

~~TO BE~~ ^{As} INTRODUCED IN THE SENATE]

A

BILL

further to amend the Industrial Relations Act, 2012

WHEREAS it is expedient further to amend the Industrial Relations Act, 2012 (Act No. X of 2012), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title and commencement.— (1) This Act may be called the Industrial Relations (Amendment) Act, 2026.

(2) It shall come into force at once.

2. Amendment of section 1, Act X of 2012.— In the Industrial Relations Act, 2012 (Act No. X of 2012), hereinafter referred to as the said Act, in sub-section (3), paragraph (c) shall be omitted.

3. Amendment of section 2, Act X of 2012.— In the said Act, in section 2,—

(a) in clause (v), for semicolon at the end, a colon shall be substituted and thereafter following proviso shall be added, namely:—

“Provided that no collective bargaining unit shall be constituted in any establishment if number of workers constituting such collective bargaining unit is less than three thousand workers or workmen and any collective bargaining unit not fulfilling this requirement shall be deemed abolished forthwith:

Provided further that the Registrar shall reconstitute the collective bargaining units within thirty days the collective bargaining units having less than three thousand workers or workmen into one or more collective bargaining unit or units, as the case may be, in the establishment:

Provided also that if in an establishment there are no sufficient number of workers to constitute collective bargaining unit consisting of at least three thousand workers or workmen, there shall be a collective bargaining agent in such establishment;”

(b) in clause (xxxiii),—

(i) for the full stop at the end, a colon shall be substituted; and

(ii) in clause (xxxiii), amended as aforesaid, following provisos shall be added, namely:—

“Provided that status of a worker and workman shall be determined keeping in view functions being performed by such

worker or workman irrespective of any designation, grading system regarding payment of salary or wages, Pay Groups or Basic Pay Scales (B.P.S.):

Provided further that no worker or workman shall be deemed as employer unless fulfils requirements of an "employer" provided in clause (ix) of this section."

4. Amendment of section 3, Act X of 2012.— In the said Act,—

- (a) section 3 shall be renumbered as sub-section (1) of the said section; and
- (b) in section 3 as amended aforesaid, following new sub-sections shall be added, namely:—

"(2) Notwithstanding anything contained in the Act, the term of a trade union or association shall be two years from the date of amendment of office bearers by the Registrar.

(3) The trade union or association not holding its elections at least thirty days prior to end of its term shall cease to exist after completion of its term automatically.

(4) No employer or establishment shall negotiate any settlement with any trade union or association after its cessation as provided in sub-section (3)."

5. Amendment of section 4, Act X of 2012.— In the said Act,—

- (a) in the heading, after the word "unions", the words " and Associations" shall be added;
- (b) section 4 shall be renumbered as sub-section (1) of the said section;
- (c) after section 4, as amended, following new sub-sections shall be added, namely:—

"(2) In case of retirement, resignation or due to any other reason, whatsoever, of the Registrar, the most senior officer of the National Industrial Relations Commission or from the establishment of the Registrar of Trade Unions and Associations shall be entrusted the acting charge of the Registrar:

Provided that the process to fill the post of the Registrar shall be completed within ninety days of such eventuality;

Provided that process regarding promotion or initial recruitment of the Registrar shall be initiated at least one hundred and eighty days prior to superannuation or retirement of the incumbent Registrar."

6. Amendment of section 33, Act X of 2012.— In the said Act,—

- (a) after sub-section (5), following new sub-section shall be inserted, namely:—

“(5A) The grievance under this section shall be decided within a period six months of its institution:

Provided that a report shall be submitted to the Chairman if a grievance is not decided within a period of six months of its institution:

Provided further that the Chairman shall compile a consolidated statement of such reports as on the 31st day of December of the year and forward the same to the concerned Minister Incharge who shall lay it on the table of both houses of the *Majlis-e-Shoora* (Parliament) and shall be referred to concerned Standing Committee for appropriate recommendations to the house with appropriate amendments in the Act to make it more effective remedial law:

Provided also that the Standing Committee shall also recommend regarding retention of services of such member of the Commission in the interest of justice.”; and

- (b) in sub-section (6), for the comma and words “, or with fine which may extend to seventy-five thousand rupees, or with both”, the words “with a fine which shall not be less than ten hundred thousand rupees with one thousand rupees for each day of default or non-compliance to be paid to the aggrieved worker or workman” shall be substituted.

7. Amendment of section 53, Act X of 2012.— In the said Act,—

- (a) for sub-sections (3) and (4), following shall be substituted, namely:—

“(3) A person shall not be appointed as the Chairman of the Commission by the Government unless the person is having an educational qualification in the field of labour law or labour management:

Provided that an Advocate of High Court, the Supreme Court or the Federal Constitutional Court, as the case may be, may be appointed as the Chairman if such Advocate is having an educational qualification in the field of labour law with at least ten years of post-qualification practice as an Advocate of the High Court:

Provided that a person, not being an Advocate, shall not be appointed as the Chairman unless having at least fifteen years’ experience of labour management in a reputed organization after acquiring educational qualification in the labour management.

