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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

MINISTRY OF COMMERCE

NOTIFICATION

*Islamabad, the 26th March, 2013*

**S .R. O. 267(I)/2013.**—In exercise of the powers conferred by section 31 of the Trade Organizations Act, 2013 (II of 2013), the Federal Government is pleased to make the following rules, namely: —

1. **Short title and commencement.**—(1) These rules may be called the Trade Organizations Rules, 2013.

(2) They shall come into force at once.

2. **Definitions.**—(1) In these rules, unless there is anything repugnant in the subject or context,—

(a) “Act” means the Trade Organizations Act, 2013 (II of 2013);

(b) “associate member” means a member of a trade organization which is not a body corporate or a multinational or a sales-tax-registered manufacturing concern or a sales-tax-registered business concern having annual turn-over of not less than fifty million Rupees;

(1047)

- (c) "association" means an association with membership on all Pakistan basis organized to represent a specific trade, industry or service or any combination thereof as provided in clause (d) of sub-section (2) of section 3 of the Act;
- (d) "association of small traders" means an association with membership on all-Pakistan basis organized to represent specific small traders, small businesses or small industry as provided in first proviso to clause (d) of sub-section (2) of section 3 of the Act;
- (e) "chamber" means a chamber of commerce and industry organized to represent trade, industry and services in a specific area as provided in clause (b) of sub-section (2) of section 3 of the Act;
- (f) "chamber of small traders" means a chamber organized to represent small businesses, small traders and small industry as provided in clause (f) of sub-section (2) of section 3 of the Act;
- (g) "corporate member" means a member of a trade organization which is either a body corporate or a multinational corporation with its head office or branch office in Pakistan or a sales-tax-registered manufacturing concern or a sales-tax-registered business concern having annual turn-over of not less than fifty million Rupees;
- (h) "Federal Area" means Islamabad Capital Territory;
- (i) "Federation" means a Federation of Pakistan Chambers of Commerce and Industry organized on all-Pakistan basis to represent chambers, associations, women's chambers and chambers of small traders and associations of small traders;
- (j) "general body" means all members of a trade organization;
- (k) "northern zone" means the Provinces of Punjab and Khyber Pakhtunkhwa and Federal Area;
- (l) "plan of activities" means a list of proposed activities, expected financial expenditures and outcome and intended goals for the trade organization as provided in rule 23;
- (m) "schedule" means schedule to these rules;
- (n) "secretary general" means an individual professional full-time employee of the trade organization who shall be in charge of the secretariat of the trade organization and responsible for day to day operations of the trade organization and in his capacity as such shall be custodian of all record pertaining to the trade organization;

- (o) "southern zone" means the Provinces of Sindh and Baluchistan;
- (p) "town association" means a town association, organized to represent trade, industry or service 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;
- (q) "women's chamber" means a Chamber of Commerce and Industry organized to represent women entrepreneurs as defined in clause (c) of sub-section (2) of section 3; and
- (r) "woman entrepreneur" means—
  - (i) a sole proprietorship where the proprietor is a female;  
or
  - (ii) a partnership where the majority partners are female;  
or
  - (iii) an association of any kind where majority of its persons are female; or
  - (iv) a company where majority shares are held by female.

(2) The words and expressions used but not defined herein shall have the same meanings as are assigned to them in the Act.

3. **Eligibility for licence.**—(1) No application for grant of licence under section 3 of the Act shall be entertained by the Federal Government unless the applicant is a trade organization and intended to be formed as any of the types of trade organizations specified in sub-section (2) of the said section 3.

(2) Subject to the provisions of section 3 of the Act, an applicant trade organization, save as to the Federation, shall only be licensed under these rules to be registered under the Ordinance, if such trade organization meets the following minimum requirements, namely:—

- (a) it represents a specific area or trade or industry or service or any combination thereof;
- (b) in case of a chamber it has a minimum of one hundred and fifty members who are either permanently domiciled in the relevant district or have a substantial business interest such as an industrial concern, a corporate business entity or are being assessed for the



purposes of income tax and sales tax in the territorial jurisdiction of the proposed chamber;

