

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT,
MUZAFFARABAD**

Dated: 14th February, 2019

No. LD/Legis-Act/52-64/2019. The following Act of Assembly received the assent of the President on the 7th day of February 2019, is hereby published for general information.

(ACT IV OF 2019)

**An
Act**

to provide for the registration and regulation of trade organizations.

WHEREAS, it is expedient to register and regulate the trade organization and to ensure appropriate representation of all genders and business sectors at all levels in trade organizations as they play significant role in developing policy framework for improving business environment and economic growth;

It is hereby enacted as follows:

**CHAPTER-I
PRELIMINARY**

1. Short title, Extent, Application and Commencement-

(1) This Act may be called the Trade Organizations (Registration and Regulation) Act, 2019.

(2) It extends to the whole of Azad Jammu and Kashmir.

(3) It shall apply to all Trade Organizations established or to be established in the territory of the Azad Jammu and Kashmir.

(4) It shall come into force at once and shall be deemed to have taken effect from 03.10.2015.

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

- (a) “Administrator” means an Administrator appointed under this Act;
- (b) “Articles” mean the Articles of Association of a Trade Organization;
- (c) “District” means an administrative District notified by the Government from time to time;
- (d) “Division” means an administrative Division notified by the Government from time to time.
- (e) “Executive Committee” means the Board of Directors, the Managing Committee or any other body, by whatever name called, of a registered Trade Organization responsible for the management or conduct of the affairs of such Trade Organization;
- (f) “Existing Trade Organization” means an Organization licensed under the Trade Organizations Ordinance, 1961 (XLV of 1961), as adapted in Azad Jammu and Kashmir;
- (g) “Government” means the Azad Government of the State of Jammu and Kashmir;
- (h) “Fund” means Trade Organization Fund established under Section 27;
- (i) “License” means a license granted to a Trade Organization under Section 3 of this Act;
- (j) “Member of the Executive Committee” includes a Director where the Executive Committee is a Board of Directors and the Chairman, Senior Vice Chairman, Vice Chairman, President, Senior Vice-President and Vice President of a Trade Organization Licensed under this Act;

- (k) “Member of a Trade Organization” means a firm and includes a proprietorship, an association of persons, a partnership, a company or a multinational corporation, engaged in trade, industry or services and enrolled as a Member of a Trade Organization licensed under this Act;
- (l) “Memorandum” means the Memorandum and the Articles;
- (m) “Office Bearers” means President, Senior Vice President, Vice-President, Chairman, Senior Vice-Chairman and Vice Chairman of a Trade Organization;
- (n) “Ordinance” means the Companies Ordinance, 1984 as enforced in Azad Jammu and Kashmir;
- (o) “Prescribed” means prescribed by the Rules made under this Act;
- (p) “Register” means the Register of Companies required to be kept under this Act;
- (q) “Registered Trade Organization” means a Trade Organization registered under this Act;
- (r) “Regulator” means the Regulator of the Trade Organization’s appointed by the Government and includes an officer empowered by the Government to perform the functions of the Regulator under this Act;
- (s) “Trade Organization” means an Organization which,-
 - (i) is capable of being formed as a limited company within the meaning of this Act;

- (ii) is formed or intended to be formed with the object of promoting any trade, industry or service or any combination thereof;
 - (iii) prohibits payment of any profits to its members; and
 - (iv) applies its income and profits for achieving objects.
- (t) “Small Trade and Small Business” mean Trade Organization whose number of employees is less than twenty;
- (i) annual business turnover ranges between two million rupees to twenty million rupees;
 - (ii) all utility bills do not exceed one million rupees per annum and;
 - (iii) neither such small trader or small business is owned or controlled by the Government; and
- (u) “Small Industry” means a member of Trade Organization which is a manufacturing concern having an industry less than twenty employees, whose annual turnover ranges between two million rupees to twenty million rupees, utility bills do not exceed one million rupees per annum, and is not owned or controlled by the Government.

