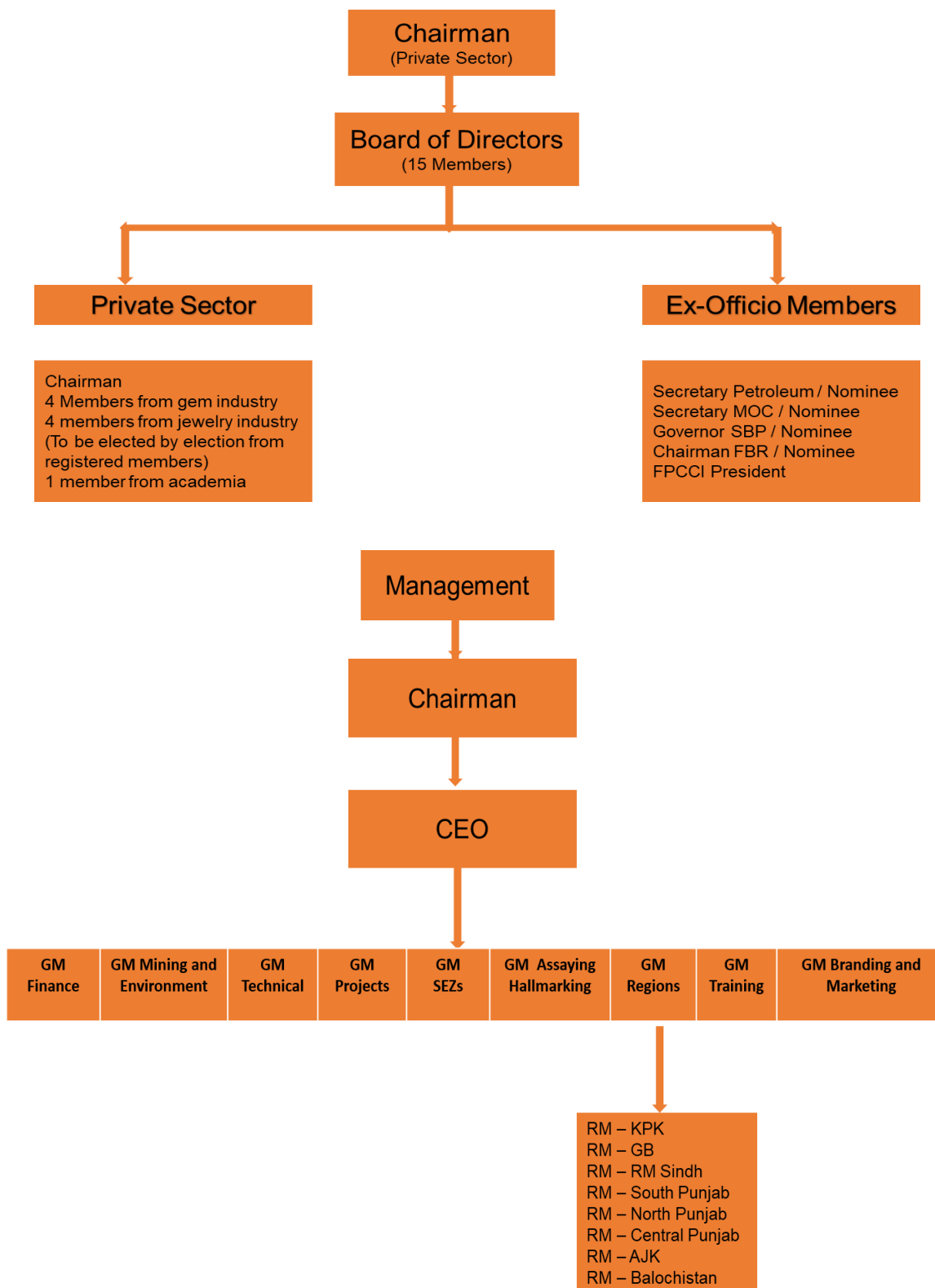


## PAKISTAN GEMS & JEWELRY EXPORT PROMOTION COUNCIL ACT, 2021



## PAKISTAN GEMS & JEWELRY EXPORT PROMOTION COUNCIL ACT, 2021

<b>Sections No</b>	<b>Title</b>	<b>Page No</b>
1	Short title, extent and commencement	4
2	Definitions	4
3	Constitution of the Council	8
4	Powers of the Council	8
5	Functions of the Council	9
6	Board	12
7	Annual general meeting of the Council	13
8	Extraordinary general meeting of the Council	13
9	General provisions relating to meeting of the Council	13
10	Council to approve import/export of gems and jewelry etc.,	13
11	Management	14
12	Maintenance of membership register etc.,	14
13	Registration and removal of names from register	15
14	Budget, finance and audit	15
15	Grants.	16
16	Funds.	16
17	Bank accounts	17
18	Approvals committee	17
19	Functions and responsibilities of the approvals committee	17
20	Criteria for approval of zones	18
21	Licensing of zone enterprises and zone developers	18
22	Sanctions against zone enterprises and zone developers	18
23	Land regime	18
24	Public utilities and other facilities.	18
25	Incentives for zones	19
26	Protection of incentives	19
27	Incentives for zone developers	20
28	Incentives for zone enterprises	20
29	Alternate dispute resolution mechanism	20
30	Powers to make rules	21
31	Powers to make regulations	21
32	Annual report	21
33	Delegation of powers	21

