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PART I

**Acts, Ordinances, President's Orders and Regulations including Martial Law
Orders and Regulations**

SENATE SECRETARIAT

Islamabad, the 24th December, 1985

The following Acts of Majlis-e-Shoora (Parliament) received the assent of the President on the 22nd December, 1985, and are hereby published for general information :

ACT NO. XXI OF 1985

An Act further to amend the Agricultural Development Bank Ordinance, 1961

WHEREAS it is expedient further to amend the Agricultural Development Bank Ordinance, 1961 (IV of 1961), for the purposes hereinafter appearing :

It is hereby enacted as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Agricultural Development Bank (Amendment) Act, 1985.

(2) It shall come into force at once and shall be deemed to have taken effect on the first day of January, 1985.

2. **Amendment of section 2, Ordinance IV of 1961.**—In the Agricultural Development Bank Ordinance, 1961 (IV of 1961), hereinafter referred to as the said Ordinance, in section 2, after clause (j), the following new clause shall be inserted, namely :—

“(jj) “loans, advances and credit” includes “finance” as defined in the Banking Tribunals Ordinance, 1984 (LVIII of 1984), and all cognate expressions shall be construed accordingly ;”.

3. **Amendment of section 19, Ordinance IV of 1961.**—In the said Ordinance, in section 19, in sub-section (1),—

(i) after clause (c), the following new clause shall be inserted, namely :—

“(cc) obtain or raise funds on the basis of participation in profit and loss, mark-up and mark-down in price, hire-purchase, lease, rent-sharing, licensing, charge or fee of any description, participation term certificates, modaraba certificates and such other instruments as may be approved by the State Bank, purchase or sale of any property, including commodities, patents, designs, trade marks and copyright, with or without buy-back arrangements with the seller or on condition of payment of its price in one or more instalments at a stated future date or dates or any other mode not based on interest ;” ;

(ii) clause (e) shall be omitted ;

(iii) for clause (f) the following shall be substituted, namely :—

“(f) the subscribing to the debenture or participation term certificates or term finance certificates or modaraba certificates or musharika certificates, and such other instrument as may be approved by the State Bank, of any body corporate concerned with agriculture or the financing of agriculture or the financing of cottage industries in rural areas which are repayable within a period not exceeding ten years ;” ;

(iv) in clause (g), for the words “interest or dividends” the words “interest, dividends or return” shall be substituted ;

(v) for clause (j) the following shall be substituted, namely :—

“(j) the purchasing or otherwise acquiring in the normal course of its banking business of any residential or commercial property, movable or immovable, including commodities, patents, designs, trade marks and copyrights, with or without buy-back arrangements by the seller, or for outright sale or sale in the form of hire-purchase or on deferred payment basis with mark-up or for leasing or licensing or for rent-sharing or for any other mode of financing other than one based on interest and, until so disposed of, dealing with and maintaining the same ;” : and

(vi) in clause (n), after the words and comma “movable or immovable,” twice occurring, the following words and commas shall be inserted namely :—

“commercial or residential, including commodities, patents, designs, trade marks and copyrights.”

4. Insertion of new sections 31A, 31B and 31C, Ordinance IV of 1961.

In the said Ordinance, after section 31, the following new sections shall be inserted, namely :—

“31A. *Exemption from criminal or civil liabilities.*—The Bank and its officers and employees shall be exempt from criminal or civil liability of every description provided for in any law in respect of any property, movable or immovable, owned by the Bank, exclusively or jointly with another person or persons so long as the property remains in the custody, power and control of such other person or persons on account of licence, lease, hire-purchase, forward sale, rent-sharing agreement or any other arrangement within the meaning of loans, advances and credit.

31B. *Exemption from requirement of licence.*—Any requirement of a licence or permit to import or export any commodity or article or its purchase or sale shall not apply to the Bank in respect of transactions undertaken by it in the normal course of its business.

Explanation. In this section, a transaction undertaken by the Bank shall be deemed to be in the normal course of its business only if it is based on an agreement for sale or purchase, lease or hire-purchase of the said commodity or article by the Bank with its customer to whom finance is provided by it and who is in possession of a valid licence or has otherwise complied with the requirements of law governing the import or export or sale purchase of such commodity or article.

31C. *Continuance of charge and priority.*—Where a charge over any property has been or is created by any person in favour of the Bank to secure any interest-based facility extended by the Bank to such person and such facility at any time converted into or substituted by any facility not based on interest, such charge shall continue to remain valid and shall maintain its priority in favour of the Bank against all charges created by such person in favour of any other person subsequent to the original date of registration of such charge.”

5. Amendment of section 38, Ordinance IV of 1961.—In the said Ordinance, in section 38, in sub-section (2), for clause (c) the following shall be substituted, namely :—

- “(c) the manner, conditions and terms of issue and redemption of bonds debentures, participation term certificates, term finance certificates, modaraba certificates, musharika certificates and such other instrument as may be approved by the State Bank”.
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