(4) An Advocate having educational qualification in the field of labour law with at least seven years post-qualification practice as an Advocate of the High Court shall be appointed as a member of the Commission:

Provided that a serving Additional District and Sessions Judge may be appointed as the member of the Commission, on deputation basis, who has at least five years’ experience dealing

with labour related matters during his service, for a period not more than three years.

(4A) The Chairman and the members except the serving Additional District and Sessions Judges, shall be appointed on merit basis through a transparent and competitive process by advertising the posts in the national press, official website of the Government and social media.

(4B) The Chairman and members shall be appointed for a non-extendable term of three years.

(4C) The process of recruitment, selection and appointment of the Chairman and the members of the Commission shall be initiated at least six months prior to completion of term of the incumbent Chairman and a member of the Commission which shall be completed at least thirty days prior to completion of such term:

Provided that the Chairman or any member who is not fulfilling the requirement of educational qualification and relevant experience on the commencement of the Act shall be deemed to cease to exist or his contract of appointment shall be deemed to be terminated forthwith.

(4D) The Chairman and members of the Commission shall draw such salary, allowance and privileges, etc., as admissible to the Chairman or the members of any other such Commission or Tribunal under the Government:

Provided that the Chairman shall be entitled to such salary, allowances and privileges, etc., as admissible to a judge of a High Court, the Supreme Court or the Federal Constitutional Court, as the case may be, if he is eligible and qualified to be appointed as the judge of such Court.”

- (b) in sub-section (5), for the full stop at the end, a colon shall be substituted and thereafter following proviso shall be added, namely:—

“Provided that the Government shall appoint the members under this sub-section, in consultation with the Chairman, at the earliest but not later than thirty days.”; and

- (c) after sub-section (7), the following new sub-sections shall be added, namely:—

“(8) The Chairman shall make arrangements for dissemination of information on official website and social regarding rights of the workers and workmen as well as international conventions and treaties ratified by the Federal Government, functions of the Commission, rules and regulations regarding working of the Commission, filing of causes or grievances including appeals and cause lists and notices to the litigants, etc.

(9) Provisions of this section shall be complied with letter and spirit strictly observing the prescribed timelines and any deviation shall be construed as misconduct on the part of the concerned officers of the administrative ministry or division responsible for conduct of business under the provisions of the Rules of Business, 1973, as such lax actions amounts miscarriage of justice.”.

8. Amendment of section 58, Act X of 2012.— In the said Act,—

(a) in sub-section (2), for clause (c), the following shall be substituted, namely:—

“(c) The decision of the Full Bench shall be delivered as expeditiously as possible but within a period of ninety days following the filing of the appeal:

Provided that a report shall be submitted by the Chairman if an appeal is not decided within a period of four months of its filing:

Provided further that the Chairman shall compile a consolidated statement of such reports as on the 31st day of December of the year and forward the same to the concerned Minister Incharge who shall lay it on the table of both houses of the *Majlis-e-Shoora* (Parliament) and shall be referred to concerned Standing Committee for appropriate recommendations to the house with appropriate amendments in the Act to make it more effective remedial law:

Provided also that the Standing Committee shall also recommend regarding retention of services of such members of the Full Bench of the Commission in the interest of justice.”; and

(b) in sub-section (3), after the word “Bench” at the end, the words “after issuing a notice and hearing of the worker or workman” shall be inserted; and

(c) in sub-section (4), for the words “such appeal”, the words “the appeal preferred under sub-section (3)” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The law relating to workers or workmen is dealing with the poorest class of employees in the public and particularly in the private sector i.e. industrial and commercial establishments. If carefully noted and observed then it will transpire that due to laxity on the part of the concerned administrative Ministry or Division, as the case may be, the offices of the Registrar Trade Unions (RTU), Chairman and Members of the National Industrial Relations Commission (NIRC) are remaining vacant due to flaws in the Industrial Relations Act, 2012 (Act No. X of 2012), adding already innumerable problems and vows of the workers or workmen. It is also noteworthy that National Industrial Relations Commission (NIRC), while performing functions of the Labour Courts and Labour Appellate Tribunals/Courts, is the cheapest adjudicating forum, with at some extent relevant and specialized expertise, in labour and trade union matters.

2. It is noteworthy that the Government cannot ensure industrial peace, progress and growth if workers or workmen are wandering post to pillar for adjudication of their rights under the Labour Laws. Hence, there is need to revamp and modernize the Industrial Relations Act, 2012 (Act No. X of 2012), at least, addressing apparent and immediately faced issues.

3. The definition of a worker or workman is ambiguous and it is essential to make it more clear to avoid judicial interpretations and to address this issue an amendment is proposed. Similarly, appointment of the Registrar of Trade Unions (RTU), the Chairman and Members of the Commission is also an ignored area by the Government which is required to be made more transparent, competitive, merit-based and based on persons for such offices relevantly qualified in the field of labour laws. Similarly, after privatization of the PIAC, the paragraph (c) of sub-section (3) of section 1 of the Act has become unnecessary and redundant and is proposed to be omitted. It is also proposed that strict timelines for making decisions with accountability be incorporated in the Act to make it more dynamic law.

4. The Bill seeks to achieve the above-said objectives.

Sd/-
Senator Kamran Murtaza
Member-in-Charge