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(Act No. VI.of 2018)

GIT-BALTISTAN CHARITIES ACT, 2018

An Act to register and regulate charities and collection of charitable funds.

It is necessary to make effective provisions for the registration, administration

and regulation of charities, fund-raising appeals and collection of charitable funds

- for charities and other institutions; and, for other purposes.

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820 7 THE GAZETTE OF PAKISTAN, EXTRA., DECEMBER 31, 2018 __[Parl_
rears

- Be it enacted by the Provincial Assembly or the Sige Basan as follows:

lis Short title, extent and commencement-(1) This Act may be cited
as the Gilgit-Baltistan Charities Act 2018.

(2) It extends to whole of the Gilgit-Baltistan. 5
sy It shall come into force at once.

2. Definitions.—In this Act:

Ga) “Act” means the Gilgit-Baltistan Charities Act 201 8;

(b)., “Assistant Commissioner” means the executive officer incharge of a
subdivision; ;

sie) e: 5 “charitable fund” includes the money.and goods collected for a limited

«period of time ‘for charitable purpose ae a Person or urgent not
nui registered asa see :

wy.

(d): iéharitable purpose” means the purpose which is for:

—

) prevention and relief of poverty;

La (ii) promotion of edticatio and leat

(iii) provision of health and lifesaving services;

- (iv) connate) development,

(v) promotion of arts, culture and heritage;

(vi) promotion of human rights, conflict resolution aa reconciliation :
' activities;

~ (vii) promotion of religious and racial harmony;

(viii) promotion of diversity and tolerance;

(ix) environmental protection and environmental improvement;

(x) relief of those i in need of it by reason of youth, age, ill health, or
ee weetiliye and cee

(e)

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“charity” means. any association of

‘charitable RINBOse and includes the following: _

an organization registered un

Agencies (Re

“1961 i

der the Voltintary, Social Welfare

gistration and Control) Ordinance, 1961 (XLVI of

(i). an organization registered under the Societies Registration Act,

1860 (XXT of 1860);

(iii) - an Organization registered undet the Cohipinias Act, 2017 (XIX

- of 201 7) or Funder any other law for the time being 3 in force; -

- (iv). an organization registered for thariablen Purposes under any ae

(f)

“(g)

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(i)

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~ ii). the pro

W, the n

for the time being in \ force; and

(v). a publi or Private trust. -

“charity tistes® means the person or persons having the general
administration, control and menace of a charity;

“collect” or “collection” means appealing for, reine: collecting or
attempting to collect any donations whether in foney or in kind;

“collector” means a a person stall engaged i in collecting « donations
for a charitable purpose; fot

“KComanisstoa” means the Charity Commission established under the |
‘Act. | :

“declaration” means a declaration Hae by the charity or promoter of
menareble fund, stating:

(i) the names and addresses of the charity or promoter or promoters
Bo of the fund;

osed value of the donation;

ames und addresses of is collector of the fund;

ients of ihe! fund:

if

“the names and addresses of the recipie

persons which § is established for aes?

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M0: the objects and purposes' for high the fund shall be utilized;

(vi) ie names of the banks or the persons in whosé custody the collection shall be kept and":

ii) any other prescribed information. sepmlat lp be

(k) "Deputy Commissioner" means the. executive offider incharge of a distri ict; ae et ;

dj) "Government" means Government of the Gilgit-Baltistan;

(m)_ "prescribed" means prescribed by: the' tules or regulations made wader the Act; :

(n) "promoter" means a person, other than a charity, respotsible for " 'collection, custody, administration and accounting of the donations for a charitable fund or a charitable purpose; :

(0) "recipient" means an individual, institution, association, society or. : undertaking for whose benefit a charitable fund is or shall be collected;

(p) "registering authority" means re registering authority mentioned i in - section 18 of the Act; and

~~ q) "sanctioning authority" means the authority mentioned in section 19 of the Act. ae a eae

3. The Connision a) The Caiiniseion: shall consist of not less: - than three and'not more than five Commissioners including the Chairperson, as the Government may determine.

