

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

Definition.

2. In this Act, unless there is anything repugnant in the subject or context, "Sardar" means a person who is recognized as a *Sardar*, Tumandar or Chief of the tribe or who, under any custom or usage or otherwise, exercises any of the powers, or enjoys any of the privileges, mentioned in section 3.

Abolition of system of Sardari.

3. Notwithstanding any custom or usage, as from the commencement of this Act, the system of *Sardari* shall stand abolished and no person shall—

- (a) exercise any judicial powers not expressly conferred on him by or under any law for the time being in force ; or
- (b) maintain any private jail ; or
- (c) save as provided in the Code of Criminal Procedure, 1898 or any other law for the time being in force, arrest or keep in custody any person ; or
- (d) take free labour from any person or compel any person to labour against his will ; or
- (e) demand or receive, by reason of being or having been a *Sardar*, any tribute or any other payment, whether in cash or in kind ; or
- (f) be in possession of, or derive any benefit from, any land belonging to a tribe, by reason of being or having been a *Sardar* of the tribe.

Act
V of
1898.

Saving.

4. Nothing in this Act shall be deemed to prevent the Government from granting to any person such individual service allowance as it may deem fit and requiring such person to discharge such duties and perform such functions as Government may from time to time direct.

Penalty.

5. Whoever contravenes any provision of this Act shall be punishable with imprisonment of either description for a term which may extend to three years, or with fine which may extend to ten thousand rupees, or with both.

Repeal.

6. The System of *Sardari*, (Abolition) Ordinance, 1976 is hereby repealed.

No.
XV of
1976.

THE FOREIGN PRIVATE INVESTMENT (PROMOTION AND PROTECTION) ACT, 1976.

ACT No. XLII of 1976

[4th June, 1976]

An Act to provide for the promotion and protection of foreign private investment in Pakistan.

WHEREAS it is expedient to provide for the promotion and protection of foreign private investment in Pakistan, and for matters ancillary thereto ;

It is hereby enacted as follows :—

- 1.—(1) This Act may be called the Foreign Private Investment (Promotion and Protection) Act, 1976.
- (2) It shall come into force at once.
- (3) It shall apply to all industrial undertakings in Pakistan having foreign private investment established with the approval of the Federal Government after the first day of September, 1954 :

Short title,
commence-
ment and
application.

Provided that nothing in this Act shall be in derogation of any facilities or protection specifically sanctioned by the Federal Government to foreign private investment in the case of a particular industrial undertaking or a class of industrial undertakings or such facilities or protection as may be available to foreign private investment under a bilateral investment treaty.

2.—(i) In this Act, unless there is anything repugnant in the subject or context,—

- (a) "foreign capital" means investment made by a foreigner in an industrial undertaking in Pakistan—
 - (i) in the form of foreign exchange, imported machinery and equipment, or
 - (ii) in any other form which the Federal Government may approve for the purpose ;
- (b) "foreign private investment" means investment in foreign capital by a person who is not a citizen of Pakistan or by a company incorporated outside Pakistan, but does not include investment by a foreign Government or agency of foreign Government ;
- (c) "industrial undertaking" means an industry, undertaking or establishment engaged in the production, distribution or processing of any goods, the providing of services specified in this behalf by the Federal Government or the development and extraction of such mineral resources and products as may be specified in this behalf by the Federal Government.

1 For Statement of Objects and Reasons, see Gaz. of P., 1976, Ext., Pt. III, p. 392.

(2) Words and expressions used but not defined in this Act shall have the same meanings as in the Companies Act, 1913. VII of 1913.

Field for
foreign
private in-
vestment.

3. The Federal Government may consistent with the national interest, for the promotion of foreign private investment, authorise such investment in any industrial undertaking —

- (a) which does not exist in Pakistan and the establishment whereof, in the opinion of the Federal Government, is desirable ; or
- (b) which is not being carried on in Pakistan on a scale adequate to the economic and social needs of the country ; or
- (c) which will contribute to—
 - (i) the development of capital, technical and managerial resources of Pakistan ;
 - (ii) the discovery, mobilisation or better utilization of the national resources ;
 - (iii) the strengthening of the balance of payments of Pakistan ;
 - (iv) increasing employment opportunities in Pakistan ; or
 - (v) the economic development of the country in any other manner.

Approval of
foreign
private in-
vestment.

4. Where the Federal Government sanctions an industrial undertaking having foreign private investment, it may do so subject to such conditions as it may specify in this behalf.

Protection
of agree-
ments.

5.—(1) Where the Federal Government considers it necessary in the public interest to take over the management of an industrial undertaking having foreign private investment or to acquire the ownership of the shares of citizens of Pakistan in the capital of such industrial undertaking, any agreement approved by the Federal Government relating to such undertakings entered into between a foreign investor or creditor and any person in Pakistan shall not be affected by such taking over or acquisition.

(2) Foreign capital or foreign private investment in an industrial undertaking shall not be acquired except under due process of law which provides for adequate compensation therefor to be settled in the currency of the country of origin of the capital or investment and specifies the principles on and the manner in which compensation is to be determined and given.

Repatriation
facilities.

6. Subject to the provisions of the Foreign Exchange Regulation Act, 1947. VII of 1947.

- (a) a foreign investor in an industrial undertaking established after the 1st day of September, 1954, and

approved by the Federal Government, may at any time repatriate in the currency of the country from which the investment originated—

- (i) foreign private investment to the extent of original investment ;
 - (ii) profits earned on such investment ; and
 - (iii) any additional amount resulting from the re-invested profits or appreciation of capital investment ; and
- (b) a creditor of an industrial undertaking referred to in clause (a) may repatriate foreign currency loans approved by the Federal Government and interest thereon in accordance with the terms and conditions of the said loan :

Provided that nothing in this section shall affect the terms of the permission to make such investment granted to a foreign investor before the commencement of this Act.