3. Licensing and Registration of Trade Organizations.-

(1) Notwithstanding anything contained in this Act or in any other law for the time being in force relating to registration of societies, bodies or associations of persons, no Trade Organization shall be registered under the Act or such other law unless it holds a

License granted by the Government authorizing it to be so registered.

(2) No license shall be granted for registration under this Act to a Trade Organization unless it is,-

- (a) a state chambers of commerce and industry (SCC&I), organized on all- AJ&K basis, to represent chambers and associations referred to in clauses (b), (c), (d) and (f):

Provided that a license for registration as a state chambers of commerce and Industry shall not be granted to more than one Trade Organization;

- (b) a chamber of commerce and Industry organized to represent trade, industry and services in a District. Such a chamber representing less than the prescribed number of persons shall not be granted license. Where the number of persons desiring to form a chamber is less than the prescribed number of persons, they may join a licensed chamber of the adjoining district:

Provided that the Government may, by notification in official Gazette, combine one or more Districts for the purpose of grant of only one license. In such a case the Government may allow the Districts so combined to form a town association under clause (e);

- (c) a women's chamber of commerce and industry organized to represent the women entrepreneurs engaged in trade, industry or services in each Division but such a chamber representing less than the prescribed number of women entrepreneurs shall not be granted license and where the number of women entrepreneurs desiring to form a chamber is less than the prescribed number, they may join an adjoining women's chamber of commerce and industry:

Provided that nothing contained in this clause shall debar a woman entrepreneur to become member of a chamber in clause (b) if such woman entrepreneur otherwise fulfills the criteria of membership of the respective chamber:

Provided further that nothing contained in this clause shall debar the required number of women entrepreneurs to form district women Chambers of Commerce if they otherwise fulfill the criteria of formation of a district chamber.

- (d) an association with membership on all-AJ&K basis organized to represent a specific trade, industry or service or any combination thereof:

Provided that a license for registration as an all-AJ&K associations shall not be granted to more than two Trade Organizations in the same sector, one of which must be an organization representing, small traders and small business or small industry:

Provided further that whether a specific activity in trade, industry or service is an independent sector or only a sub-sector shall be determined by the Government, whose decision in this respect shall be final;

- (e) a town association, organized to represent trade, industry and services in a town, tehsil, taluka or a District where there is no chamber and such town association shall be affiliated with the chamber of the concerned District:

Provided that when a town, tehsil or talukais upgraded as a District or is granted license under clause (b), the town association in that town, tehsil, taluka or District shall cease to exist with immediate effect; and

- (f) a chamber of Small Traders organized to represent small businesses, small traders and small industry, in each District:

Provided that they otherwise qualify to form a chamber under this Act.

(3) Notwithstanding the provisions of clause (b) and (d) of sub-section (2), where the membership of a chamber in a District attains the minimum prescribed number for grant of License to a chamber under this Act, such persons shall be titled to form and apply for grant of License as a chamber.

(4) On grant of License to a chamber under sub-section (3), the firms and companies, which had obtained membership in the chamber of an adjoining District, shall be deemed to have de-registered from membership register of the adjoining chamber.

(5) Application for grant of License shall be submitted to the Government in the prescribed application form.

(6) A Trade Organization shall be granted License on such terms and subject to such conditions as may be prescribed.

(7) License shall be granted to a Trade Organization for a period of five years.

(8) A Trade Organization holding a License shall be registered under the Act as a company with limited liability without the addition of the word "limited" to its name and on such registration shall enjoy all the privileges of a limited company and be subject to all its obligations except those of,-

- (a) using the word "limited" as any part of its name;
- (b) publishing its name; and
- (c) sending lists of members to the registrar.