(2) ACommnissioner shall be a person who is known for integrity, expertise, . experience arid eminence in the field of law, administration, social work or any other related field. - :

3) The Government may appaint Commissioners from amongst serving "or retired civil servants, and if deemed expedient from private sector persons On. such terms and conditions.as may be prescribed and until so prescribed as the 2 Bevemment ey determine.

@) Subject to the provisions of the Act, the Commission shall discharge. =

its functions, exercise its powers and conduct its proceedings i in the prescribed manner and until so prescribed i in the manner the Commission may determine... ,

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56it Usien a the Commission.—(1) The Governient shall
appoint one of the ommissioners: as the Chairperson of the Commission but a

Commbissioner shall notbe appointed as Chairperson for more than two corisecutive
fo The Chairperson and the Commissioners shall be responsible for the
due discharge of the mandate of the Commission. ~ ate es
hee a Dec Chief Executive Officer—(1) The Government shall, in-corisultation |
with the Commission, appoint the Chief Executive Officer of the Commission on
_such terms and conditions as may be prescribed and 'until so prescribed as the
Government may determine.' — syne eae: PCY sors

(2)°. The Chief Executive Officer shall be responsible for the day to day -
_ » administration of the Commission and shall perform such other functions as may be
" prescribed or assigned by the Commission. ee fue 3

6. Functions of the Commission.—(1) The Commission shall perform.
Such functions as may be necessary for accomplishing the. purposes of the Act.

; (2) Without prejudice to the generality of. the foregoing powers, the » ce
_ Commission shall: . : mee : re :

(a) maintain public trust and confidence in charities;

“(b). register charities;

(c) protect charities and the beneficiaries thereof;

) ∴ ensure that charities and promoters comply with their legal obligations

wo in exercising control and management of the administration.of the...
_ - charitable funds;

wey
cs

(e) eae necessary advice to the charities and charity trustees; ee a

: (f) - ensure effective use of charitable funds; - Gee

(g): institute a mechanism for effective monitoring and accountability of

charities, promoters, collectors and recipients; x

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'hold, if necessary, a" en

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quiry into the affairs of a charity or charitable.

fund; be reek ee

alter a least aside sanction of collection accorded by a Deputy

Commissioner; sad . y.

respective and examine annual audit report of a charity or charitable

- fund;

"conduct. or cause to be conducted a special audit of a charity or
charitable fund; For | : a

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issue guidelines for proper accounting,

management and utilization of

a charity or charitable fund;

issue such directions to the Deputy Commissioners and Assistant ©

Commissioners as may be necessary for the due discharge -of the -

: functions under the Act; and

'perform such other related functions as the Government may assign:

Power to call for record of charities, etc—(1) The Commission

may call for any record, data or information about a charity, a charity trustee, the
beneficiaries of a charity; a charitable fund and expenditure on charity by a corporate

entity.

(2)

The Commission may seek verification of the financial records from financial institutions and may utilize the services of a law enforcing agency for the * purpose.

Power to appoint charity trustee.—(1) The Commission may appoint

a charity trustee or any officer or office-bearer of a charity if such charity fails to remove a trustee or appoint a new trustee or officer where: eo,

(a)

(b)

(c)

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a trustee or officer has been convicted of an offence involving moral turpitude, dishonesty or deception;-or : a

a trustee-has been adjudged bankrupt; or
the conduct of a trustee or officer is detrimental to the-cause of the. i

ny Owing to mismanagement or other reasons as may be
determined by a court or the Commission ines,

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(2) _The Commission shall provide an opportunity of defence to the charity or the person likely to be affected by the decision of the Commission

9. Enquiry.—(1) The Commission, on its own motion or on receipt of a request from the Government or a complaint from any person, may hold an enquiry 'into the affairs of a charity to ascertain whether any charitable funds have been

- misapplied or misappropriated or there is any breach of trust.

.. Q) If as a result of enquiry under sub-section (1); the Commission finds .
~_that an offence has been committed under any law or any trust has been breached, *
' it may move a reference to the Government to' proceed further in accordance with

law. and 4 :
' . : he

+ 10. -Employees._ (1) The Commission may, from time to time, employ
" persons to assist the Commission in the performance of its functions.

(2) The employees of the Commission shall be paid such remuneration
~ and allowances and shall hold their employment on such terms and conditions as
may be prescribed.