**PAKISTAN GEMS & JEWELRY EXPORT PROMOTION COUNCIL ACT,  
2021**

<b>Sections No</b>	<b>Title</b>	<b>Page No</b>
34	<b>Recruitment</b>	21
35	<b>Employee of the Council to be public servants</b>	21
36	<b>Assistance from agencies</b>	21
37	<b>Indemnity</b>	22
38	<b>Act to override other laws</b>	22
39	<b>Removal of difficulties</b>	22
40	<b>Penalties and procedure</b>	22
41	<b>Transfer and savings</b>	23

## PAKISTAN GEMS & JEWELRY EXPORT PROMOTION COUNCIL ACT, 2021

AN ACT TO ESTABLISH THE PAKISTAN GEM & JEWELRY EXPORT PROMOTION COUNCIL FOR THE DEVELOPMENT, REGULATION AND PROMOTION OF THE GEMS AND JEWELRY INDUSTRY; TO PROVIDE FOR THE ESTABLISHMENT OF GEMS AND JEWELRY CITY/PARK/EXCHANGE, DEVELOPMENT OF ZONE TO ACCELERATE EXPORT DEVELOPMENT IN THE COUNTRY AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS it is expedient to provide institutional and legislative support for the Gems and Jewelry Industry with internationally competitive and export oriented structures in order to attract foreign direct investment, develop collaboration, connecting academia, research and technology industry, to initiate innovation in production systems and products, to increase the standards and quality of Gems and Jewelry goods and services, to increase productivity and decrease the costs of production through high-tech interventions, intensive innovation and futuristic entrepreneurship, to enable job creation, to commercialize technological knowledge and for that purpose to establish a Council with the vision that the Gems & Jewelry Industry as a whole shall function as a key driving force for achieving rapid and sustainable growth in all national, economic and social fields and to provide for matters connected therewith or incidental thereto. NOW THEREFORE it is hereby enacted as follows:

1. **Short title, extent and commencement** (1) This Act shall be called the Pakistan Gems and Jewelry Export Promotion Council Act, 2021.

(2). It extends to the whole of Pakistan.

(3). It shall come into force at once.

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

(a) **“Board”** means the Board of Governors constituted under section 6 of this Act.

(b) **“Council”** means the Pakistan Gems and Jewelry Export Promotion Council constituted under section 3 of this Act.

(c) **“Chairman”** means the Chairman of the Council appointed by the Prime Minister, pursuant to the provisions of this Act and includes the person when acting as the Chairman;

(d) **“Capital Equipment”** means plant, equipment, devices, instruments, accessories, machinery, hardware, materials, software (licensing, certifications

etc.), tools and component parts required to perform functions of zone developers and zone enterprises;

(e) **“Committee”** means any committee constituted under this Act.

(f) **“Company”** means a company formed under the Companies Act 2017 or under the earlier Company Ordinance, 1984 etc.,

(g). **“Corporate Sector”** means individuals, persons etc., carrying on business as importer/exporters other than retailers, distributors in the Gems and Jewelry Industry and as such registered with the Security and Exchange Commission of Pakistan, Act 1997.

(h) **“Division Concerned”** means the Division to which business of this Act stands allocated;

(i). **“Development Plan”** means a comprehensive document outlining the details and design of development of land, property or real estate and other matters pertaining to the construction.

(j) **“Development Agreement”** means a duly approved agreement between Council and a zone developer, agreed to and endorsed by the Approvals Committee, that authorizes zone developer to develop and establish a zone.

(k) **“Export any gems/jewelry”** means the carrying or taking out of Pakistan or causing to be carried out or taken out of Pakistan any gem/jewelry, whether by sea or air, except gems worn on any person or carried or taken out of Pakistan by such person subject to the limits imposed by the Council;

(l). **“Gems/Gemstone”** means agate, alexandrite, amber, apatite, aquamarine, brookite, chrysoberyl, danburite, diamond, diopside, emerald, epidote, feldspar, fluor spar, garnet, iolite, jade, jadeite, kunzite, lapis-lazuli, moonstone, morganite, nephrite, opal, pearl, pargasite, peridot, phenakite, pink beryl, quartz, ruby, sapphire, spinel, topaz, tourmaline, turquoise or zircon. The said expression also includes stones of gem quality of the quartz group and substances which may be declared by the Council by notification from time to time to be gemstone;

(m) **“Gem industry”** means any trade or business of all or any of the following classes or descriptions:

- (a) mining for gems or gemming,
- (b) importing gems into or exporting gems from Pakistan,
- (c) selling, purchasing or supplying gems,
- (d) valuing gems,
- (e) cutting, polishing, engraving or carving gems,
- (f) heat treatment of gems and any other method of enhancing the value of gems,

- (g) examination and certification of gems
- (h) lapidary training;
- (j) Gem Specimen

(n) **“Import any gems/jewelry”** means the importing or bringing into Pakistan or causing to be imported or brought into Pakistan, any gems/jewelry whether by sea or by air of such jewelry except jewelry worn on any person or brought into Pakistan by such person subject to the limits imposed by the Council;

(o) **“Internet drop-off store”** means a person, corporation, or firm that contracts with other persons, corporations, or firms to offer its precious items for sale, purchase, consignment, or trade through means of an internet website and meets the conditions described in section 3(3).

(p) **“Jewelry”** means an ornamental item made of a material that may include a precious or semi-precious gem.