- (c) in case of a chamber of small traders it has a minimum of three hundred members who shall be permanently domiciled in the relevant district or have a substantial business interest such as industrial concern, a business entity or are being assessed for the purposes of income tax and sales tax in the territorial jurisdiction of the proposed chamber;
- (d) in case of an association,—
  - (i) it has one hundred members; or
  - (ii) where due to the size and nature of trade, industry or service, there are less than one hundred members but the combined revenue of the sector is significant and the proposal is supported by at least half of the total number of concerns in the respective trade, industry or service;
  - (iii) its members are stakeholders in the relevant trade or industry or service; or
  - (iv) its membership is on all-Pakistan basis unless it has been established to the satisfaction of the Federal Government that the nature of the trade, industry, service or any combination thereof renders it impractical or impossible to have membership on all Pakistan basis;
- (e) in case of an association of small traders, it has a minimum of three hundred members:

Provided that it shall fulfil all the requirements mandatory for establishment of an association on all Pakistan basis:

Provided further that licence for registration as an all-Pakistan association shall not be granted to more than two trade organizations in the same sector, out of which at least one will represent the small traders, small businesses or small industry in the same sector;

- (f) in case of a women's chamber, it has a minimum of one hundred members; or

- (g) in case of a town association it has a minimum of one hundred members;

(3) No trade organization shall be licensed under these rules for registration unless it is self-sustained and financially feasible *i.e.* where the expected expenses do not exceed the proposed revenues.

4. **Application for grant of licence.**—(1) An application for grant of licence under these rules shall be made on the format as set out in Schedule 'A' and accompanied by the following documents and information, namely:-

- (a) a list of prospective members along with—
  - (i) details of prospective members' business character, national tax number and sales tax registration, if applicable, in name of the business concern; and
  - (ii) a copy of the national identity card of the authorized representative of the member;
- (b) names and profiles of sponsors of trade organizations;
- (c) justification for establishment of the proposed trade organization which may include-
  - (i) in case of a chamber and a chamber of small traders, the economic profile of the district indicating number and nature of industrial concerns, average revenue receipts during last three years and profile of traditional products, if any; or
  - (ii) in case of women chamber, economic profile of the division or district, indicating number and nature of industrial concerns, average revenue receipts during last three years and profile of traditional products, if any; or
  - (iii) in case of an association and an association of small traders, sectoral brief containing size and nature of trade, industry or service, number of trading and industrial concerns, its contribution to gross domestic products, estimated volume of imports and exports and revenue collection in the sector; or
  - (iv) in case of a town association, economic profile of the concerned town, tehsil, taluka or district indicating number and nature of industrial concerns, average revenue receipts

during last three years and profile of traditional products, if any;

- (d) a hard and a soft copy of draft memorandum and articles of association of trade organization in accordance with these rules, the Act, the Ordinance and the Federal Government's public notices as issued from time to time;
- (e) copies of bye-laws of trade organization, if any;
- (f) national tax number for the applicant trade organization;
- (g) copies of national press notices as provided under rule 9;
- (h) receipt evidencing payment of fees as set out in Schedule 'E';
- (i) plan of activities for the trade organization as audited by a firm of chartered accountants; and
- (j) financial-feasibility-statement, certified by a chartered accountant.

5. **Grant of licence *de novo*.**—An application for a *de novo* licence, following a licence of a trade organization having been cancelled under section 7 of the Act, shall be made to the Federal Government on the format as set out in Schedule 'C' and shall include the following information, namely:—

- (a) details of new sponsors of the trade organization whose licence was cancelled;
- (b) receipt evidencing payment of fees as prescribed in Schedule 'E'; and
- (c) grounds for grant of *de novo* licence in view of the circumstances under which the licence was cancelled.

6. **Terms and conditions of licence.**—(1) A licence granted to any trade organization under these rules shall be subject to the following terms and conditions, namely:—

- (a) that the trade organization maintains a membership register and allows, for public, access to such register;
- (b) that the trade organization keeps accurate paper record of all matters pertaining to the operations and management of the trade organization;



- (c) that for the first five years of grant of licence, the trade organization maintains the minimum membership threshold provided in clauses (b),(c), (d), (e), (f) and (g) of sub-rule (2) of rule 3;
- (d) that within five years of grant of licence, the trade organization shall raise and subsequently maintain, for all times, the minimum membership threshold provided in clause (a) of sub-rule (2) of rule 10;
- (e) that the trade organization applies, within thirty days of the date of the licence, for incorporation as a company under the Ordinance and shall secure incorporation within ninety days of the date of licence;
- (f) that the trade organization submits application form for membership of the Federation within one month alongwith the payment of stipulated subscription and maintains its membership with the Federation:

Provided that on submission of application form and deposit of fee by the licensed trade organization, the Federation shall grant membership within one month;

