



# THE EXPORT PROCESSING ZONES AUTHORITY ORDINANCE, 1980



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# THE EXPORT PROCESSING ZONES AUTHORITY ORDINANCE, 1980

ORDINANCE No. IV of 1980

[6th February, 1980]

*An Ordinance to establish an Export Processing Zones Authority*

WHEREAS it is expedient to establish an Export Processing Zones Authority for making all arrangements for the planning, development and management of the Zones and to provide for matters connected therewith or ancillary thereto;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of the fifth day of July, 1977, read with the Laws (Continuance in Force) Order, 1977 (*C.M.L.A. Order No. 1 of 1977*), and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:—

## CHAPTER I PRELIMINARY

**1. Short title, application and commencement.**— (1) This Ordinance may be called the Export Processing Zones Authority Ordinance, 1980.

(2) It shall apply to all industrial undertakings set up or operating in the Export Processing Zones.

(3) It shall come into force on such date<sup>1</sup> as the Federal Government may, by notification in the official Gazette, specify.

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

- (a) “Authority” means the Export Processing Zones Authority established under section 4;
- (b) “Board” means the Board constituted under section 5;
- (c) “bonded area” means an area declared as a public warehouse under section 12 of the Customs Act, 1969;
- (d) “Chairman” means the Chairman of the Authority;
- <sup>2</sup>[(da) “Export Processing Zone developer and operator” means a company incorporated in Pakistan which has entered into an agreement with Authority for the development and operation of private and public participated Export Processing Zones;]

<sup>1</sup> *I.e.* 20<sup>th</sup> February, 1980, see S.R.O. No. 208(I)/80, dated 19-2-80, Gaz. of P. 1980, Extra, Pt. II, p. 212.

<sup>2</sup> Ins. by the Export Processing Zones Authority (Amdt) Act, 2023 (XXXVI of 2023), s. 2.

- (e) “industrial undertakings” means an industry, undertaking or establishment engaged in the production, distribution or processing of such goods or the providing of such services as may be specified in this behalf by the Federal Government;
- (f) “investor” means a person or company investing in an industrial undertaking located in a Zone;
- (g) “manufacture”, with its grammatical variations and cognate expressions, means the process of converting materials into a new product or article, whether or not by power operated machinery, whereby a change in tariff classification has been effected:
- (h) “prescribed” means prescribed by rules.
- (i) “rules” means rules made under this Ordinance ;
- (j) “tariff area” means any area in Pakistan outside the limits of a Zone ; and
- <sup>1</sup>(k) “Zone” means such area as the Federal Government may, by notification in the official Gazette, declare to be a Zone including Private and Public Participated Export Processing Zones for the purposes of this Ordinance.]

**3. Zone to be bonded area.**— Every Zone shall be a bonded area.

## CHAPTER II CONSTITUTION OF THE AUTHORITY

**4. Establishment of Authority.**— (1) There shall be established an Authority to be known as the Export Processing Zones Authority for carrying out the purposes of this Ordinance.

(2) The Authority shall be a body corporate, having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to acquire and hold property, both moveable and immovable, and shall by the said name sue and be sued.

**5. Management.**—The general direction and administration of the Authority and its affairs shall vest in a Board.

**6. Constitution of the Board.**— (1) The Board shall consist of not more than nine members, including the Chairman to be appointed by the Federal Government.

(2) The Chairman and other members of the Board shall hold office during the pleasure of the Federal Government and unless sooner removed shall hold office for a period of three years.

(3) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in, or defect in the constitution of, the Board.

(4) The Chairman and each member of the Board shall receive such salaries and allowances or such fee as may be determined by the Federal Government in each case.

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<sup>1</sup> Subs. by the Export Processing Zones Authority (Amdt) Act, 2023 ( XXXVI of 2023), s.2.

**7. Duties and functions of Chairman and Members.**— (1) The Chairman and members shall discharge such duties and perform such functions as are assigned to them under this Ordinance or by the Federal Government.

(2) Until the Board is duly constituted, the Chairman shall, subject to such directions as the Federal Government may, from time to time, give, exercise the powers, discharge the duties and perform the functions of the Board.