(q) **“Jewelry industry”** means any trade or business relating to the assaying and hall marking of precious metals or the manufacture of ornaments from precious metals or precious stones, for personal adornment, or the export of such ornaments;

(r) **“Licence”** means a license issued under this Law to enable sale/purchase of raw or finished gemstone or jewelry etc., in local/foreign currency by opening a shop, business out let etc;

(s) **“Management”** means the management team of the Council appointed under section 11;

(t) **“Master plan”** means an overarching planning document providing conceptual spatial, landscape and infrastructure layout, which is used to structure land and development.

(u). **“Member”** means a registered member of the Council other than ex-officio members;

(v). **“Non-Corporate Sector”** means, body, representatives, associations, organizations etc., of the Gems and Jewelry Industry at country level, other than that of the Corporate Sector.

(w) **“Postal article”** means any letter, parcel, packet or newspaper or any other article whatsoever in the course of transmission by post / courier or intended to be transmitted by post / courier;

(x) **“Precious item”** means jewelry, gemstone or an item containing gold, silver, or platinum etc., but does not include the following:

- (i) Coins, commemorative medals, and tokens struck by, or in behalf of, a government or private mint.
- (ii) Bullion bars and discs of the type traded by banks and commodity exchanges.
- (iii) Items at the time they are purchased directly from a dealer registered under this act, a manufacturer, or a wholesaler who purchased them directly from a manufacturer.
- (iv) Industrial machinery or equipment.
- (v) An item being returned to or exchanged at the dealer where the item was purchased and that is accompanied by a valid sales receipt.
- (vi) An item which is received for alteration, redesign, or repair in a manner that does not substantially change its use and returned directly to the customer.
- (vii) An item which does not have a jeweler's identifying mark or a serial mark and which the dealer purchases for less than \$5.00.
- (viii) Scrap metal which contains incidental traces of gold, silver, or platinum that are recoverable as a by-product.
- (ix) Jewelry which a customer trades for other jewelry having a greater value, and which difference in value is paid by the customer.
- (y) "**Prescribed**" means prescribed by rules or regulations made under this Act;
- (z) "**Registered**" means registered under this Act;
- (aa) "**Regulations**" means regulations made under this Act;
- (ab) "**Research and Development**" mean regular activities carried out with the purpose of obtaining new knowledge that shall enable the development of science and technology or creating new equipment, products and tools using the available information and resources, creating new 'systems, processes and services including software production or improving those that are available;
- (ac) "**Rules**" means rules made under this Act;
- (ad) "**Schedule**" means schedule made under this Act;

(ae) **"Technology sector"** means sectors identified, notified and approved by the Council for the purpose of this Act;

(af) **"Valuation, Certification, Attestation Body"** means the Gemstone etc., Valuation, Certification or Attestation Body as formed under this Act.

(ag) **"Zone Developers"** means a public, private or a Public-private legal entity, group of companies or consortium notified by the Council as such;

(ah) **"Zone Enterprise"** means any public, private, or public-private legal entity investing, operating, functioning within the zone and notified as such by the Council;

3. **Constitution of the Council:-** (l) There shall be constituted in accordance with the provisions of this Act, a Council to be called the Pakistan Gems and Jewelry Export Promotion Council.

(2) The Council shall be a body corporate by the name of the Pakistan Gems and Jewelry Export Promotion Council having perpetual succession and a common seal, with power, to purchase, acquire, sell, hold and dispose of property, to enter into contracts and shall in the said name sue and be sued.

(3) The headquarters of the Council shall be at Islamabad and the Council may establish it such Regional or sub-office(s) elsewhere either within or outside of Pakistan as is/are required.

(4) The Council shall have power to constitute as many committees, sub-committees etc., nationally and internationally to achieve its goals, as it may deem fit.

4. **Powers of the Council.**—(1) Subject to the provisions of this Act, the Council may take such measures and exercise such powers as may be required for performance of its functions.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Council shall—

- (a) establish and develop Gems and Jewelry City/Park/Tower/Exchange within the country.
- (b) help, support, promote, coordinate and facilitate growth of the Gems and Jewelry Industry., by way of helping, supporting, promoting, coordinating and facilitating, conducive business environment for the enterprises operating in the industry which includes but not limited to the gemstone miners, processors (cutters/ polishers), jewelry manufacturers, dealers, traders (retailers / wholesalers / importers/ exporters), Internet drop-store,



both among Small and Medium Enterprises (SMEs) and larger companies, Firms operating in the Industry and to facilitate them to pool / channelize their resources in a collaborative manner for the development and up-gradation of the Gems and Jewelry Sector, as a whole.

- (c) establish offices for evaluation, certification of origin, attestation, assaying and hallmarking etc., of Gems and Jewelry items/products etc., in view of internationally acceptable quality standards.
- (d) primarily be responsible for planning, policy formulation, execution, operation's, monitoring and evaluation of zones which may be assigned to it, approved by it or developed by it from time to time;
- (e) approve and notify zones with the approval of Board;
- (f) have the power to grant license to zone developers and zone enterprises for carrying out activities related to zones;
- (g) be responsible for development, implementation and functioning of zones;
- (h) make arrangements for provision of security, utility, roads, basic infrastructure, high speed internet and any other services required to ensure smooth development and functioning of zones;
- (i) allow any additional incentive over and above those provided in the Act, subsidies and rebates, for zone developers and zone - enterprises, with approval of the Federal Government; and
- (j) seek assistance from any officer, Ministry, Division, department or agency for the performance of its functions under this Act;