; 11. Appointment of advisers, consultants etc.—The Commission may,
with the approval of the Government, employ such consultants, or technical
professionals or advisers as may be necessary for the due discharge of its functions

_ under the Act, on such terms and conditions as may be prescribed and until so
_ prescribed, as the Government may determine.

'12. Charities to be registered.—(1) Every charity shall get itself
registered with the Commission not later than 90 days or such date as the Government
may, by notification, determine.

(2) A charity shall not collect charitable funds or seek collection of the —
_ charitable funds unless it is registered under the Act.» .
13, Exemption.—The Government may, after recording reasons, exempt

an organization or charity from the provisions of section 12 of the Act, but an
organization which is not registered as a not-for-profit company shall not be so .
exempted. ;

14 Register of charities—(1) The Commission shall maintain a Register
of Charities in such manner as may be prescribed and until so prescribed as the
_ Commission may determine.

: (2) ~The Register shall contain:

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" (a). . the name of every registered charity; and

"= (b) "such other particulars of, and such other information relating to, every such charity as may be prescribed or as the Commission may determine.

15) Application for registration.—(1) Every organization Tequired to be registered under the Act shall provide to the registering authority the information . regarding the objectives of the charity, the source or sources of income of the charity 5 and the nature of its spending, and such other documents or information as may be - prescribed. : ae ee os ,

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-(2)° The Registering Authority may, for reasons to be recorded in writing, refuse registration of an organization if in its opinion the objects of charity stated in "declaration are not'in consonance with the charitable purpose or for any other ©

reasonable cause. ~ cae yeean e : :

16. Register to be public document.—(1) The Register of Charities shall be a public document and shall be open to public inspection at all reasonable times. ' tata eee! ae ee iy oe ;

pee (2) 1A person may obtain copies of particulars of Register of Charities or " documents supplied by a charity subject to payment of such fee as may be prescribed.

(3) The Commission shail publish on its website such information inthe Register as may be necessary to create general awareness about the work and conduct of charities. ee ; ;

17. Cancellation o

~ an opportunity of hearing,
Commission is satisfied that:

f registration—The Commission may, after affording
Suspend or cancel the registration of a charity if the

(a) _ the organization or association of persons is not furthering any charitable - purpose; or eas :

(b) the charity has committed a serious violation of t

he provisions of the
. Act or the rules. :

18, _ Registering authority—(1) The Commission shall be the registering authority when the operation of a charity extends to the whole of the Gilgit-Baltistan Or two or more districts. us a8

_ (2) ' The Deputy Commissioner shall be the registering authority when the Operation of a charity does not extend beyond the district, : a

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(3) The Assistant Commissioner

G)- : sioner shall be tl isteri i

the operation of a charity extends only-to asibidivision oe puthority whee

19.' Sanctioning authority,

collection of charitable funds if the coll

of the Gilgit-Baltistan or two or more

months. face Ah

mal), The Commission may sanction the-

ection 1s proposed to be made from the whole

districts or for a period of more than twelve

(2) Subject to sub-section (1): wid

(a) . the Deputy Commissioner :

; may sanction the colléction of charitable °

funds if the collection is to

be made from within a district; and

(b) the Assistant Commissioner may sanction the collection of charitable

funds if the collection is to be made from 'within a sub-division. °

20. Prohibition on collection.—(1) A promoter shall not make or solicit

collection for any charitable fund unless before the start of the collection, he makes

_ adeclaration in respect of the intended collection and delivers the declaration to the

sanctioning authority, -and the sanctioning authority sanctions, in writing, the collection. »

(2) The sanctioning authority may refuse to sanction the collection under

this section if it is not satisfied with regard to good faith of the promoter or persons

proposing to make the collection, or if the authority is not satisfied with regard to the

proper custody of the fund or the due administration of the fund for the purpose for ”

- which it is to be collected. pra

.

(3) . The sanctioning authority may sanction the collection subject to such

- conditions as it may consider necessary for ensuring the proper custody of the fund

.. and its due administration and utilization for the objects and purposes of the charitable

fund.