- (g) that all information and data provided by the applicant trade organization to the Federal Government is accurate and reliable;
- (h) that the trade organization complies with the provisions of the Ordinance, these rules and any other rules and regulations, if applicable;
- (i) that within one month of grant of the licence, the trade organization shall establish its independent office which shall—
  - (i) be housed in a premises, not being used as residence or office of any of its members;
  - (ii) have telephone, fax and internet connection, etc., in name of the trade organization;
  - (iii) be located at a prominent and easily accessible place;

- (iv) in case of a chamber and a chamber of small traders, be located within municipal limits of the headquarter of the concerned district;
- (v) in case of a town association, be located within municipal limits of the concerned town, tehsil, taluka or district; and
- (vi) in case of a women's chamber, be located at the place mentioned in the memorandum and articles of association of the women's chamber;
- (j) that within one month of grant of the licence, the trade organization shall appoint a full-time secretary general, having appropriate qualifications;
- (k) that within ninety days of grant of the licence, the trade organization shall submit a compliance report to the Regulator about completion of requirements of clauses (e), (f), (i) and (j);
- (l) that bank accounts of the trade organization, in its exact registered name, shall be opened in a scheduled bank;
- (m) that the trade organization shall make a declaration to the auditors of all accounts including those opened separately for projects such as local and foreign exhibitions, delegations, etc., and shall not maintain any account which is not subject to audit; and
- (n) that an association shall maintain a minimum of two regional offices, each covering a principal city in northern and southern zones which may be based upon distribution of its members across the country and which accordingly provides adequate service to its members.

(2) Without prejudice to the provisions of section 7 of the Act, the violation of any of the terms and conditions of the licence shall make the licence liable to cancellation by the Federal Government.

(3) Secretary general shall, within thirty days, communicate with necessary documents all changes made in any material information already submitted to the Regulator or Federal Government.



7. **Jurisdiction of licence.**—(1) The Federation shall be allowed to be established to represent chambers, associations, association of small traders, women's chambers and chambers of small traders, on all-Pakistan basis.

(2) A chamber and a chamber of small traders shall be allowed to be established to represent trade, industry and services in an area not less than a revenue district.

(3) An association and an association of small traders shall be allowed to be established to represent a particular trade or industry or service or any combination thereof.

(4) A women's chamber shall be allowed to be established to represent women entrepreneurs in any trade or industry or service or any combination thereof for an area provided in rule 12.

(5) A town association shall be allowed to be established to represent the trade, industry and services in a town, tehsil, taluka or district where there is no chamber.

8. **Merger.**—Subject to section 33 of the Act and provisions of the Ordinance, the Federal Government reserves the right to direct any number of trade organizations to merge if each trade organization is involved in the same or significantly similar trade, industry or service or any combination thereof.

9. **Notification in the press.**—All proposals to form a trade organization shall be duly notified by the sponsors of the proposals in the combined editions of at least two leading national English and Urdu daily newspapers, through advertisement of minimum size of 4 x 4 square-inches.

10. **Validity and renewal of licence.**—(1) A trade organization shall be licensed for a period of five years.

(2) The licence shall be renewable for further five years subject to fulfilment of following conditions, namely:—

(a) the trade organization attains and subsequently maintains, for all times, the following minimum membership threshold, namely:—

S.No.	Name of trade organization	Minimum membership threshold
(1)	(2)	(3)
1.	Chamber	Three hundred
2.	Chamber of small traders	Five hundred
3.	Association	One hundred and fifty
4.	Association of small traders	Five hundred
5.	Women's chamber	Two hundred
6.	Town association	One hundred and fifty

(b) the trade organization has been—

- (i) satisfactorily performing in accordance with performance review;
- (ii) satisfactorily performing in accordance with its memorandum and articles of association;
- (iii) reporting corporate compliance to the Securities and Exchange Commission of Pakistan and the Regulator; and
- (iv) complying with any applicable law, rules and regulations.

(3) Subject to provisions of section 6 of the Act, an application for renewal of licence shall be made to the Regulator on the format as set out in Schedule 'B' and shall include the following information, namely:—

- (a) original licence expiring;
- (b) copy of financial statements for the trade organization up to the end of the immediately preceding financial year together with auditors' reports;
- (c) receipt evidencing payment of fee as prescribed in Schedule 'E';
- (d) copy of performance review report;
- (e) updated list of members;
- (f) copy of lease agreement for office premises of the trade organization;
- (g) copies of utility bills of the trade organization for the preceding year; and
- (h) proof of filing income tax return on behalf of the trade organization.

