



TRADE ORGANIZATION ACT, 2013

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THE TRADE ORGANIZATION ACT, 2013

ACT No. II Of 2013

An Act to provide for the registration and regulation of trade organizations

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

AND WHEREAS it is imperative to define the purpose, role, responsibilities and operational framework including code of corporate governance for trade organizations and for matters connected therewith and incidental thereto;

It is enacted as follows:—

CHAPTER-I

PRELIMINARY

1. Short title, extent, application and commencement.— (1) This Act may be called the Trade Organizations Act, 2013.

(2) It extends to the whole of Pakistan.

(3) It shall apply to trade organizations whose objects and business are not confined to one province.

(4) it shall come into force at once.

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 or a trade organisation;

(c) "district" means an administrative district notified by the Provincial Governments from time to time;

(d) "division" means an administrative division notified by the Provincial 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 organisation responsible for the management or conduct of the affairs of such trade organisation;

(d) "existing trade organisation" means an organisation licensed under the Trade Organisations Ordinance, 1961(XLV of 1961);

- (g) "licence" means a licence granted to a trade organisation under section 3;
- (h) "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 organisation licensed under this Act;
- (i) "member of a trade organisation" 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 organisation licensed under this Act;
- (j) "memorandum" means the memorandum and the articles of association of a trade organisation;
- (k) "office bearers" means President, Senior Vice President, Vice President, Chairman, Senior Vice-Chairman and Vice Chairman and trade organization;
- (l) "Ordinance" means the Companies Ordinance, 1984 (XLVII of 1984);
- (m) "prescribed" means prescribed by rules made under this Act;
- (n) "register" means the Register of Companies required to be kept under section 147 of the Ordinance;
- (o) "registered trade organisation" means a trade organisation registered under the Ordinance;
- (p) "Regulator" means Regulator of the Trade Organisations appointed by the Federal Government and includes an officer empowered by the Federal Government to perform functions of the Regulator under this Act;
- (q) "repealed ordinance" means the Trade Organizations Ordinance 1961 (XLV of 1961);
- (r) "trade organisation" means an organization, which
- (i) is capable of being formed as a limited company within meaning of the Ordinance;
 - (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 its objects;
- (s) "small traders and small business" means a member of trade organization whose number of employees is less than twenty, annual business turnover
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ranges between two million rupees to twenty million rupees, all utility bills do not exceed one million rupees per annum and neither such small trader or small business is owned or controlled by a Provincial Government nor it carries on trade or business confined to only one Province; and

- (t) "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 neither owned or controlled by a Provincial Government nor carries on trade or business confined to only one Province.

3. Licensing and registration of trade organisations.— (1) Notwithstanding anything contained in the Ordinance or in any other law for the time being in force relating to registration of societies, bodies or associations of persons, no trade organisation shall be registered under the Ordinance or such other law unless it holds a licence granted by the Federal Government authorizing it to be so registered.

(2) No licence shall be granted for registration under the Ordinance to a trade organisation unless it is—

- (a) a Federation of Chambers of Commerce and Industry, organized on all Pakistan basis, to represent Chambers and Associations referred to in clauses (b), (c), (d) and (f):

Provided that a licence for registration as a Federation of Chambers of Commerce and Industry shall not be granted to more than one trade organisation;

- (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 licence. 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 Federal Government may, by notification in official Gazette, combine one or more districts for the purpose of grant of only one licence. In such a case the Federal Government may allow the districts so combined to form it 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 administrative division but such a Chamber representing less than the prescribed number of women entrepreneurs shall not be granted licence 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: