

# The Gazette of Pakistan

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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ISLAMABAD, THURSDAY, JANUARY 4, 2018

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PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

*Islamabad, the 2nd January, 2018*

**No. F. 9(25)/2017-Legis.**—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on 29th December, 2017 and is hereby published for general information:—

ACT NO. I OF 2018

*An Act to make provisions for promoting, developing and regulating systematic apprenticeship programmes in the establishments for securing certain minimum standards of skill*

WHEREAS it is expedient to make provisions for promoting, developing and regulating systematic apprenticeship programmes in the establishments and for securing certain minimum standards of skill and for matters connected therewith or incidental thereto;

It is hereby enacted as under:—

(1)

*Price: Rs. 10.50*

1. **Short title, extent and commencement.**—(1) This Act may be called the Apprenticeship Act, 2018.

(2) It extends to such areas in the Federation as are not included in any province.

(3) It shall come into force at once.

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

- (a) **“apprentice”** means a person who is undergoing into a trade, graduate or technician apprenticeship training, hold a technical vocational qualification, diploma or a degree from a recognized institution, in pursuance of a contract of apprenticeship including those in informal sector but shall not be treated as worker or any class of workers other than trainee;
- (b) **“apprenticeship”** means a system of training which combines practical training in an establishment and theoretical training in a registered institute in pursuance of a contract of apprenticeship;
- (c) **“apprenticeship fund”** means the fund established under section 6;
- (d) **“authority”** means the National Vocational and Technical Training Commission established under the National Vocational and Technical Training Commission Act, 2011 (XV of 2011);
- (e) **“Board”** means a Trade Testing Board or Board of Technical Education or any other body set up by the Federal Government for conducting assessment, testing and certification in respect of apprentices;
- (f) **“competent authority”** means such officer not below the rank of BPS-20 of the Federal Government as the authority may, by notification in official Gazette, appoint to be a competent authority for the purposes of this Act;
- (g) **“designated trade”** means any trade or occupation or any subject, field in engineering, technology, service, vocation or management;
- (h) **“employer”** means any person who employs another person in an establishment, including an employer who has an ultimate control over the affairs of an establishment or is responsible to its owner for those affairs;



- (i) **“establishment”** means an industrial, commercial, business, mining, exploration, services or any other organization including those in informal sector as the competent authority may, by notification in the official Gazette, specify;
- (j) **“informal apprenticeship”** means an informal system of training in which apprentices or workers are being trained and gaining skills for a designated trade at an establishment;
- (k) **“National Vocational Qualification Framework” or “NVQF”** means the National Vocational Qualification Framework set up by the authority to determine, define and manage technical and vocational qualifications including those for apprenticeship;
- (l) **“prescribed”** means prescribed by rules;
- (m) **“rules”** means rules made under this Act; and
- (n) **“stipend”** means a monthly emolument paid by an employer to apprentices during entire period of training at a rate of minimum of fifty percent of minimum wages prescribed by the Federal Government.

3. **Apprenticeship contract.**—(1) No person shall be engaged as an apprentice to undergo apprenticeship in a designated trade unless such person enters into an apprenticeship contract with the employer as may be prescribed by the authority.

(2) Every apprenticeship contract entered into under sub-section (1) shall be sent by employer within prescribed period to the competent authority for registration.

(3) The competent authority shall not register an apprenticeship contract unless it is satisfied that the person described as an apprentice in contract possesses prescribed minimum eligibility requirement.

4. **Termination of apprenticeship contract.**—(1) The apprenticeship contract shall terminate on completion of the period of apprenticeship.

(2) Either party to the apprenticeship contract may in writing inform the other party for termination of the contract during its pendency. Such application shall be sent by post to the other party of the contract. If both parties agreed, the contract shall be terminated accordingly.

(3) If a party is aggrieved of such termination it shall submit its grievance to the authority and decision of the authority thereon shall be final:

Provided that where a contract is terminated in case of failure on the part of the—

- (a) employer to carry out the terms and conditions of the contract, the employer shall pay to the apprentice an amount equal to double the amount of stipend for the remaining period;
- (b) apprentice, he shall refund to the employer cost of training which shall not exceed the amount of three months stipend paid, however, this condition shall be waived of by the competent authority on genuine grounds or unavoidable circumstances which compel an apprentice to terminate the apprenticeship contract.