(9) The Government may, by notification in the official Gazette, grant exemption to any Trade Organization from any provision of this Act and such exemption may be for such period and subject

to such conditions as may be specified in the notification:

Provided that no such exemption shall be granted to a Trade Organization unless the Government is satisfied that it would be in the public interest to do so.

- 4. Revocation of Licenses of existing Trade Organizations.**- (1) Except as hereinafter provided, and notwithstanding anything contained in any other law for the time being in force and Memorandum and Articles of association of any Trade Organization, any License granted under any other law to an existing Trade Organization shall stand revoked with, and such Trade Organization shall be required to apply for grant of License under this Act by the date notified by the Government:

Provided that revocation of License of a Trade Organization shall not prevent its members from assuming office, subject to Section 11, consequent upon elections under any other law.

(2) The Government shall decide on application for grant of License within such period of its filing as notified by the Government.

(3) An existing Trade Organization which has applied for grant of License within the time notified by the Government shall continue to function as a Trade Organization until the Government decides its application for grant of License and until the first elections are held according to rules made under this Act.

- 5. Privileges and obligations of Trade Organizations.**- (1) A licensed and Registered Trade Organization shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its own name and, subject to and for the purposes of this Act, may enter into contracts and may acquire, purchase, take, hold and enjoy movable and immovable property of every description and may convey, assign, surrender,

yield up, charge, mortgage, demise, re-assign, transfer or otherwise dispose off or deal with, any movable or immovable property or any interest vested in it, upon such terms as it deems fit.

(2) The liability of members of a licensed and Registered Trade Organization shall be limited to their membership subscription.

(3) No Trade Organization other than a licensed and registered Trade Organization shall use in its name or title the word "State Chamber of Commerce" or "Association" except an existing Trade Organization which has applied for grant of License under this Act:

Provided that nothing in sub-section (3) shall apply to a company, association or body of persons formed for promoting art, science, religion, charity, sports, any profession other than trade, commerce, industry, service or any other subject which the Government may, by notification in the official Gazette specify in this behalf.

6. Renewal of License.- (1) A licensed Trade Organization shall require renewal of its License for every five years:

(2) Application for renewal of License shall be made to the Regulator ninety days prior to the expiry of License:

Provided that the Regulator, on sufficient cause being shown, by an order in writing, may extend the period not exceeding thirty days.

(3) Annual accounts and performance of a Trade Organization shall be audited by a firm of chartered accountants, and the reports thereof shall be submitted to the Regulator along with the renewal application.

(4) The Regulator, on receipt of the application for renewal of License, shall endeavour to decide before the expiry of the License.

- 7. Cancellation of License and exemption.**-(1) The License granted to a Trade Organization shall be cancelled by the Government where,-
- (a) a Trade Organization fails to apply for renewal of the License granted under Section 3 of this Act within the prescribed or extended period allowed by the Regulator;
 - (b) a Trade Organization fails to apply for membership of the Government chamber of commerce and industry within one month of grant of License;
 - (c) a Trade Organization fails to get registration under this Act;
 - (d) a Trade Organization is found to be non-existent at the registered address or is non-operational;
 - (e) a Trade Organization is not holding elections or operating according to the provisions of the Memorandum within the prescribed period;
 - (f) a Trade Organization is not complying with the orders and directions of the Government or Regulator issued under this Act or the rules;
 - (g) a Trade Organization is not discharging statutory obligations as a limited company incurred under the Act;
 - (h) a Trade Organization is not discharging statutory obligations under this Act or prescribed rules;
 - (i) a Trade Organization fails to pay the penalties imposed under this Act within the prescribed period.
 - (j) the Government cancels any exemption granted to a Trade Organization, under sub-section (9) of Section 3;
 - (k) the Trade Organization is engaged in activities other than those for which it was established;