7. Foreign nationals employed with the approval of the Federal Government in any industrial undertaking having foreign private investment may make remittances for the maintenance of their dependents in accordance with the rules, regulations or orders issued by the Federal Government or the State Bank of Pakistan.

Remittances
by foreign
employees.

8.—(1) The Federal Government may allow such concessions to industrial undertakings having foreign private investment as may be admissible under any law for the time being in force.

Tax con-
cession and
avoidance of
double
taxation.

(2) Foreign private investment shall not be subject to other or more burdensome taxes on income than those applicable to investment made in similar circumstances by citizens of Pakistan.

(3) Foreign private investment shall be allowed all the tax concessions which may be admissible on the basis of any agreement for avoidance of double taxation which the Government of Pakistan may have entered into with the Government of the country of origin of such investment.

9. Industrial undertakings having foreign private investment shall be accorded the same treatment as is accorded to similar industrial undertakings having no such investment in the application of laws, rules and regulations relating to importation and exportation of goods.

Equal
treatment.

10. If any difficulty arises in giving effect to any provisions of this Act, the Federal Government may make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing the difficulty :

Removal of
difficulties.

Provided that no such power shall be exercised after the expiry of one year from the commencement of this Act.

Power to
make rules.

11. The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act, and such rules may, among other matters, provide for the employment of Pakistani and foreign nationals in industrial undertakings having foreign private investment.

Repeal.

12. The Foreign Private Investment (Promotion and Protection) Ordinance, 1976 is hereby repealed.

XIV
of
1976.

Ac.
XLV
of
1860.
VIII of
1961.

marriage either directly or indirectly, to either party, to a marriage in connection with the marriage or to the relatives of the bride or bridegroom but does not include *neundra and salami*;

(f) "property" means property, both moveable and immoveable, and includes any valuable security as defined in the Pakistan Penal Code; and

(g) "Registrar" means a *Nikah* Registrar licensed under the Muslim Family Laws Ordinance, 1961, and such other person as may be designated from time to time to perform the functions of the Registrar.

THE DOWRY AND BRIDAL GIFTS (RESTRICTION)
ACT, 1976.

ACT No. 1976 of XLIII

[4th June, 1976]

An Act to provide for restrictions on dowry and bridal gifts.

WHEREAS it is expedient to provide for restrictions on dowry and bridal gifts and for matters connected therewith or ancillary thereto:

It is hereby enacted as follows:—

Short title,
extent and
commence-
ment.

1.—(1) This Act may be called the Dowry and Bridal Gifts (Restriction) Act, 1976.

(2) It extends to the whole of Pakistan and applies to all citizens of Pakistan.

(3) It shall come into force at once.

Definitions.

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

(a) "bridal gift" means any property given as a gift before, at or after the marriage, either directly or indirectly, by the bridegroom or his parents to the bride in connection with the marriage but does not include *Mehr*;

(b) "dowry" means any property given before, at or after the marriage, either directly or indirectly, to the bride by her parents in connection with the marriage but it does not include property which the bride may inherit under the laws of inheritance and succession applicable to her;

(c) "marriage" includes betrothal, *nikah* and *rukhsati*;

(d) "parents" includes the guardian of a party to a marriage and any person who provides for dowry or bridal gifts and, in the case of a party to a marriage who has no parent, or whose marriage is solemnized in circumstances in which, or at a place at which, no parent is present, such party;

(e) "present" means a gift of any property, not being a bridal gift or dowry, given before, at or after the

3.—(1) Neither the aggregate value of the dowry and presents given to the bride by her parents nor the aggregate value of the bridal gifts or of the presents given to the bridegroom shall exceed five thousand rupees;

Restriction
on dowry,
presents and
bridal gifts.

Explanation.—The ceiling of five thousand rupees specified in this sub-section does not in any way imply that the dowry, bridal gifts and presents of a lesser amount may not be given.

(2) No dowry, bridal gifts or presents may be given before or after six months of *nikah*, and, if *rukhsati* takes place some time after *nikah*, after six months of such *rukhsati*.

4. No person shall give to either party to the marriage any present the value of which exceeds one hundred rupees;

Restriction
on presents.

Provided that the limit of one hundred shall not apply to the presents given to the bridegroom by the parents of the bride under sub-section (1) of section 3:

Provided further that the President, the Prime Minister, Federal Minister, Chief Minister, Minister of State, Adviser, Governor, Speaker, Deputy Speaker, the Chairman or the Deputy Chairman of the Senate, Parliamentary Secretary, Member of the Senate, National Assembly or Provincial Assembly, Government servant or an official serving in any corporation, industry or establishment owned, controlled or managed by Government shall not receive any present in connection with his marriage or the marriage of his son or daughter except from his relations (*khandan*):

Provided further that this restriction shall not apply to a Government servant or official serving in the scale below National Pay Scale 17 not exercising in any manner judicial revenue or executive authority.

5. All property given as dowry or bridal gifts and all property given to the bride as a present shall vest absolutely in the bride and her interest in property however derived shall not be restrictive, conditional or limited.

Vesting of
dowry etc.,
in the bride.

6. The total expenditure on a marriage, excluding the value of dowry, bridal gifts and presents, but including the expenses

Expenditure
on marriage.