**8. Headquarters of the Authority.**— The headquarters of the Authority shall be situated at Karachi.

### CHAPTER III POWERS AND DUTIES OF THE AUTHORITY

**9. Master plan and master programme.**— The Authority shall prepare a master plan and a phased master programme for the development of the Zones.

**<sup>1</sup>[9A. Establishment of Private and Public Participated Export Processing Zones.**—(1) The Authority may, with the approval of the Federal Government establishment Private and Public Participated Export Processing Zones;

Provided that existing industry or industries, in the case may be, subject to fulfillment of criteria, may be declared part of a Private or Public Participated Export Processing Zone;

Provided further that the Private and Public Participated Export Processing Zone may be established in the area contiguous to the industry or industries so declared under sub-section (1).

(2) The Private Public Participated Export Processing Zone established under sub-section(1) shall operate subject to such terms approved by the Federal Government.]

**10. Preparation of schemes for Infrastructure.**— The Authority may, pursuant to the master plan, prepare schemes in respect of—

- (a) land use, zoning and land reservation;
- (b) public buildings;
- (c) industrial warehousing and buildings;
- (d) transportation and communications ; roads, streets, railways, jetty walls, workshops, sheds, godowns, navigation channels;
- (e) telecommunications, including wireless, telex and telephones;
- (f) community facilities, including water supply, sewerage disposal, electricity supply, gas supply and other public utilities; and
- (g) environmental control and prevention of pollution.

**11. Sanctioning of Industries, etc.**— (1) The Authority may, with the approval of the Federal Government, frame schemes and lay down procedure in respect of sanctioning the establishment and operation of industries in the Zones.

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<sup>1</sup> Ins. by the Export Processing Zones Authority (Amdt) Act, 2023 ( XXXVI of 2023), s.3.

(2) Any industry sanctioned under sub-section (1) shall operate subject to such terms and conditions as may be enunciated in the letter of sanction issued by the Authority.

(3) The materials and manufactured goods shall not be exported from the Zones into the tariff area except to the extent and in the manner to be specified by the Authority in each case with the prior approval of the Federal Government.

**12. Powers of the Authority.**—(1) Subject to the other provisions of this Ordinance and the rules, the Authority may take such measures and exercise such powers as may be necessary for carrying out the purposes of this Ordinance.

(2) In particular, and without prejudice to the generality of the powers conferred by sub-section (1), the Authority may—

- (i) incur any expenditure;
- (ii) undertake any work in the Zones in pursuance of any scheme;
- (iii) procure plants, machinery, instruments and material required for its use;
- (iv) enter into and perform all such contracts as it may consider necessary;
- (v) cause studies, surveys, experiments and technical research to be made or contribute towards the cost of any such studies, surveys, experiments or technical research;
- (vi) restrict or prohibit by general or special order any change in the use of land and alteration in buildings and installations; and
- (vii) cause removal of any work obstructing the execution of any of its schemes.

#### CHAPTER IV ACQUISITION OF LAND

**13. Liability to acquisition.**— All land within the Zones shall be liable to acquisition at any time in accordance with the provisions of this Chapter.

**14. Acquisition of land.**— (1) Where any land or interest in any land within any Zone is required by the Authority for any of its purposes, that land or interest shall be acquired under the Land Acquisition Act, 1894 (I of 1894) by the Provincial Government concerned at the request of the Authority.

(2) The acquisition of land or interest therein shall, for the purpose of the Land Acquisition Act, 1894 (I of 1894) be deemed to be required for a public purpose.

#### CHAPTER V ESTABLISHMENT

**15. Establishment.**—(1) The Authority may, from time to time, appoint such officers, servants, experts or consultants as it may consider necessary for the performance of its functions, on such terms and condition as it may deem fit:

Provided that the Chairman may, in cases of urgency, appoint such officers, servants, experts or consultants and on such terms and conditions as he deem fit, subject to subsequent approval by the Board.

(2) The Authority shall be competent to take disciplinary action against its officers and servants.

**16. Chairman members officers, etc., to be public servants.**— The Chairman, members, officers, servants, experts and consultants of the Authority shall, when acting or purporting to act in pursuance of any of the provisions of this Ordinance, be deemed to be public servants within the meaning of section 21 (Act XLV of 1860) of the Pakistan Penal Code.