- (l) the Trade Organization has lost its representative character or its membership remains below the prescribed threshold over a period of two years; and
 - (m) the financial or performance audit report of a Trade Organization states that,-
 - (i) the income and profits of the Trade Organization are spent for purpose other than those for which it was established; and
 - (ii) the Trade Organization does not remain financially viable.
- (2) Where the Government intends to cancel the License of a Trade Organization, granted under Section 3 of this, it shall issue a show cause notice to such Trade Organization specifying the grounds for its intention to cancel the License and provide adequate opportunity of being heard before deciding the matter.
- (3) The Government shall notify, in the official Gazette, cancellation of License of a Trade Organization.
- (4) Where the License is cancelled on any ground mentioned in clause (d), (e), (f), (g), (h), (i), (k), (l) and (m) of sub-section (1), members of the Trade Organization concerned found responsible by the Government for the grounds of cancellation shall be debarred from sponsoring the proposal for grant of license or de novo license to a Trade Organization or becoming member of or holding any office of any Trade Organization for a period not exceeding three years.
- (5) Where the License of a Trade Organization has been cancelled under sub-section (1), a member or member of executive committee or employee of such Trade Organization continues to impersonate as member, member of executive committee or employee of the Trade Organization, such person shall be liable to penalties under Section 24.

8. Cancellation of Registration.- (1) Notwithstanding anything contained in this Act or any other law for the time being in force,-

- (a) the registration of a Trade Organization under the Act shall be deemed to have been cancelled with immediate effect if the License granted to such Trade Organization has been cancelled by the Government under Section 7;
- (b) the registration of an existing Trade Organization shall stand cancelled with immediate effect if such a Trade Organization has failed to apply for grant of fresh License within the time notified by the Government;
- (c) the registration of an existing Trade Organization under this Act shall stand cancelled, unless it has been granted License by the Government under Section 3.

(2) The Registrar shall strike off the Register, and publish in the official Gazette, the names of all such Trade Organizations whose registration has been cancelled under sub-section (1).

(3) All affairs of a Trade Organization whose registration stands cancelled under sub-section (1) shall be wound up in a manner as determined by the Government.

9. Grant of license de novo.- (1) Where License of a Trade Organization is cancelled under Section 7, the Government may consider grant of License de novo after a period of one year from the date of cancellation of License:

Provided that where the License of a Trade Organization was cancelled under clause (a) of sub-section (1) of Section 7, the Government may consider the grant of license de novo at an earlier date.

(2) The Trade Organization seeking license under sub-section (1) shall be required to make an application in such form and manner as may be Prescribed.

10. Membership of Trade Organizations.- (1) Chambers and sector specific associations on all AJ&K basis, granted license under this Act, shall apply for membership of the State Chambers of Commerce and Industry within thirty days of grant of License under this Act.

(2) Upon an application by a Trade Organization under sub-section (1), the state chambers of commerce and industry shall enroll such Trade Organization as its member within thirty days and where such an enrolment is not decided within thirty days, the matter shall be referred to the Regulator along with the reasons for not allowing enrolment and the Regulator shall decide the matter within thirty days.

(3) A chambers of commerce and Industry shall be eligible to vote in the election of office-bearers and committees of the State Chambers of Commerce and Industry on completion of two years of grant of License:

Provided that the existing Trade Organizations, on grant of License under this Act, shall be deemed to be members of the State Chambers of Commerce and Industry and shall be entitled to vote.

(4) Proprietorships, associations of persons, partnerships, companies or multinational corporations engaged in trade, industry or services shall be entitled to enrolment as members of chambers and associations on fulfillment of the prescribed conditions.

(5) Notwithstanding anything contained in any other law for the time being in force, any person engaged in trade, industry or service, or any combination thereof, shall be entitled to be enrolled as a member of a registered Trade Organization except where such person is otherwise disqualified for any of the reasons as may be Prescribed.

(6) Where a person, qualified to be enrolled as a member of a Trade Organization, is refused for enrolment or the enrolment is unduly delayed, on a complaint by the aggrieved person, the Regulator may direct the Trade Organization concerned to enroll such person as a member on fulfillment of the Prescribed requirements.

