

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

Bill

to define and amend the law relating to trusts

WHEREAS it expedient to enact a law relating to registration, administration and monitoring of trusts registered within the territorial limits of Islamabad Capital Territory;

AND WHEREAS the Trust Act, 1882 (11 of 1882) does not cater effective administration and financial monitoring and evaluation of the trusts;

It is hereby enacted as follows:

CHAPTER I

PRELIMINARY

1. Short title extent, commencement and application. - (1) This Act shall be called The Islamabad Capital Territory Trust Act, 2020.

(2) It shall extend to the whole of the Islamabad Capital Territory.

(3) It shall come into force at once.

(4) Nothing herein contained shall affect the rules of Muslim law as to *waqf* or the mutual relations of the members of an undivided family as determined by any customary or personal law or to public or private religious or charitable endowments or to trusts to distribute prizes taken in war among the captors.

2. Definitions. - In this Act, unless there is anything repugnant in the subject or context;

- (a) "author of the trust" means the natural person who reposes or declares the confidence and assigns the property to the trustee for the benefit of beneficiary;
- (b) "beneficiary" means the natural person who benefits the confidence of the trust;
- (c) "breach of trust" means breach of any duty imposed on trustee as such by any law for the time being in force;
- (d) "competent authorities" means the 'regulators', "the oversight bodies for SRBs as specified in the Anti-Money Laundering Act, 2010 (VII of 2010)", the "investigating or prosecuting agency" and "the Financial Monitoring Unit";
- (e) "department" means the directorate of labour and industries, Islamabad Capital Territory;
- (f) "director" means the director of directorate of labour and industries, Islamabad Capital Territory; "district intelligence coordination committee" means the

- intelligence committee headed by the deputy commissioner or district magistrate, Islamabad Capital Territory, Islamabad and comprising the representatives of police and intelligence agencies;
- (g) “financial monitoring unit” means the financial monitoring unit specified under the Anti-Money Laundering Act, 2010 (VII of 2010);
- (h) “home department” means the office of the Chief Commissioner, Islamabad Capital Territory;
- (i) “instrument of the trust” means the instrument by which the trust is declared;
- (j) “interest” means the beneficiary’s right against the trust property;
- (k) “investigating or prosecuting agency” means an investigating or prosecuting agency as specified in the Anti-Money Laundering Act, 2010 (VII of 2010);
- (l) “law department” means directorate of law, Chief Commissioners’ office, Islamabad Capital Territory;
- (m) “notice” means a person is said to have known of a fact either when he actually knows that fact, or when, but for willful abstention from inquiry or gross negligence, he would have known it, or when information of the fact is given to or obtained by his agent, under the circumstances mentioned in the Contract Act, 1872 (IX of 1872), and all expressions used herein and defined in the Contract Act, 1872 (IX of 1872), shall be deemed to have the meanings respectively attributed to them by that Act;
- (n) “prescribed” means prescribed by rules made under this Act;
- (o) “provincial government” means the government defined under Presidential Order No. 1 of 1980;
- (p) “purpose” means any lawful purpose unless it is -
- (i) forbidden by law; or
 - (ii) is of such a nature that, if permitted, it would defeat the provisions of any law; or
 - (iii) is fraudulent; or
 - (iv) involves or implies injury to the person or property of another; or
 - (v) the court regards it as immoral or opposed to public policy;
- (q) “registered” means registered with the director;
- (r) “reporting entity” means an entity specified under the Anti-Money Laundering Act, 2010;
- (s) “revenue department” means office of the district collector, Islamabad Capital Territory;
- (t) “trust” means an obligation annexed to the ownership of property and rising out of the confidence reposed in and accepted by the owner or declared and accepted by him for the benefit of beneficiary;
- (u) “trustee” means any person who accepts the confidence of the author of the trust to the benefit of the beneficiary; and
- (v) “trust property” means the subject matter of the trust; it may be movable or immovable property;