5. **Functions of the Council.**—(1) To perform its functions, the Council may—

- (a) from time to time, review national investment policies, laws and regulations that impact zones, Gem and Jewelry value chain and propose any .amendments, modifications and relaxations therein to the Federal Government;
- (b) initiate and consider zone investment proposals and categories for investment which may require specific treatments and interventions and recommend, where appropriate, additional incentives or relaxations of conditions or criteria to the Federal Government for approval;
- (c) initiate and consider gem and jewelry value chain investment proposals and categories for investment which may require specific treatments and interventions and recommend, where appropriate, additional incentives or

relaxations of conditions or criteria to the Federal Government for approval;

- (d) Conduct road shows and exhibitions nationally and internationally
- (e) be associated in the formulation of all policies that may have an impact on investment in technology sector in Pakistan, including inter-alia, economic, fiscal and trade policies;
- (f) coordinate with federal/provisional governments departments/agencies, chamber of commerce, FPCCI, trade organizations, R&D Organizations, academia and experts with-regard to policies and their implementation having impact on investment in Gems and Jewelry sector;
- (g) develop or cause to be developed national special technology zone strategy, national emerging technologies strategy, and national information and communication technology strategy;
- (h) identify and promote Gems and Jewelry sector investment opportunities and their promotion in Pakistan and abroad; develop and approve mechanisms and arrangements for management and operations of zones including one-window facility for provision of all services and utilities, physical infrastructure, logistics infrastructure, human capital development and digital infrastructure for the zone;
- (i) identify, create and upgrade technological and scientific clusters and industrial support systems within zones including, but not limited to, inter-alia, research and development centres, skill development centres, training institutes, data centres, universities, hospitals, and other hard and soft infrastructure related to successful execution of zones;
- (j) Attract investment into zones that include inter-alia foreign direct investments, venture capital funds, public sector investments, public private investments and private funds;
- (k) marketing, branding and promotion of zones by developing a marketing, image building, exhibitions and public relations strategy to generate interest in the potential and opportunities of the Pakistani market and publicize its activities;
- (l) make recommendations to Federal and Provincial government to provide and procure lands for the zones;
- (m) Identification and approval of locations for setting up zones;
- (n) procure and acquire land or any infrastructure for the zones;
- (o) appoint commissions, expert bodies and consultants to study various aspects of attracting investments in Gems and Jewelry related businesses

and improving the investment climate, procedures and other related matters;

- (p) develop studies, feasibility reports, experiments, public-private partnership frameworks, financial vehicles, technical research and surveys related to zones;
- (q) develop or cause to be developed master plans for zones and approve them;
- (r) act as one window for investors dealing with other relevant government entities on behalf of these investors;
- (s) issue letters of recommendation or invitation letters, which shall be deemed sufficient for the purpose of issuance of business and work permits or visas by relevant authority;
- (t) collect, compile, analyse, maintain and distribute zones related information, from time to time publish analytical reports, trends and insights;
- (u) promote a congenial environment for investment into zones;
- (v) negotiate and finalize all such acts, deeds, initiatives, agreements for protection and promotion of Gems and Jewelry related investments with other countries and represent Pakistan on regional and international level, that may be necessary or expedient for the purpose of successful planning, development, execution, implementation, management and maintenance of zones;
- (w) liaise with private sector trade bodies and associations for their active participation in promotion of Gems and Jewelry related investment;
- (x) approval, issuance and cancellation of licences of zone enterprises and zone developers,
- (y) allocation of land, space, lots within zones developed by the Council itself;
- (z) from time to time, determine and review the fees and charges for services provided by the Council; and
- (aa) To introduce the assaying and hallmarking system aligned with the international criteria for accurate determination of the proportionate content of the precious metals
- (bb) perform any other function assigned to it by the Federal Government.
- (cc) To develop, formulate and notify the national standards for precious metals

(dd) Provisions of conducive environment for ease of doing business with respect of the gems and jewelry trade in liaison with various national and international organizations and facilitating through the application of new technologies like e-commerce, online payment systems, shipments in the best interest of G&J industry

(ee) Undertake various welfare oriented initiatives for the members of council

(dd) To undertake various projects to be sponsored by the governments, private sector, public-private partnership, international donors or any source of funding to uplift the G&J industry

(ee) Inspection, testing of gemstones and precious metals jewelry articles for the quality and characteristics in accordance with national and international standards

(2) The Federal Government may, from time to time, assign more functions and issue guidelines to the Council.

6. **Board.**—(1) There shall be a Board of Directors of the Council comprising the following members, namely:—

(a) the Prime Minister of the Islamic Republic of Pakistan shall be its President or during his absence the nominee by him, will act as the President on his behalf.

(b) Chairman of the Council; and

(c) 03 ex-officio members from the Government Departments i.e., Director General Ministry of Petroleum and Natural Resources, Mineral Wing, Secretary Ministry of Commerce, Secretary Ministry of Industries & Production

(d) 10 registered members to be elected from representatives of the Corporate Sector/non-Corporate Sector of the Gems & Jewelry industry.

(2) A member of the Board shall hold office for a period of three years unless he vacates office earlier.

(3) The Board may, if it thinks it expedient to do so, remove any member of the Board for reasons assigned.

(4) A member of the Board may resign his office by written communication addressed to the President.

**Explanation 1.** Upon the expiry of the term of firstly constituted body, except other than the ex-officio members, the selection of all others members, shall be made from amongst of the registered members with

the Council through adult franchise process for a term of three years, as may be prescribed.

Provided that the above explanation, shall not affect in any manner, the process of the selection of firstly constituted body of the Council as nominated by the Prime Minister of Pakistan from amongst persons of renowned integrity, expertise, experience and knowledge, in the Gems & Jewelry Industry.