(7) New members of the chambers and associations shall be eligible to vote on completion of two years of their enrolment and payment of all dues:

Provided that old members of the chambers and associations at the time of renewal of membership which has been discontinued due to non-payment of subscription dues shall be eligible to vote on completion of one year of their re-enrolment and payment of all dues.

(8) Except for the membership and office-bearers provided under this Act or rules made thereunder, there shall not be any other position by any nomenclature in a Trade Organization.

11. Organization and tenure of office-bearers and executive committee of Trade Organizations.- (1)

Notwithstanding anything in any other law for the time being in force and Memorandum and articles of association of any existing Trade Organization, the tenure of office-bearers of all Trade Organizations shall be one year,-

(a) in case of the state chamber of commerce and Industry from the 1st day of January to 31st day of December;

(b) in the case of all other Trade Organizations, the 1st day of October to 30th day of September.

(2) The organizational structure of Trade Organizations including composition and tenure of Executive Committees and the manner of their elections shall as may be Prescribed.

12. Uniformity in structure and autonomy of trade organizations.

(1) The Government shall propose to and obtain approval from the standing committee on commerce in the Legislative Assembly of AJ&K for a minimum, basic template of Memorandum for all Trade Organizations to be registered under this Act.

(2) The said template shall be in compliance with the Act and shall ensure integrity, transparency and efficiency in maintaining the roll of voting members, election of Office bearers, fiduciary responsibility and right of the individual members of the Trade Organization.

(3) After approval, the Government shall publish in the official Gazette basic template of Memorandum for all Trade Organizations to be registered under this Act.

(4) Apart from adherence to the basic template, the Registered trade organizations shall be autonomous to make changes in its Memorandum in accordance with the Act.

13. The Regulator. (1) The Government may, by notification in the official Gazette, appoint or empower an officer to perform the functions of Regulator of Trade Organizations under this Act.

(2) The Government may appoint or empower such other officers with such designations as it deems fit for performing under the superintendence and direction of the Regulator, such functions of the Regulator, under this Act as it may, from time to time, authorize them to discharge.

(3) The Regulator may, by order in writing,-

- (a) Review any function, matter, case or decision of any officer; or
- (b) Withdraw any function, matter or case from any officer or staff, and deal with such function, matter or case himself either de novo or from the

stage it was so withdrawn, or transfer the same to another officer or staff at any stage.

14. Powers and functions of the Regulator.- (1) All acts and proceedings of a Registered trade organization shall be subject to the control of the Government and, subject to such control the affairs of such Trade Organization shall be managed and conducted in such manner as the Regulator may, from time to time, direct.

(2) The Regulator shall, for the purpose of this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedures 1908 (Act V of 1908), as enforced in AJ&K in respect of the following matters, namely,-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents;
- (c) receiving evidence on affidavit; and
- (d) issuing commission for the examination of witnesses.

(3) Notwithstanding anything contained in any other law for the time being in force or in the articles or Memorandum of a Registered Trade Organization and without prejudice to the generality of the foregoing provisions, the Regulator shall exercise the powers to,-

- (a) conduct enquiries into affairs of a Trade Organization as may be necessary for the purposes of this Act;
- (b) inspect, with or without prior notice, any office of such Trade Organization including any of its branch or regional, circle, zonal or liaison office, or any record or document found therein;
- (c) attend any meeting of the general body or the Executive Committee of such Trade Organization or of any committee or other body set up or

appointed to transact any business, or to conduct any affair, of such Trade Organization;