**11. Membership of trade organizations.**—(1) Any business concern shall be eligible for grant or renewal of membership of any trade organization if such business concern meets the following conditions, namely:—

- (a) the prospective member is a sole proprietorship or a partnership firm or an association of persons or a company holding national tax

number and sales tax registration, if applicable, in name of the business concern;

- (b) the prospective member's business fits within the defined business scope or area of jurisdiction of the trade organization as provided in the said trade organization's approved memorandum and articles of association and under the licence granted by the Federal Government;
- (c) the application for grant of membership has been proposed and seconded by existing members of the said trade organization;
- (d) the prospective member has no criminal conviction; and
- (e) the prospective member has a valid national tax number and sales tax registration, if applicable.

(2) The Regulator, if satisfied that a prospective member meets the eligibility criteria under sub-rule (1), may direct any trade organization for the purposes of enrolling any such person as member upon the application of such prospective member having filed a complaint with the Regulator on the grounds of delay or refusal in obtaining membership in the said trade organization.

(3) Membership may be cancelled or such membership be disqualified, in addition to the grounds provided under the trade organization's memorandum and articles of association, if the member breaches any provision of these rules or the Act.

(4) The membership of a trade organization shall be granted for a period of one year and shall expire on the 31st day of March each year irrespective of the date of grant of membership.

(5) The membership shall be renewable on annual basis subject to fulfilment of following conditions, namely:—

- (a) payment of prescribed subscription within the time stipulated in the memorandum, which shall not be later than the 31<sup>st</sup> of March; and
- (b) proof of filing return of income tax and sales tax, if applicable, for the preceding year.

(6) Upon a complaint filed by the aggrieved member, the Regulator, if satisfied that the renewal of membership of an eligible member has been delayed or refused, may direct the trade organization to renew the membership of the applicant.



(7) There shall be two classes of memberships in a trade organization, except chamber of small traders and association of small traders.

**12. Women's chambers.**—(1) A women's chamber shall represent women entrepreneurs in any trade or industry or service or any combination thereof.

(2) A women's chamber shall ensure that its basic purpose is to represent the best interests of women entrepreneurs in all manners possible including but not limited to the strategic development of women entrepreneurs and their business concerns and training of women entrepreneurs keeping in view all such circumstances as faced by women entrepreneurs in the conduct of their business concern.

(3) The territorial jurisdiction of a women's chamber shall be an administrative division:

Provided that women entrepreneurs may form women's chamber in the district if they otherwise fulfil the criteria of formation of a district chamber.

(4) Where the number of prospective members desiring to form a women's chamber in an administrative division is less than one hundred, they may join an adjoining licensed women's chamber:

Provided that when the membership of a women's chamber in a division becomes one hundred, such women entrepreneurs may apply for grant of licence under these rules as a women's chamber.

(5) On grant of a licence to a women's chamber, the women entrepreneurs who had obtained membership in the adjoining women's chamber shall be deemed to have been de-registered from membership register of the adjoining women's chamber.

**13. Elections within trade organizations.**—Subject to provisions of section 11 of the Act, the elections of trade organizations shall be held on annual basis as per following timeframe, namely:—

- (a) in case of the Federation, during the period of October to December of the year; and
- (b) in case of all other trade organizations, during the period of July to September of the year.

14. **Announcement of elections schedule.**—(1) The election schedule of the trade organization shall be approved by the executive committee of the trade organization and issued by the secretary general,-

- (a) in case of the Federation, in first half of October; and
- (b) in case of all other trade organizations, in first half of July.

(2) Within two days of its approval by the executive committee, the election schedule shall be—

- (a) displayed at notice board of head office and regional offices of the trade organization;
- (b) displayed at website of the trade organization; and
- (c) submitted to the Regulator.

15. **Eligibility to vote.**—(1) Subject to provisions of section 10 of the Act, the eligibility of a member of trade organization to vote at the elections of the trade organization shall be subject to following conditions, namely:—

- (a) the member has completed two years of valid membership of the trade organization as on the date of announcement of election schedule by the executive committee of the trade organization:

Provided that old members shall be eligible to vote on completion of one year of their enrollment and payment of all dues; and

- (b) the member has fulfilled the conditions of membership and renewal thereof of the respective trade organization under rule 11.

(2) Every member eligible to vote shall deposit with the secretary general, the specimen signature card alongwith photograph indicating the status in the firm, company or concern. The right to vote shall be allowed only to the proprietor, partner or the director of the member-firm or company, or a person not below the rank of general manager authorized by the board of directors of a public limited company or, as the case may be, a multi-national corporation.