**Explanation 2.** An ex-officio member shall hold office as member till such time he holds the office by virtue of which he is a member and upon his transfer, retirement, resignation or removal etc., from office, the person appointed in such person's place shall be the member for remaining period, thereof.

(5) Secretary of the Board shall be appointed with the approval of The President.

(6) The Board shall meet at least twice in a year. The Secretary of the Board may take approval of any decision through circulation among members of the Board. The Chairman of the Council may call a special meeting with the approval of the President of the Board.

(7) The quorum for a meeting of the Board shall be one-third of the total membership of the Board, and decisions of the Board shall be made with majority of total present members of the Board.

(8) The Board shall approve rules, strategic plans and policies of the Council.

(9) No act or decision of the Board shall be invalidated by reason only of the existence of a vacancy among its members or any defect on the appointment of any member.

**7 Annual general meeting of the Council.-** (1) An annual general meeting of the Council shall be held at the headquarters of the Council or at its regional offices by rotation at such time as may be appointed by the Governing Body.

(2) The following business may be transacted at the annual general meeting namely:-

- (a) presentation of annual report;
- (b) presentation of audited accounts;
- (c) presentation of annual budget;

(d) appointment of auditors; and

e) such other business as may be placed before the meeting by the Governing Body or as the meeting may decide.

**8 Extraordinary general meeting of the Council.-** (1) An extraordinary general meeting of the Council shall be called by the Chairman at the headquarters of the Council –

- (a) within fourteen days of the receipt by him of a requisition signed by not less than one hundred members and stating the business proposed to be transacted at the meeting; or
- (b) at any time, if the holding of such meeting for the consideration of any urgent matter is in his opinion necessary.

(2) At a meeting called in pursuance of clause (a) of sub section (1), no business other than the business stated in the requisition referred to in that clause shall be transacted.

**9 General provisions relating to meetings of the Council.-** (1) An annual or extraordinary general meeting of the Council shall be held and conducted as prescribed thereof.

(2) To constitute a quorum at an annual or extraordinary general meeting of the Council, the presence of such members as prescribed thereof.

(3) All decisions of the Council at an annual or extraordinary general meeting shall be taken by majority of the members present and voting.

**10. Council to approve import/export of gems and jewelry etc.,**

No person shall import/export any gems, jewelry, precious metal in any form etc., from Pakistan except with the approval of the Council.

**11. Management.—**(1) The management of the Council shall consist of Chairman, Chief Executive Officer and any other officer of the Council as approved by the Chairman,

(2) The first Chairman shall be appointed by the Prime Minister of Pakistan for a period of three years and shall be eligible for re-appointment for more similar term(s) as may be prescribed.

(3) The Chairman shall be preferably from the private sector and shall be eligible for such remunerations as determined by the Prime Minister.

(4) The qualifications, experience and terms and conditions for appointment of the Chairman, Chief Executive Officer, management team and members of the Council shall be prescribed by rules.

(5) The Chairman may resign from his office by writing under his hand addressed to the Prime Minister. The Prime Minister may after providing the opportunity of being heard remove the Chairman from office if, on an inquiry conducted by a person or persons designated with the approval of the Prime Minister, he is found inefficient or unable to perform the functions of his office due to mental or physical disability, or to have committed misconduct.

(6) The management of the Council shall formulate and, from time to time, vary the organogram, job descriptions, human resource policies and terms and conditions of employment of all its employees in addition to doing the following acts such as;

- (i) to create or abolish posts and oversee the performance of its employees;
- (ii) to take disciplinary action against employees in the prescribed manner;
- (iii). to establish all kinds of committees for assistance and advice in relation to the performance of its functions and determine the membership and terms of reference of a committee;

**12. Maintenance of Membership Register, etc.-** (1) The Council shall maintain in the prescribed manner a Register in which shall be entered the names and other particulars of individual(s), person(s), operator(s), trader(s), association or professional etc., engaged in dealing, trading or carrying business etc., in Gems and Jewelry Sector, whose application for registration as such registered member, from time to time, granted by the Council.

(2) Every application for registration under this Act shall be made to the Council in the prescribed form and be accompanied by the prescribed fee.

(3) Every registered individual(s), person(s), operator(s), trader(s), association or professional etc., under this Act shall be entitled to receive a certificate of registration under the hand of the Chairman.

(4) A certificate of registration issued under sub section (3), shall, subject to the provisions of this Act, remain in force until the thirty first day of December of the year in which it is issued and shall thereafter be renewable for any number of years not exceeding three at a time upon payment of the prescribed fee.

(5) Notwithstanding anything to the contrary in any other law for the time being enforced, the Council shall be the sole authority responsible for the issue of

membership to carry on the gem, jewelry industry etc., whether such industry etc., is, or is proposed to be, carried on in or over any Province(s), ICT, AJK, and GB.

**13. Registration and removal of names from Register.**— (1) Every application for registration and every case of removal of a name from the Register shall be considered by an enrolment committee consisting of the such members as may be prescribed.

(2) The enrolment committee in its discretion may refuse to permit the registration of any person or direct the removal altogether or for a specified period from the Register of the name of any registered individual(s), person(s), operator(s), trader(s), association or professional etc., engaged in dealing, trading or carrying business etc., in Gems and Jewelry Sector, who has been convicted of any such offence as implies in the opinion of the committee a defect of character after providing such person an opportunity of being heard, and shall record reasons for action under this section.

(3) The enrolment committee may direct that any name removed from the Register under sub section (2) shall be restored.