- (d) watch and supervise, or cause to be watched and supervised, any election held by, or for the purpose of electing persons to the Executive Committee or other body including a region, circle or zone of any such Trade Organization;
- (e) act as a final forum of appeals against the decision of any person, committee or office bearers of a Trade Organization in matters relating to electoral process before the conduct of election; and
- (f) annul the results of any election held by any Trade Organization if he is satisfied,-
 - (i) upon his own knowledge and after such investigation he may think fit to make; or
 - (ii) upon a report made by a person authorized by him to make to investigation for the purpose; or
 - (iii) upon a complaint filed by an aggrieved person in this behalf within thirty days of the announcement of the results of such election, that the irregularities in the conduct of such election justify such annulment and, by order in writing, direct fresh election to be held within such period as may be specified in the order;
- (g) give direction to person or a Trade Organization in matters concerning this Act, or any rules or directive made thereunder;
- (h) impose and collect penalties and fines under this Section 25; and
- (i) such other powers as are provided in this Act.

15. Powers to enter and search the premises.- (1) The Regulator or any officer authorized in this behalf may,

for the purpose of making any investigation, enter any premises, where the Regulator or such authorized officer, as the case may be, has reasons to believe that any article, books of account, computer hardware or software, data recording devices, or other document relating to the subject matter of investigation may be found, and may-

- (a) search such premises and inspect any article, books of account, computer hardware or software, data recording devices, or other document;
- (b) take extracts or copies of such articles, books of account, or any software data;
- (c) impound or seal such books of account, computer hardware or software, data recording devices, or other documents; and
- (d) make inventory of such articles, books of account, computer hardware or software, data recording devices, or other documents found in such premises.

(2) All searches made under sub-section (1) shall be carried out, mutatis mutandis, in accordance with the provisions of Code of Criminal Procedure, 1898 (Act V of 1898), as enforced in AJ&K.

(3) Before taking any action under this Section, the Regulator shall submit to the Government in writing the evidence and reasons for taking the said action.

16. Supersession of Executive Committee, office-bearers and appointment of Administrator.- (1)

Where the Government is in receipt of the findings of an investigation by the Regulator, that the affairs of a Registered Trade Organization are not being properly managed and that the interests of trade, industry or service so require, it may, by order in writing, suspend or supersede the Executive Committee of such Trade Organization for such period, not exceeding six months, as may be specified in the order:

Provided that no such order shall be made unless the Executive Committee, intended to be suspended or superseded, has been given a notice in writing of and afforded an opportunity to make a representation against, the intended supersession.

(2) Where,-

- (a) an Executive Committee is superseded under sub-section (1);
- (b) in the opinion of the Government, it is not possible for any reason to reconstitute the Executive committee at the due time of such reconstitution; or
- (c) the Executive Committee is debarred by an order of any court, from discharging its functions, the Government may appoint, for such period, not exceeding six months, an Administrator to take over the functions of Executive Committee and to manage and conduct the affairs of the Trade Organization:

Provided that when the period of supersession is terminated or the Executive Committee is reconstituted or the order of the Court is vacated before the expiry of the period for which the Administrator shall have been appointed, the Government may direct the Administrator to relinquish the functions taken over by him in favor of the Executive Committee.

- (3) Upon the appointment of an Administrator under clause (a) or clause (b) of sub-section (2), the members of the Executive Committee shall be deemed to have vacated their respective offices.

17. Administrator to act under the control of Regulator.-

- (1) The Administrator shall manage and conduct the affairs of the Trade Organization under the supervision and control of the Regulator and in accordance with the rules, if any, made in this behalf by the Government

and, until such rules are made, in accordance with such directions as the Regulator may, from time to time, give.

(2) The rules and directions referred to in subsection (1) may provide for,-

- (a) the appointment of an advisory committee consisting of person, selected from the members of the Trade Organization to assist the Administrator in the discharge of his functions;
- (b) holding of elections for the purpose of reconstitution of the Executive Committee at any time considered appropriate before the expiry of the term of appointment of the Administrator;
- (c) compliance with the provisions of this Act to the extent applicable to the Trade Organization except those relating to the laying of the income and expenditure account and reading of the auditor's report in general meeting;
- (d) withholding, during the period of supersession of the Executive Committee, of the general meeting of the Trade Organization other than the meeting to hold elections for reconstituting the Executive Committee;
- (e) conduct of any business, during the period the general meeting remains withheld, which requires the approval or assent of the members at a general meeting;
- (f) the pay, allowances, remuneration and other privileges, of the Administrator and the members of the advisory committee; and
- (g) such other matters as are necessary for efficient management of the affairs of the Trade Organization.