**17. Indemnity.**—No suit, prosecution or other legal proceeding shall lie against the Authority, the Chairman, any member, officer, servant, expert, or consultant of the Authority in respect of anything done or intended to be done in good faith under this Ordinance.

**18. Delegation of powers.**— The Authority may, by general or special order, delegate to the Chairman or a member or officer of the Authority any of its powers, duties or functions under this Ordinance, subject to such conditions as it may think fit to impose.

## CHAPTER VI FINANCE

**19. Authority Fund.**— (1) There shall be established a fund to be known as the Export Processing Zones Authority Fund which shall vest in the Authority and shall be utilised by the Authority, in accordance with the general or specific directions of the Federal Government to meet charges in connection with its functions under this Ordinance, including the payment of salaries and other remuneration to the Chairman, members, officers, servants, experts and consultants of the Authority.

(2) The Export Processing Zones Authority Fund shall consist of—

- (a) grants made by the Federal Government ;
- (b) loans obtained from Government ;
- (c) grants made by the local bodies ;
- (d) sale proceeds of moveable and immoveable property and receipts for services rendered ;
- (e) loans obtained by the Authority with the special or general sanction of the Federal Government ;
- (f) foreign aid and loans obtained from any source outside Pakistan with the sanction of, and on such terms as may be approved by, the Federal Government ;
- (g) all rates, taxes, fees, charges levied and fines imposed by the Authority under the regulations made under this Ordinance ;

- (h) all revenues derived by the Authority from any property administered by the Authority ; and
- (i) all other sums receivable by the Authority.

**20. Authority to be deemed to be a local Authority.**— The Authority shall be deemed to be a local authority within the meaning of the Local Authorities Loans Act, 1914 (IX of 1914) for the purpose of borrowing money in accordance with the said Act and the execution of any scheme under this Ordinance shall be deemed to be a work which such authority is legally authorized to carry out.

**21. Borrowing etc., by the Authority.**— The Authority may, with the prior approval in writing of the Federal Government, raise funds for the purpose of its working capital by issuing bonds and debentures carrying interest at such rates as may be approved by the Federal Government.

**22. Budget.**— In the month of January each year, the Authority shall submit to the Federal Government for approval a statement of the estimated receipts and expenditure in respect of the next financial year in such manner and form as may be prescribed.

**23. Audit and Accounts.**— (1) The accounts of the Authority shall be audited every year by the Auditor-General of Pakistan in such manner as may be prescribed.

(2) Copies of the audit report shall be sent to the Authority and the Authority shall send the report along with its comments to the Federal Government.

(3) The audit report shall be available for public inspection.

(4) The Federal Government may issue directions to the Authority for the rectification of matters objected to by the Auditor-General and the Authority shall comply with every such direction.

## CHAPTER VII MISCELLANEOUS

**24. Disputes to be referred to arbitration.**— (1) Any dispute relating to the interpretation of the provisions of any agreement made under any scheme prepared under section 10 between the Authority and an investor or the rights of the parties to such agreement or any rights conferred or any liability imposed by this Ordinance shall be referred for arbitration to an arbitrator appointed by the parties.

(2) Any award made upon such reference shall be final and binding on the parties and shall not be subject to any appeal or any other remedy.

(3) The provisions of the Arbitration Act, 1940 (X of 1940) shall, so far as they can be made applicable, apply to arbitrations under sub-section (1).

**25. Power to exempt.**— The Federal Government may, by notification in the official Gazette, exempt any Zone from the operation of all or any of the provisions of any law for the time being in force which relates to any matter within the legislative competence of Parliament.



**26. Power to make rules.**— The Federal Government may, by notification in the official Gazette, make rules<sup>1</sup> for carrying out the purposes of this Ordinance.

**27. Power to make regulation.**— (1) The Authority may, with the approval of the Federal Government, make regulations, not inconsistent with the provisions of this Ordinance or the rules, for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for the levy of fees, rates and charges for services rendered by the Authority.



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<sup>1</sup>For such rules, see S.R.O. 1058(0/81, dated 27-9-1981, Gaz., of P., 1981, Ext. Pt. II. pp. 2123—27.