**14. Budget, finance and audit.**—(1) The Council, in respect of each financial year shall prepare its own budget in accordance with prescribed procedures and shall maintain complete and accurate books of account of its annual expenses and receipts.

(2) In respect of each financial year, the Council shall submit for approval of the Federal Government, by such date and in such form as may be specified, a statement showing the estimated receipts and expenditure and the sums which are likely to be required from the Federal Government during the next financial year.

(3) The budget prepared by the Council shall be reviewed by the budget committee consisting of three members and officers to be nominated by the Council from amongst the staffs, members and any senior office bearers within the Council. The budget committee shall ensure that Council complies with all requirements of this Act, the rules and the regulations pertaining to such budget.

(4) The Council may charge a fee for its services rendered to zone developers and zone enterprises as may be prescribed.

(5) The accounts of the Council shall be audited annually by by an auditor appointed by the Council who is a chartered accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961). Copies of the Auditor's report on the accounts shall be provided to the Council and the Federal Government.

(6) The Chairman of the Council shall be its principal accounting officer.

**15. Grants.**— (1) The Federal Government may, from time to time, place annual grants at the disposal of the Council for the smooth discharge of its affairs.



(2) The Council may apply for national or international grants for the purpose of achieving objectives of this Act.

16. **Funds.**—(1) There shall be constituted a fund to be called the Pakistan Gems and Jewelry Export Promotion Council Fund, which shall vest in the Council and shall be utilized by the Council to meet all expenses and charges properly incurred in connection with carrying out the purposes of this Act. The fund shall be credited all sums received by the Council. The Fund shall consist of—

- (a) funds provided by the Federal Government for payment of salaries, establishing infrastructure and running day-to-day business of the Council;
- (e) grants made or funds allocated by the Federal Government;
- (f) foreign aid, loans or investments obtained or raised by the Council;
- (d) all other sums including but not limited to fees, penalties, commission, charges and revenue as accrued or receivable by the Council;
- (e) proceeds of any investments made by the Council in utilising any amount of fund which is not required for immediate use;
- (f) funds raised through Public-Private Partnerships by the Council; and
- (g) funds from bonds, sukuk and other forms of finances and investments on the basis of participation term certificates, musharika certificates, term finance certificates or any other financial or debt instruments or securities issued by the Council.

(2) Without prejudice to any other law for the time being in force, the Council may invest, as per needs and requisites, in other specialised funds and financial vehicles with public, private or international entities to achieve objectives defined under this Act.

17. **Bank accounts.**—(1) The Council may subject to the provision of any other law for the time being in force open and maintain one or multiple bank accounts in local and foreign currency in any scheduled bank in the Pakistan as may be prescribed by rules.

(2) Bank accounts of the Council shall be opened with the prior approval of principal accounting officer.

18. **Approvals committee.**—(1) There shall be a committee, hereinafter called approvals committee, headed by the Chairman and four other officers of the Council nominated by the Chairman for this purpose.

(2) The Chairman may call any person as an expert to assist the approvals committee and such person shall not be eligible to cast vote.

(3) The meeting of the approvals committee shall be convened on the orders of the Chairman.

(4) The approvals committee shall meet as frequently as required but not less than once every quarter.

(5) Fifty percent or more of the members shall constitute quorum of the approvals committee.

(6) Where the Chairman is not present, Chief Executive Officer or an officer of the Council nominated by the Chairman shall chair the approvals committee.

(7) The decisions of the approvals committee shall be taken by majority of the total membership present and voting. In case of the equal voting, the Chairman of the committee shall have the discretion to take decision.

(8) The Chairman shall appoint an officer from the Council to be the secretary of the said committee.

(9) The Chairman shall be competent to remove or substitute any member of the committee if desired.

**19. Functions and responsibilities of the approvals committee.**— The functions and responsibilities of the approvals committee shall be—

- (a) to approve such procedures, mechanism and regulations for implementation of this Act as are applicable to all zones or a particular zone;
- (b) to review and recommend amendments in national Gems and Jewelry strategy, national emerging technologies strategy and other technology and other related initiatives;
- (c) to approve or amend development plan and master plan for each zone;
- (d) to approve all strategic initiatives of the Council including, but not limited to, inter-alia, establishing new zones, entering into agreement with other entities, joint ventures, public private partnerships etc.
- (e) to notify with approval of relevant authorities' additional incentives for zone developers and zone enterprises;
- (f) to review and direct actions on annual and bi-annual reports submitted by the Council;
- (g) to annually review the implementation of this Act with a view to improving policies relating to zones;
- (h) to take any other steps it deems appropriate in order to advance the objectives of this Act;

- (i) to approve any existing or new zone proposed by any investor, whether public or private;
- (j) recommend applicable incentives for zone developers and zones , enterprises;
- (k) approve or cancel licences issued by the Council for any zone enterprises and zones developers; and
- (l) consider and approve zone developers and zone enterprises applications and agreements.

20. **Criteria for approval of zones.**—(1) The Council shall develop criteria for approval of zones under its rules and regulations.

21. **Licensing of zone enterprises and zone developers.**—(1) The Council shall develop the criteria and procedures for licensing of the zone enterprises and zone developers.

22. **Sanctions against zone enterprises and zone developers.**—A mechanism may be developed by the Council for sanctions against zone enterprises and zone developers for violations as per rules and regulations of the Council.

23. **Land regime.**—(1) The Council may acquire land itself or request to the Federal or Provincial Governments to acquire land on its behalf, subject to prevailing laws.

(2) The Federal Government may transfer any land, property, asset, infrastructure, facility to the Council, subject to prevailing laws.