(3) The proprietor, partner or director of the member-firm or company, concern or a person not below the rank of general manager authorized by the board of directors of public limited company or a multinational company shall be entitled to cast vote at the time of election only if name of such person has

already been registered with the secretary general and his name appears on the list of voters.

**16. Appointment of Election Commission.**—Simultaneously with approval of the election schedule as provided in rule 14, the executive committee of the trade organization shall appoint an Election Commission subject to the following conditions, namely:—

- (a) the commission comprises three members;
- (b) the members so appointed have submitted their consent in writing to their appointment as such;
- (c) the members of the commission, so appointed, have not held any office of the respective trade organization for the preceding two years;
- (d) the member of the commission shall not be entitled to become a candidate in the election, he is conducting;
- (e) the members of the commission shall be independent, impartial and non-partisan; and
- (f) the members of commission shall not canvass for any of the candidates or panels contesting the elections, they are conducting.

**17. Functions of Election Commission.**—The Election Commission shall be in charge of all arrangements connected with conduct of elections including but not limited to—

- (a) appointment of polling staff;
- (b) ensuring display of tentative voters' list by the secretary general for the purpose of inviting objections as provided in sub-rule (3) of rule 18;
- (c) examination of and decision on the objections received on the voters' list as provided in sub-rule (6) of rule 18; and
- (d) supervision of polling process and ensuring that the polling has been conducted in an orderly, peaceful, fair and transparent manner in accordance with provisions of the memorandum and articles of association and instructions of the Federal Government or the Regulator in this regard; and
- (e) counting of votes and announcement of results.



18. **Election procedure.**—(1) The election of the trade organization shall be conducted according to the procedure laid down in the respective articles of association subject to the following:—

- (a) the election of the members of executive committee and office bearers shall be held by secret ballot;
- (b) neither postal ballot nor proxy shall be allowed; and
- (c) the polling shall be held simultaneously at the head office, regional offices or, where the number of voters exceeds fifty, at the branch offices of the trade organization:

Provided that where for want of space in the office premises it is not possible to establish the polling booths, the polling shall be held in a public place such as a community hall or hotel.

(2) Within three days of the announcement of the election schedule member-firms desiring to change their representative shall intimate changes regarding name of representative to the secretary general alongwith necessary proof of eligibility.

(3) The secretary general of trade organization shall display, within seven days of the announcement of election schedule, the provisional list of all members eligible to vote alongwith their national tax number, sales-tax-registration number, if applicable, the name and national identity card number of their representative. The list shall be displayed at—

- (a) notice board of the head office and regional offices of the trade organization; and
- (b) website of the trade organization.

(4) The members who have any objection to the entries in the list of voters shall send their objections in writing to the secretary general within seven days of the issuance of the voters' list.

(5) The secretary general shall, within five days from receipt of objections under sub-rule (4), intimate action on the objections or changes, if any.

(6) Any person aggrieved by decision of the secretary general may, within three days of receipt of the decision, make a representation to the Election Commission which shall decide the representation within three days.

(7) Any person, aggrieved by the decision of the Election Commission or in case the Election Commission fails to decide the representation within the period provided in sub-rule (6), may, within three days of decision by the Election Commission or, as the case may be, on expiry of limitation of the Election Commission under sub-rule (6), make an appeal to the Regulator who shall decide the appeal within ten days and his decision in this regard shall be final.

(8) Within two days of the decision of the Regulator the final voters' list shall be—

- (a) displayed at notice board of the head office and regional offices of the trade organization;
- (b) displayed at website of the trade organization; and
- (c) submitted to the Regulator:

Provided that if no appeal has been filed to the Regulator the final list of voters shall be displayed within fifteen days of the decision of the Election Commission under sub-rule (6).

(9) Within four days of display of the final list of voters, any person, who is eligible to contest elections for the vacant post, shall send his nomination, duly proposed and seconded by a duly registered voter and signed by the candidate, to the secretary general.

(10) Within twenty-four hours of receipt of nomination papers, a copy of the final list of voters shall be provided to each contesting candidate.

(11) The nomination papers shall be scrutinized by the Election Commission and list of candidates shall be displayed within twenty-four hours of the last date of receipt of nomination papers.

(12) The objections, if any, to nomination of the candidates may be filed to the Election Commission within twenty-four hours of issuance of the list of candidates, which shall be decided by the Election Commission within two days.