(4) - If the sanctioning authority sanctions the collection, it shall issue or

~ cause to be issued a certificate for a specified period, to the PIOMOLETANS pea term

and manner as the Commission may, by regulations, prescribe, oe gine fmt

make the collection through identified collectors and for identified recipients.

(5) The Deputy Commissioner may alter or set aside a sanction of collection

accorded by an Assistant Commissioner in the district.

' ; tioning authority—The sanctioning authority may;
21. Powers of sancti s ; rtunity of hearing, cancel
at any time, for sufficient reasons and after affording oppo E)canee
x i : or direction given by it under the Act. "
or alter any order made or direction. g noes

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20 Residuary powers of the. Gotiintsston <The: Cofntaisdion: may: 3 |

issue such directions to the Deputy Commissioners and Assistant Commissioners as
- _ may be necessary for Behievine the objectives of the Act.

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23. Periodic evaluation of charities. —Thé Commission shall undertake
~ aperiodic evaluation of the charities to review the performance of the charity trustees
under the Act. :

24. Administrative actions.—(1) If, after. evaluation or audit, the ;
Commission is satisfied that any charity has failed to comply with the obligations ;
envisaged under the ad the-Commission may: ;

(a) suspend or cancel the registration of that een 3 under the Act; and

(b) impose fine, not exceeding one : million Tupees, 'on the Chany or :
: organization: ae

Provided that 'the amount of fine: shall be deposited i in the Gilgit
: Baltistan Consolidated Fund.

(2) The Commission shall not take any action under sib Section (1) unless
the charity or 'organization is afforded a reasonable opportunity of hearing and showing
. cause against the proposed action.

25. Reports. —The Commission shall, from time to time, publish reports,
'highlighting. the areas of operations carried out by the Commission and other -.
administrative actions taken during the period under report.

C

_ 26. Obligations of charity trustees.—{1) A CL trustee shall: —

(a- comply with the terms and conditions of the governing instrument which
' envisages the establishment of the charity trustee with the relevant
authority; ' eh

(b) coordinate with the other charities operating in 'the respective domain
for purposes of consolidated efforts at achieving, the objectives and
targets under the Act; and

G (c) simmediataly inform the Commi ission about any ehenee in the constituent
document of the charity.

OF. Fiduciary resvonsibiliies of charity trustees. by A charity truster:
hall be responsible for: e

(a) controlling the assets of the charity;

(b) proper investment and utilization of the charitable fund;

(c) ensuring that the charitable funds are
not used for

any purpose other

(d) ensuring that the charitable funds or property is not misused or allowed
to

go to waste as a result of mismanagement or for any other reason

(e) the sale, lease or other disposal of the charity
property; and

(f) ensuring that no unnecessary encumbrances are created on the charity
property.

28. Accounting records of a charity—(1) The charity trustees shall
ensure that accurate accounting records are maintained in respect of the charity.

(2) The accounting records shall mention all the transactions of the charity
and shall also reflect on the financial position of the charity.

(3) The accounting records shall in particular contain:

(a) entries pertaining to all sums of money received and expended

by the charity each day,

(b) matters in respect of which the receipt and expenditure takes
place; and

(c) the details of assets and liabilities of the charity.

the accounting records for such

(4) The charity trustees shall prepare

an annual statement of accounts.

(5) The charity trustee shall prepare

ty :in-a calendar month exceeds Bit
amount in a dedicated, bank accoun

(6) Ifthe amount given to a chari
unt to the sanctioning a author' ity or the

th

aoc rupees, the charity shall deposit the
Teg} Stall provide information of the bank acco
_“sistering authority, as the case may be.

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stable funds.—The charity trustees shall ensure that the charitable fund are maintained as required under

29. Accounting of charity.—The charity trustees shall ensure that accounting records of a charity are maintained in accordance with section 28.

30... Audit and Inspection.—(1) The Commissioner or the sanctioning authority may, for reasons to be recorded, direct that the accounts of a charity shall be audited or re-audited by a specified auditor at the expense of the charity or the person who has applied for the special audit of the charity.'

(2) The Commission or sanctioning authority may inspect or cause to be inspected any accounts maintained under the Act or the rules. .