5. **Apprenticeship committees.**—The authority may, by notification in official Gazette, constitute such apprenticeship committees under the chairmanship of an employer with forty percent representation from employers, forty percent from the Federal Government and twenty percent from elected workers to monitor and advise the competent authority on matters relating to apprenticeship as may be prescribed.

6. **Apprenticeship fund.**—(1) The authority may establish a fund to be called the apprenticeship fund for carrying out its functions. The apprenticeship fund may also be used for—

- (a) promotion of apprenticeship training;
- (b) reimbursement of partial cost of training not exceeding fifty percent to employers as may be prescribed; and
- (c) welfare schemes for apprentices.

(2) The Federal Government shall provide funds and annual grants, for the purposes of this Act, to the authority which shall be deposited in the apprenticeship fund.

(3) All receipts of the authority relating to this Act in any form whatsoever including the fees etc., deposited under this Act shall be credited to the apprenticeship fund.

(4) The mechanism for operation of the apprenticeship fund shall be prescribed by the authority on the advice of apprenticeship committee with prior approval of the Federal Government.



7. **Obligations of employers.**—Subject to other provisions of this Act and rules made thereunder, an employer shall—

- (a) be bound to ensure proper compliance with the provisions of this Act and the rules made thereunder in his establishment;
- (b) introduce and operate an apprenticeship programme in his establishment within such time as may be prescribed;
- (c) train apprentices in a proportion of minimum five percent or more of the total number of persons employed on an average, in his establishment, or in such other proportion as the competent authority may, by order in writing, determine in respect of his establishment:

Provided that, if an employer chooses not to train apprentices in proportion as required under this Act, he shall pay training contribution to apprenticeship fund which shall be in proportion to training cost he would have otherwise incurred in meeting his liability or he may get required number of persons trained from any other establishment at his cost;

- (d) be responsible to ensure that an apprentice receives within the normal working hours related theoretical instructions to the extent as may be specified by the authority;
- (e) bear the cost of training of apprentices during his apprenticeship within the industry, excluding the cost of training at an institute, which shall be borne by the authority;
- (f) not, without the approval in writing of the competent authority, engage any person as an apprentice who has been an apprentice with another employer and has left his apprenticeship or been terminated by such other employer on disciplinary grounds; and
- (g) be responsible to notify well in time an apprenticeship opportunity including job openings in his establishment on designated websites of the authority in a manner as the competent authority may specify.

8. **Obligations of apprentices.**—(1) Subject to other provisions of this Act and the rules made thereunder, an apprentice shall—

- (a) learn his trade conscientiously and diligently and shall endeavor to qualify himself as a skilled worker on the completion of his apprenticeship;

- (b) attend the practical training and related theoretical instructions according to the programme laid down by the employer;
- (c) carry out all lawful orders of the employer or his representative relating to his apprenticeship and shall fulfill his obligations under the contract of apprenticeship;
- (d) submit himself to any assessment, test or examination held from time to time for assessing the progress of his training;
- (e) in case any grievance against his employer arising out of his apprenticeship, approach the competent authority for redressal of the grievance. If the same is not redressed, shall abide by decision of the competent authority; and
- (f) not, except with prior approval in writing of the competent authority, leave his apprenticeship after completion of his probationary period as may be prescribed.

(2) Without prejudice to anything contained in any other law for the time being in force, if any apprentice fails to carry out terms of the apprenticeship contract or, during the period of his training, voluntarily quits such apprenticeship or there are continued adverse reports regarding the progress of his training or he is terminated for misconduct which include insubordination and breach of the rules shall be liable to the payment of such refund of expenses and compensation as may be prescribed which shall not be more than three stipends paid to him during period of training.

(3) An apprentice shall be bound to obtain and get renewed on periodical basis his registration to be recognized as skilled worker or technician or professional in a designated trade in which he has successfully completed apprenticeship training in a manner as may be prescribed.

**9. Counseling and placement service.**—The authority shall—

- (a) establish facilities for career counseling and placement of the apprentices at such places and in such manner as may be prescribed;
- (b) publish periodical newsletters, information bulletins in print and electronic media including authority's website on career counseling and placement services including information on but not limited to new and emerging trades, market skills, trends and employment opportunities; and
- (c) publish an annual report on progress of apprenticeship training programme.