(3) Any expenditure incurred in connection with the management of a Trade Organization by the Administrator including pay, allowances and

remuneration of the Administrator and the members of the advisory Committee shall be met as expenses, and be a charge on the income, of the Trade Organization:

Provided that the Government may allow remuneration, honorarium to and reimbursement of actual expenses incurred by the Administrator in connection with performance of his functions to be met from the Trade Organizations fund.

- 18. Restriction on suits against Trade Organizations.**- Notwithstanding anything contained in any law for the time being in force or in the articles or Memorandum of a Registered Trade Organization, no suit or other legal proceedings relating to affairs of a Trade Organization shall be instituted or commenced in any court except High Court.
- 19. Compulsory membership of Trade Organizations.**- (1) Notwithstanding anything contained in any other law for the time being in force or in the articles or memorandum of association of any Trade Organization or other company or in any agreement or other instrument, the Government may,-
- (a) subject to any rules made in this behalf, by order in writing, direct any firm, company or other concern engaged in any trade, commerce, industry or service to be a member of Registered Trade Organization specified in the order; or
 - (b) if it considers expedient in the interest of trade, commerce, industry, or service, by notification in the official Gazette, direct all such firms, companies or concerns or any class thereof engaged in trade, commerce, industry or service, as may be specified in the notification subject to exception if any, to be members of the Registered Trade Organization or organizations specified in this behalf in such notification.
- (2) Upon the issue of an order or notification under sub-section (1), the Registered Trade Organization

concerned shall admit as its member any firm, company or concern directed to be its member by such order or notification.

20. Restriction on Membership.- (1) No person shall be a member of more than such number of Trade Organizations as the Government may, by notification in the official Gazette, specify in this behalf.

(2) A person convicted for any offence under this Act shall not hold, or be eligible for holding, any office in a Registered Trade Organization unless a period of five years has elapsed.

21. Appeal.- (1) Any person or Trade Organization aggrieved by any decision or order of the Administrator may, within fourteen days of communication of such decision or order, prefer an appeal to the Regulator.

(2) Any person or Trade Organization aggrieved by any decision or order of the Regulator may, within fourteen days of communication of such decision or order, prefer appeal to the Government whose decision, subject to sub-section (4), shall be final.

(3) On appeal under sub-section (1), the Regulator or, as the case may be, the Government may suspend the operation or execution of the decision or order appealed against until the disposal of such appeal.

(4) Any person aggrieved by the final order or decision of the Government involving a question of law may, within thirty days of such order or decision, prefer an appeal to the High Court.

22. Delegation of Powers.- (1) The Government may, by notification in the official Gazette, direct that all or any of its powers under this Act shall, in relation to such matters or subject to such conditions as may be specified therein, also be exercisable by the Regulator.

(2) The Regulator may, by order in writing, authorize the Administrator or any other officer to exercise and perform any of his powers and functions under this Act.