24. **Public utilities and other facilities.**—(1) The Council shall provide infrastructure facilities such as electricity, water, gas, roads, telecommunication services and other essential facilities necessary for efficient operations in a zone:

Provided that the cost of providing such facilities shall be borne by the zone developers and zone enterprises.

(2) The zone developer shall have the right to set up a renewable, geo-thermal, hydel or other captive electric power generation plant or install power generator of sufficient size to cater the expected demand for electricity within a particular zone as per rules and regulations of the Council and to sell only the excess electricity generated outside that particular zone as per prevailing laws.

25. **Incentives for zones.**—(1) On execution of relevant agreement with the Council, the zone developers as well as zone enterprises in a zone shall be entitled to incentives outlined in sections 21 and 22.

(2) With the objective of promoting a particular sector, industry or Zone, the Council may grant additional benefits to zone enterprises and zone developers, provided that—

- (a) such additional benefits may only be granted if the Council finds these to be justified on the basis of an economic impact assessment.
- (b) such additional benefits, if granted conditionally, may be liable to be forfeited with retroactive effect if it is finally determined that a zone developer or zone enterprise has failed to comply with the conditions prescribed for the additional benefits in question; and
- (c) the Council shall make economic impact assessment of the zone within five years from the date of the agreement is signed and within the first year of operations of an enterprise.
- (3) Any additional benefits granted by Council—
  - (a) shall be deemed to be included in the relevant development agreements; and
  - (b) shall become effective on such conditions as the Council may stipulate.
- (4) Nothing in this Act shall be construed to limit the authority of any Federal, Provincial and Local Government to grant such additional benefits to zone developers and zone enterprises as are within the scope of their respective statutory powers.

(5) The State Bank of Pakistan may issue special foreign exchange regulations for special Gems and Jewelry zones.

**26. Protection of incentives.**—(1) Incentives under this Act shall be additional to all incentives, benefits and protections, which May be applicable to zone developers and zone enterprises under generally applicable legislation and international agreements of Pakistan.

(2) These incentives shall not be withdrawn prematurely and retrospectively and any change therein shall be to the advantage of the zone developer and zone enterprise.

**27. Incentives for zone developers.**—The following shall be incentives for zone developers namely:—

- (a) exemption from all taxes on income accruable in relation to the development and operations of the zones for a period of ten years, starting from the date of signing of the development agreement;
- (b) exemption from all custom duties and taxes for a period of ten years from the date of signing of the development agreement on capital goods including but not limited to materials, plant, machinery, hardware, equipment and software imported into Pakistan for consumption within zones by the Council and zone developers; and

- (c) exemption from general sales tax (GST) on goods and services on import of plant, machinery, equipment and raw-materials for consumption of these items within zones by the Council and zone developers.

28. **Incentives for zone enterprises.**—The following shall be incentives for zone enterprises, namely:—

- (a) exemption from all income taxes (withholding tax, presumptive tax) for a period of ten years from the date of issuance of license by the Council;
- (b) exemption from all custom duties and taxes for a period of ten years from the date of issuance of license by the Council on capital goods including but not limited to materials, plant, machinery, hardware, equipment and software imported into Pakistan for consumption within zones by the Council and zone enterprises;
- (c) exemption from property tax for ten years from the date of issuance of license by the Council;
- (d) exemption from G.S.T on goods and services on import of plant, machinery, equipment and raw-materials for consumption of these items within zones by the Council as well as zone enterprises; and
- (e) tax exemption on dividend-income and long-term capital gains from investments in a venture capital (VC) undertaking for a period of ten years from the date of issuance of license by the Council.

29. **Alternate dispute resolution mechanism.**—(1) The Council shall establish alternate dispute resolution mechanism for settlement of any disputes between zone enterprises and zone developers, for the purpose of this Act.

30. **Powers to make rules.** —(1) The Council may, with approval of the Federal Government, make rules as deemed necessary for implementation and to carry out purposes of this Act.

(2) Until the rules referred to in sub-section (1) are made, the President of the Board shall be competent to determine, the terms and conditions for appointment of the Chairman, Chief Executive Officer, officers and employees of the Council.

31. **Powers to make regulations.**—(1) The Council may, with the approval of the Board, make regulations as deemed necessary for implementation and to carry out purposes of this Act.

32. **Annual report.**—(1) The Council shall prepare and submit to the Federal Government, within four months of the expiry of each financial year, a report on the conduct of its functions and affairs for that year.

- (2) Each such annual report shall include—

- (a) an audited statement of income and expenditure;
- (b) an audited balance sheet;
- (c) a short financial statement of preceding financial year;
- (d) activities of the Council during previous financial year;
- (e) an outline of the investment programs for the year ahead; and
- (f) any other matter which the Federal Government may direct or the Council may consider appropriate to make its report more self-speaking about its initiatives and achievements.

33. **Delegation of powers.** —(1) The Board may delegate any of its powers and assign its functions subject to such conditions as it may deem fit to impose, to the Chairman or a committee.

34. **Recruitment:** — (1) The Council may, from time to time, determine the need to employ and appoint such officers, members of its staff, advisers, consultants, and other employees, as it considers necessary for efficient performance of its functions on such terms and conditions as may be prescribed by regulations, provided that all appointments shall be made in accordance with the prescribed educational, technical or professional qualifications and experience.