(13) Within two days of decision of the Election Commission or in case the commission fails to decide within the stipulated time provided in sub-rule (12), any candidate, aggrieved by the decision of the Election Commission or, as the case may be, on expiry of limitation of the Election Commission under sub-rule (12), may file an appeal to the Regulator, who shall decide it within seven days and his decision in this regard shall be final.

(14) Within two days of the decision of the Regulator the Election Commission shall issue final list of the candidates:

Provided that if no appeal has been made to the Regulator, final list of the candidates shall be issued within eleven days of the decision of the Election Commission under sub-rule (12).

(15) Within five days of display of final list of the candidates, the polling for election of members of executive committee shall be held.

(16) Within two days of the polling as provided in sub-rule (15), any person elected as member of executive committee, shall send, to the Election Commission for election as an office-bearer, his nomination duly proposed and seconded by an elected executive committee's member and signed by the candidate.

(17) The nomination papers shall be scrutinized by the Election Commission and list of candidates shall be displayed within twenty-four hours of the last date of receipt of nomination papers.

(18) Within two days of display of final list of the candidates, the polling for election of office-bearers shall be held.

(19) The final result of the election of members of executive committee and office-bearers shall be officially announced at annual general meeting of the trade organization called for this purpose within fifteen days of the date of polling under sub-rule (18) but not later than—

- (a) in case of the Federation, the 31st day of December of the year; and
- (b) in case of all other trade organizations, the 30th day of September of the year.

(20) The announcement of election results in the annual general meeting under sub-rule (19) shall be the material date for the purposes of paragraph (iii) of clause (f) of sub-section (3) of section 14 of the Act.

(21) The final election results announced in the annual general meeting shall be—

- (a) displayed at notice board of the head office and regional offices of the trade organization within two days;
- (b) displayed at website of the trade organization within two days; and
- (c) submitted to the Regulator within seven days.



**19. Conduct of elections.**—(1) The ballot papers shall have duly numbered counterfoils and the voter shall sign or affix thumb impression thereon in presence of polling agents of the candidates and the polling officer before the issuance of ballot papers to the voter.

(2) It shall be duty of the polling officer to verify identity of the voter. The only acceptable forms of identification shall be computerized national identity card, original identity card issued by the trade organization, passport and driving licence. The polling officer shall, on the counterfoil, enter the number of identification document.

(3) After satisfying himself with regard to identity of the voter, the polling officer shall hand over the ballot paper to the voter.

(4) The ballot paper shall be signed by the secretary general or an officer of the trade organization duly authorized by the Election Commission in this behalf and shall also be signed by the polling officer at the time when it is issued.

(5) Once the ballot paper has been issued to a voter, he shall not be allowed to leave the polling booth, without casting his vote in the ballot box.

(6) Adequate arrangements shall be made to maintain secrecy of the polls.

(7) Proper account shall be maintained by an officer designated by the Election Commission in respect of ballot papers including used, unused, tendered, challenged or spoiled ballot papers.

(8) The challenged votes shall be kept in a separate sealed envelope duly signed and sealed by the polling officer.

(9) The Election Commission or an officer designated by the commission shall decide about the challenged votes after verification of necessary information before the official announcement of the results.

(10) No ballot paper shall be invalid for failure to have cast all votes on all seats contested for in the said election.

(11) Counting of votes shall take place immediately after the polling hours under supervision of polling officer in presence of candidates or their polling agents, if any, at the designated sites.

(12) Provisional results may be declared by the Election Commission immediately after counting of the votes is completed.

(13) In the event of equality of votes between two or more candidates the result shall be decided on the basis of a draw conducted by the polling officer in presence of the candidates or their polling agents and a record of the result thereof shall be made.

(14) Having completed the counting and compilation of results, record pertaining to the elections shall be sealed and signed by the Election Commission or any officer designated by the Election Commission and the secretary general and shall be handed over to the secretary general for safe custody.

(15) Upon an application made in this behalf by the candidates within seven days of the date of polling and with approval of the Regulator, record of the elections shall be opened for inspection by the applicant in presence of the Election Commission.

**20. Organizational structure of the Federation.**—(1) The Federation shall comprise a president, a senior vice president, twelve vice-presidents, an executive committee and a general body.