- 23. Government may carry out the functions of the Regulator.**- Notwithstanding anything contained in any other provision of this Act, the Government may, by notification in the official Gazette, direct that the powers and functions of the Regulator shall, under such circumstances, or in such cases, as may be specified in the notification, be exercised and performed by the Government and upon such notification reference to the Regulator in the relevant provisions of this Act shall be construed as reference to the Government and such provisions shall have effect accordingly.
- 24. Power to levy fee etc.**- The Government may levy and charge prescribed processing fee for grant of License or renewal of License to a Trade Organization, and for examining the performance reports, audited accounts, and other documents submitted to the Government or the Regulator.
- 25. Penalty.**- Where a person contravenes any provision of this Act or any rule or order made, or any direction or instruction given thereunder, or obstructs any officer or person acting under or in pursuance of any such provision, rule, order, direction, or instruction, shall be liable to penalty which may extend to one hundred thousand rupees.
- 26. Contravention by Companies, etc.**- Where a person contravening or failing to comply with, any provision of this Act or any rule, order or direction made or issued thereunder is a company or other body corporate, every managing director, director, manager, secretary or other officer or agent thereof shall, unless he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent its commission, shall be liable to the penalty as provided for such contravention or failure.
- 27. Trade Organizations Fund.**- (1) There shall be established a Fund to be known as the Trade Organizations Fund which shall consist of,-

- (a) grants made by the Government;
- (b) fees and penalties collected by the Regulator; and
- (c) contributions from local and foreign donors or agencies.

(2) The Government shall make rules and regulations for utilizing and incurring expenditures from the Fund.

(3) For the purpose of maintaining the Fund, the Government may open and maintain accounts at such scheduled Banks or the Bank of Azad Jammu and Kashmir as it may from time to time determine.

- 28. Presumption as to order.**- Where an order purports to have been made or signed by an authority or person in exercise of any power conferred by or under this Act, a court shall presume that such order was so made by that authority or person.
- 29. Mode of recovery.**- Any sum imposed as penalty under this Act shall be recoverable as an arrear of land revenue.
- 30. Indemnity.**- No suit, prosecution or other legal proceedings shall lie against any person for anything which is, done or intended to be done in good faith, in pursuance of this Act or any rule or order made or any direction given thereunder.
- 31. Power to make Rules.**- The Government may, by notification in the official Gazette, make Rules for carrying out the purposes of this Act.
- 32. Act to override other laws.**- The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law, for the time being in force.
- 33. Merger of Trade Organizations.**- Notwithstanding anything contained in any other law for the time being in force or provisions contained in Memorandum and Articles of Association of any Trade Organization, the

Government may, by notification in official Gazette, direct any number of Trade Organizations to merge if each of them is involved in the same or significantly similar trade, industry or services or any combination thereof:

Provided that if two or more Trade Organizations are involved in the same or significantly similar trade, industry or services or any combination thereof shall be determined by the Government whose decision in this regard shall be final.

- 34. Transitional provisions.**- (1) All existing Trade Organizations, before submitting application for grant of License under this Act, shall alter their Memorandum and articles of association or any existing arrangement, and shall take such other actions as are necessary to bring the constitution, working and procedures of the existing Trade Organizations in conformity with the provisions of this Act.

(2) Notwithstanding anything contained in this Act, or any other law for the time being in force, or provisions contained in the Memorandum and articles of association of any Trade Organization, in order to bring the composition of the state chambers of commerce and industry, chambers and associations in conformity with the provisions of this Act, the Government may, within six months of the commencement of this Act, pass any orders deemed appropriate for this purpose. Such orders may include, but not limited to, extension of the tenure of the office bearers and committees, or supersession of Executive Committee, or appointment of Administrator, or annulment of the elections of any Trade Organization including the state chambers of commerce and Industry, held under this Act or the order of the court. Simultaneously, with the passing of such order, the Government shall issue schedule of election for the respective Trade Organization.

- 35. Validation of actions etc.**- Anything done, actions taken, orders passed, instruments made, proceedings initiated, processes or communications issued, powers conferred, assumed, exercised by the Government or Regulator on or after and before the commencement of this Act shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed, exercised and the provisions of this Act shall have, and shall be deemed always to have had effect accordingly.
- 36. Repeal.**- The Trade Organization Ordinance, 1961 (XLV of 1961) is hereby repealed.

Sd/-
(Ch. Muhammad Nawaz)
Section Officer (Legislation)