of forming a forum like IFC Dubai to look after entire Foreign Direct Investment.

Dr. Muhammad Raheem Awan, Secretary LJCP informed that there 48 Bilateral Investment Treaties (BITs) of Pakistan are in place, out of which one is with China which covers disputes and provide direct recourse to foreign investors to refer the dispute to arbitration center under World Bank, therefore, he suggested establishment of dispute resolution mechanism to facilitate Chinese Investors. Moreover, he suggested that the aforementioned BITs require to be revisited and on this occasion the Hon'ble Chief Justice of Pakistan suggested that the Federal Law Ministry may see that whether the BITs require improvement.

The Secretary Ministry of Planning, Development & Reforms thanked the Hon'ble Chief Justice of Pakistan/Chairman NJPMC for being invited to the meeting and informed that CPEC is basically a bilateral agreement between two friendly countries. The basic agreement/Memorandum of Undertaking (MoU) was signed between China and Pakistan in 2013 and the basic purpose of the agreement is to promote peace and stability in the region and beyond. He further informed that the aforementioned MoU contains a dispute resolution clause to the effect that disputes shall be decided through friendly consultation. Moreover, so far, no worth mentioning dispute has arisen.

The Additional Secretary Ministry of Energy (Power Division) informed that for CPEC projects there is High Voltage Direct Circuit (HVDC) spreading over 878 kilometers and there is litigation with respect to the same including stay orders and which issue may be considered.

The Secretary Board of Investment (BoI) informed that the BoI has cordial relations with the Chinese Government and presently no disputes are foreseen.

The Chairman Federal Board of Revenue (FBR) informed the meeting that the Government of Pakistan has suggested to the Chinese Government that a working group be framed for discussing any likely tax issues and in case any issues are identified, legislation for the same may be

considered. He further informed that the Supreme Court of Azad Jammu Kashmir has passed certain orders which may affect the CPEC related projects, moreover, certain provincial CPEC related Sales Tax matters require consideration.

The Secretary Ministry of Railways informed the meeting that construction of a main railway line from Karachi to Peshawar is being considered alongwith a dry port at Havelian. He further informed that PC-I of the project is underway and issues regarding bill of quantity, cost etc have been resolved and project will be started soon.

The Secretary Ministry of Communication informed that the ministry has not received a single complaint regarding CPEC.

The Secretary Ministry of Law and Justice thanked the Hon'ble Chief Justice of Pakistan/Chairman NJPMC for being invited the meeting and informed that in some CPEC agreement/MoU arbitration clause was proposed which was not vetted by ministry.

The Hon'ble Chief Justice of Pakistan directed the Hon'ble Chief Justices to advise civil courts that no ex-party stay orders are passed in respect of CPEC related projects.

This press release can be downloaded from our website www.ljcp.gov.pk.

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(Jawad Khan)
Joint Secretary (NJPMC)