10. **Advice and guidance to employers.**—Subject to the provisions of this Act and the rules, the competent authority shall offer to the employers all possible technical advice and guidance in all matters relating to the apprenticeship programme run by the employers in their establishments in accordance with the provisions of this Act and the rules.

11. **Powers of entry, inspection etc.**—(1) Subject to any rules made in this behalf, the competent authority shall evolve and implement an effective monitoring and evaluation system and may—

- (a) with such assistants, if any, as it thinks fit, enter, inspect and examine an establishment or part thereof at any reasonable time;
- (b) examine any apprentice employed therein or require the production of any register, record or other documents maintained in pursuance of this Act and take on the spot or otherwise statement of any person which it may consider necessary for carrying out the purposes of this Act;
- (c) make such examination and inquiry as it may deem fit in order to ascertain whether the provisions of this Act and the rules are being observed in the establishment; and
- (d) exercise such other powers as may be prescribed.

(2) Notwithstanding anything contained in sub-section (1), no person shall be compelled under this section to answer any question or make any statement, which may tend directly or indirectly to incriminate him.

12. **Delegation of powers.**—Subject to any rules made in this behalf, the competent authority may, by order in writing, direct that any power conferred upon it by or under this Act shall be exercisable also by such officer subordinate to it and subject to such conditions as may be specified in the order.

13. **Penalties and procedure.**—(1) If any employer—

- (a) fails to engage the number of apprentices he is required to engage under this Act; or
- (b) fails to carry out the terms and conditions of a contract of apprenticeship; or
- (c) refuses or neglects to furnish any information required to be furnished by him; or

- (d) furnishes or causes to be furnished any information which is not believed to be true; or
- (e) refuses or neglects to afford the competent authority or an officer authorized by it, any reasonable facility for making an entry, inspection, examination or inquiry authorized by or under this Act and the rules; or
- (f) engages an apprentice otherwise than in accordance with the provisions of this Act and the rules; or
- (g) otherwise contravenes any provisions of this Act and the rules,

he shall be liable to a penalty which may extend up to twice the amount required to be paid as minimum stipend for the period of non-compliance to the minimum number of apprentices as required to be trained under this Act. The amount of any fine shall be deposited in the apprenticeship fund.

- (2) The authority may determine and decide the penalty under this Act:

Provided that an aggrieved person may file an appeal to the authority through apprenticeship committee within thirty days of imposition of a penalty under this Act. The decision of the authority thereon shall be final.

14. **Power to exempt.**—The Federal Government may, on advice of the authority, in consultation with apprenticeship committee and by notification in the official Gazette, exempt conditionally, any establishment or class of establishments from all or any of the provisions of this Act for not more than one year, in case of natural calamity.

15. **Saving.**—Nothing in this Act applies to an establishment which has not been in existence at least for a period of two years.

16. **Act to override other laws.**—The provisions of this Act shall have overriding effect notwithstanding anything to contrary contained in any other law for the time being in force.

17. **Power to make rules.**—(1) The authority shall, with approval of the Federal Government and in consultation with apprenticeship committee, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of foregoing powers, such rules may provide for all or any of the following matters, namely:—

- (a) method and conditions of engagement, selection and the period of probation of apprentice;



- (b) conditions and terms of a contract of apprenticeship;
- (c) method and procedure governing settlement of disputes between an apprentice and his employer;
- (d) working hours, leave and holidays for apprentices;
- (e) system, condition and procedure for formalizing informal apprenticeships including recognition of prior learning of informal sector apprentices;
- (f) conditions of employment of apprentices after training;
- (g) procedure for registration or licensing apprentices and its renewal;
- (h) procedure of discipline, welfare, supervision and control of apprentices;
- (i) forms of records to be maintained by the employers pertaining to the training of apprentices;
- (j) assessment procedure, periodical tests, final examination and grant of certificates on successful completion of training;
- (k) composition, constitution and functions of, and filling of vacancies in, the apprenticeship committee and procedure to be followed by such committee in discharge of its functions;
- (l) training of female and disabled persons;
- (m) code of conduct and ethics;
- (n) environment, health and safety; and
- (o) welfare schemes for apprentices including but not limited to health insurance, group insurance etc. during the entire period of training.

18. **Repeal.**—The Apprenticeship Ordinance, 1962 (LVI of 1962) is hereby repealed to the extent of such areas in the Federation as are not included in any province.

AMJED PERVEZ,  
*Secretary.*