35. **Employee of the Council to be public servants.**—(1) For the purposes of this Act, the officers and members of the staff, advisers, consultants and experts of the Council shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

36. **Assistance from agencies.**—(1) The Council may seek any information from all sources including any Ministry, Division, department, statutory body, corporation, agency of the Federal Government which, in its opinion, concerns any matter relating to the Council and the requisite information shall be provided to the Council within time frame stipulated by it.

37. **Indemnity.**—No suit, prosecution or other legal proceedings shall lie against the Council, the Chairman, members of the Council, the employees and consultants of the Council for anything done in good faith or intended to be done under this Act or any rule or regulation made there under.

38. **Act to override other laws.**—The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force and any such law shall, to the extent of any inconsistency, cease to have any effect on the commencement of this Act.

39. **Removal of difficulties.**—If any difficulty arises in giving effect to any of the provisions of the Act, the Federal Government may, within one year of the commencement of this Act, make such order, not inconsistent with the provisions of this

Act, as may appear to it to be necessary or expedient for the purpose of removing such difficulty.

**40. Penalties and procedure.-** (1) After such date as the Federal Government may, after consultation with the Council, by notification in the official Gazette, appoint in this behalf, whoever undertakes any professional activity related to Gems and Jewelry Sector, if his name is not for the time being borne on the Register, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees, or with both, and, in the case of a continuing offence, with a further fine which may extend to two hundred rupees for every day after the first during which the offence continues.

(2) After the date appointed as aforesaid, whoever employs for any professional activity related to Gems and Jewelry Sector, any person whose name is not for the time being borne on the Register shall be punishable, on first conviction, with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and on a second or subsequent conviction, with imprisonment for a term which may extend to one year, or with fine which may extend to ten thousand rupees, or with both.

(3) Whoever willfully procures or attempts to procure himself or itself to be registered under this Act as a registered member by making or producing or causing to be made or produced any false or fraudulent representation or declaration, either orally or in writing, and any person who assists him therein shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(4) Whoever falsely pretends to be registered under this Act, or not being registered under this Act, uses with his name of title any words or letters representing that he is so registered, irrespective of whether any person is actually deceived by such pretence or representation or not, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(5) No person undertaking any professional activity related to Gems and Jewelry Sector shall, unless he is registered under this Act, be entitled to recover before any court or other authority any sum of money for services rendered in such work.

(6) No person shall, unless registered hold any post in an Gems and Jewelry Association, Organization etc., where he has to perform professional work etc.,

(7) No court shall take cognizance of any offence punishable under this Act save on complaint made by, or under the authority of the Council.

(8) No court inferior to that of a Magistrate of the first class shall try any offence punishable under this Act.

#### **41. Transfer and savings**

On the commencement of this Act,-

- (a) all assets, rights, powers, authorities and privileges and all property, movable and immovable, bank balances, bank accounts, reserve funds, investments and all other interests and rights in or arising out of such property and all liabilities and obligations of whatever kind of the Pakistan Gems and Jewelry Development Company (hereinafter called as PG&JDC), established before commencement of this Act, shall stand transferred to and vested in the Council;
- (b) all contracts and agreements entered into, all rights acquired and all matters and things agreed to be done by the PG&JDC and obligations incurred shall be deemed to have been entered into acquired or agreed to be done by the Council;
- (c) all contracts, projects, schemes, works, whether in progress or not and all guarantees undertaken, obligations, liabilities executed or subsisting in the name of the PG&JDC shall be deemed to be contracts, projects, schemes, work, guarantees, undertakings, rights, obligations. liabilities of the Council;
- (d) all land owned, purchased, acquired or procured and developed by the PG&JDC shall be deemed to be the property of the Council;
- (e) all leases executed in the name of the PG&JDC before commencement of this Act shall be deemed to be leases executed in the name of the Council;
- (f) all suits, appeals, petitions or legal proceedings by or against the PG&JDC shall be deemed to be suits, appeals, petitions or legal proceedings by or against the Council;
- (g) all pending disputes or matters, if any, before the PG&JDC shall stand transferred to the Council and shall be decided by the Council and any aggrieved party shall have the right to appeal before the Board etc., as provided here under
- (i) all by-laws, rules, policies and regulations in force immediately before commencement of this Act shall continue to remain in force until altered amended or repealed;
- (j) Notwithstanding anything mentioned herein before, all and every rights and obligations of the PG&JDC shall stand transferred to the Council and the PG&JDC shall be wound up in accordance with law; and



- (k) Notwithstanding the provisions of this Act, everything done, action taken, appointments made either through initial recruitment, induction, absorption, promotion, regularization or on contract basis, deputations made, obligation, liability or penalty incurred, powers conferred or exercised, prior to the commencement of this Act, shall continue and be deemed to have been respectively done, taken, incurred, conferred and exercised under this Act.
- (2) Nothing in this Act shall be deemed to-
- (a) affect the right of any person who was, immediately before the date specified in a notification issued under sub-section (1) of section 27, *ibid*, entitled to execute, undertakes any professional activity related to Gems and Jewelry Sector, subject to his registration in due course of time as prescribed thereof.
  - (b) affect the right of any person to execute or undertake any professional activity related to Gems and Jewelry Sector for which he has been trained in an institution specified by the Council, by notification in the official Gazette, for the purposes of this clause;
  - (c) affect the right of any person who was, immediately before the date specified in a notification issued under sub-section (1) of section 27, entitled to execute or undertake any professional activity related to Gems and Jewelry Sector or allowed to continue such work, or
  - (d) restrict the normal practice of his art or trade by an artisan or skilled workman; or
  - (e) affect the rights of the members of the Governing Body constituted for the term specified till the last day of holding such office, accordingly.