(2) The general body of the Federation shall comprise the representatives, nominated by each licensed chamber, association, association of small traders, women's chamber and chamber of small traders subject to the following:—

- (a) two representatives shall be nominated from each licensed chamber, association, women's chamber and chamber of small traders and association of small traders;
- (b) the representatives shall be members of the nominating trade organization;
- (c) in case of a chamber or women's chamber, one representative shall be nominated from each class of members provided in sub-rule (7) of rule 11; and
- (d) in case of an association, at least one representative shall be nominated from the corporate class;
- (e) in case of chamber of small traders and association of small traders, the concerned trade organization shall nominate one of its nominees to represent the trade body in executive committee and the other one to represent the trade body in the general body of the Federation.

(3) The general body constituted under sub-rule (2), in addition to the functions and responsibilities assigned to it in the memorandum and articles of association of the Federation, shall, subject to the provisions of sub-rule (4), serve as the electoral college for election of the office-bearers of the Federation.

(4) The executive committee of the Federation shall comprise one out of the two representatives nominated on the general body by each trade organization as provided in sub-rule (2). While making nomination under sub-rule (2) each trade organization shall indicate as to which of the two nominees shall represent it.

(5) The immediate past president of the Federation shall be an *ex-officio* member of the executive committee without the right to vote.

(6) There shall be twelve seats of *vice*-presidents in the Federation, subject to the following conditions, namely:-

- (a) there shall be four seats of *vice*-presidents allocated to the associations for which the electoral college shall be members of the general body representing the associations;
- (b) there shall be one seat of *vice*-president allocated to associations of small traders, for which electoral college shall be members of general body representing the associations of small traders;
- (c) there shall be one seat of *vice*-president allocated to the women chambers of commerce and industry for which electoral college shall be members of the general body representing the women chambers of commerce and industry;
- (d) in addition to the seats provided for in clause (a), (b) and (c), there shall be following five seats of *vice*-presidents allocated to the chambers, namely:-

S.No.	Province or area	Seats
(1)	(2)	(3)
1.	Balochistan	one
2.	Khyber Pakhtunkhwa	one
3.	Punjab	one
4.	Sindh	one
5.	Federal Area	one



**Explanation.**—Electoral college for five seats of *vice-president* specified under this clause shall be members of the general body representing the chambers from the respective Province and Federal Area;

- (e) there shall be one seat of *vice-president* allocated to chambers of small traders for which electoral college shall be members of the general body representing the chamber of small traders.
- (7) The rotation cycle of the office of president of the Federation shall be as provided in Schedule 'D'.
- (8) The president, the senior *vice-president* and *vice-presidents* of the Federation shall be elected from amongst members of the executive committee.
- (9) The president and senior *vice-president* of the Federation shall not be from the same Province.
- (10) The tenure of all office-bearers and members of executive committee of the Federation shall be one year.
- (11) Any office-bearer or member of executive committee of the Federation, on completion of the term or early retirement for any reason, shall not be eligible to contest election or co-option in any representative capacity for the next one year.

**21. Organizational structure of chambers, chamber of small traders, associations, association of small traders, women's chambers and town associations.**—(1) A chamber or chamber of small traders or women's chamber or town association shall comprise a president, senior *vice-president*, *vice-president*, an executive committee and a general body.

(2) An association or association of small traders shall comprise a chairman, senior *vice-chairman*, *vice-chairman*, an executive committee and a general body:

Provided that an association may have more than one *vice-chairman*, as provided in its memorandum and articles of association:

Provided further that chairman and senior *vice-chairman* of association and association of small traders shall not be from the same Province.

(3) Members of a trade organization shall constitute its general body.

(4) The general body constituted under sub-rule (3), in addition to the functions and responsibilities assigned to it in the memorandum and articles of association of the trade organization, shall, subject to the provisions of clause (c) of sub-rule (5) and sub-section (7) of section 10 of the Act, serve as electoral college for election of members of executive committee, except for the seats reserved for women for which electoral college shall be the executive committee.

(5) The executive committee of all trade organizations, except Federation, shall comprise persons elected by the general body from amongst its members, subject to the following conditions, namely:—

- (a) there shall be a minimum of ten and maximum of thirty seats of executive committee;
- (b) at least fifty per cent of members of the executive committee shall be from the corporate class:

Provided that in case of a chamber of small traders and an association of small traders, there shall be no such restriction;

- (c) the electoral college for each class of members of the executive committee shall be members of the general body from the respective class; and
- (d) in addition to the seats under clause (a), the immediate past president or, as the case may be, the chairman of a trade organization shall be an *ex-officio* member of the executive committee without voting right.

(6) In case of a chamber, chamber of small traders, association, association of small traders and town association, in addition to the number of seats in sub-rule (5), there shall be two seats of executive committee reserved for women entrepreneurs for which electoral college shall be the executive committee.