31. Misapplication of funds.—(1) A charity, promoter, collector or recipient of a charitable fund shall not use the fund for any purpose or object other than the purpose or object for which it was collected except with the prior permission of the Commission.

(2) A person authorized to hold charitable fund shall not transfer the custody of the charitable fund to any other person except with the prior approval in writing of the Commission or the sanctioning authority.

(3) If any part of any donations collected for any charitable fund is used for any purpose or object other than that for which it was collected, or is otherwise misapplied or misappropriated in any manner, every person concerned with the collection or administration of the fund, whether as a promoter, collector or a recipient, shall unless he proves that the misuse, misapplication or misappropriation occurred without his knowledge and that he had used all due diligence to prevent such misuse, misapplication or misappropriation, shall be deemed to have committed the misuse, . misapplication or misappropriation of the charitable fund.

32. Penalty.—(1) Any person who dishonestly or fraudulently tampers with, conceals or destroys any records pertaining to the collection of any charitable fund to which the Act applies shall be deemed to have contravened the Act.

(2) A person who contravenes any provision of the Act or the rules or of any order made, direction given or condition imposed under the Act shall be liable to punishment of imprisonment for a term which may extend to six months but which shall not be less than fifteen days and fine which shall not be less than twenty five thousand rupees or more than one hundred thousand rupees.

33. Cognizance and summary trial.—(1) An offence under the Act shall be cognizable and non-bailable.

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' may provide for:

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class shall condu
Provisions of C}
relating to the s

under the Act in accordance With the

Ct the trial of
Criminal Procedure, 1898 (V of 1898) an offence

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34. Compounding of offence,—

Commission or any person Specifically author

may, at any stage, compound an offence un

administrative penalty which shall not be les: Panta Subject to the deposit of

S than twenty five thousand rupees.

(2) The offence under the Act shall
not be compoundable j
had been previously convicted under the Act or his rete otenene
C ompounded by the Commission or the officer authorized by the Commission

4 35. _Confiscation.—A court trying an offence under the Act may order
the confiscation or recovery of any fund wrongfully collected or misapplied by any
person in contravention of the Act: i

36. Appeal.—(1) Any person aggrieved by an order or direction of the
Commission, may within thirty days of the order, prefer an appeal to the Appellate
Committee, and the Appellate Committee may thereupon make such order as it
thinks fit in accordance with this Act within 90 days. :

(2) The Government shall, by notification, constitute the Appellate
Committee consisting of the Chairperson and such members as it may determine.

(3) The Committee shall perform its functions in the prescribed manner
and until so prescribed, the Committee shall regulate its own procedure.

37. Application of other laws.—The provisions of the Act shall be in
addition to and not in derogation from any other law.

38. Rules.—(1) The Government may,
out the purposes of the Act.

by notification, make rules to carry

(2) Without prejudice to the generality of the foregoing powers, the rules

*

(a) the form and contents of declarations and the verification of statements

made in a declaration;

arations shall remain in force and the manner

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Ch) the period for swdien be extended or terminated; -

in which the period may

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- (c) the form and manner in which receipts for donations may be given'
- and the maintenance of proper vouchers for purposes of the accounts;
- (d)

the maintenance of proper books of account and the auditing of the accounts;

- (e) | the periodical submission of statements of accounts;
- (f) the supervision, inspection and examination of accounts; and
- (g) the payment of charges for forms of declarations and certificates.

39. Regulations.—Subject to the Act and the rules, the Commission may, by notification, frame regulations to give effect to the provisions of the Act. .

40. Indemnity—No prosecution, suit or other legal proceedings shall be

instituted against any person in respect of anything which is, in good faith, done or intended to be done under the Act. —

“AJ... Revision.—Subject to section 36, the Government may, at any time, on its own motion or on the application of any aggrieved person, revise any decision or direction of the Commission and pass such order in accordance with the Act as it may deem proper.

40. Repeal and savings—(1) The Charitable Funds (Regulation of Collections) Act, 1953 (XXXI of 1953) is hereby repealed.

(2) Notwithstanding the repeal of the Charitable Funds (Regulation of Collections) Act, 1953 (XXXI of 1953), anything done or action taken under the repealed Act, shall have the effect as if the thing is done or action is taken under the

Act.