(7) In case of a chamber, in addition to the seats in sub-rules (5) and (6), there shall be one seat reserved for nominee of each town association affiliated with the chamber.

(8) If any seat reserved for any of the stipulated categories remains vacant, it shall not be filled by members from other category:

Provided that any seats remaining vacant in any category shall not be counted towards determination of quorum.

(9) In any trade organization where the general body comprises at least fifty per cent members from associate class, there shall be rotation of office of president and, as the case may be, the chairman between the associate and corporate members:

Provided that in case of a chamber of small traders and an association of small traders there shall be no such restriction.

(10) Where there is rotation of office of president under sub-rule (9), the president and senior *vice*-president or chairman and, as the case may be, the senior *vice*-chairman shall not be from the same class of members provided in sub-rule (7) of rule 11.

(11) The office-bearers of a trade organization shall be elected by the executive committee from amongst its members.

(12) The tenure of all elected office-bearers shall be one year.

(13) The tenure of members of the executive committee provided in sub-rules (5) and (6) shall be two years subject to the following conditions, namely:—

- (a) fifty per cent members of the executive committee shall retire every year; and
- (b) after first election of the executive committee under the Act, a draw shall be made to determine the fifty per cent members who shall retire after expiry of first year.

(14) The tenure of office-bearers of the executive committee provided in sub-rule (7) shall be one year.

(15) On completion of term, office-bearers and members of the executive committee shall not be eligible to contest election or co-option in any representative capacity in the trade organization for the next one year.

**22. Reporting requirements.**—A trade organization shall annually submit by the 31<sup>st</sup> December to the Regulator—

- (a) annual financial statements as prepared by auditors and approved by the executive committee;

- (b) plan of activities for the next year as provided in rule 23; and
- (c) a soft and hard copy of list of its members as on the 30th November, in the format as set out in Annex-I of Schedule 'B'.

**23. Plan of activities and performance review.**—(1) Every trade organization shall prepare a three years plan of activities which shall be approved by the executive committee followed by distribution amongst its members and cover, among other matters, the proposed future activities, finances and outcome of such activities intended by the trade organization during the said three years period.

(2) Each trade organization shall internally conduct an annual performance review and have such performance review audited by external auditors based upon an inspection of all records of the trade organization to include, but not be limited to, minutes of meetings and the trade organization's plan of activities.

**24. Management.**—(1) A trade organization shall appoint a secretary general through a human resources committee formed by the executive committee and shall consist of three members of the executive committee.

(2) The secretary general shall be in charge of secretariat of the trade organization, who shall exercise his powers and perform his functions under the Act, these rules, the Ordinance and the rules made thereunder and the memorandum and articles of association of the trade organization.

(3) The signatures of the secretary general shall be mandatory for operation of all the single or jointly operated bank accounts of the trade organization.

(4) The termination of services of the secretary general shall be through a resolution of the executive committee.

(5) Any management employees who shall report directly to the secretary general alone shall be appointed jointly by the secretary general and the human resources committee.

(6) Any other staff or professional management shall be appointed through a process to be defined in the trade organization's human resource policy.



25. **Website.**—Every trade organization shall within one year from the date of grant of licence create and maintain a website at all times which shall include all relevant information, such as—

- (a) up to date list of office-bearers with contact details, executive committee's members, management and members of the general body;
- (b) memorandum and articles of association as well as bye-laws, if any;
- (c) plan of activities and statement of vision;
- (d) schedule of executive committee's meetings and minutes of such meetings; and
- (e) schedule of elections, voters' list and election's results during election period.

26. **Memorandum of association and bye-laws.**—Memorandum of association of trade organization, including but not limited to the organizational structure and any bye-laws of a trade organization shall be within the provisions of these rules, the Act, the Ordinance and the public notices issued by the Federal Government from time to time:

Provided that any amendment made in memorandum of association and bye-laws shall be notified to the Regulator by the trade bodies:

Provided further that the Federal Government may rescind, amend or otherwise modify any provision of memorandum and articles of association in case it is observed to be in conflict with provisions of the Act, rules made thereunder, the Ordinance and public notices issued by the Federal Government from time to time.

27. **Professional development.**—The office-bearers of a trade organization shall always follow best practices including undertaking continuing professional development in order to meet the requirements of their respective office and in view of the provisions of these rules, the Act and as reflected under the memorandum and articles of association of such trade organization or as notified by the Ministry of Commerce from time to time.