

[ TO BE INTRODUCED IN THE NATIONAL ASSEMBLY ]

A

BILL

further to amend Islamabad Rent Restriction Ordinance, 2001.

WHEREAS it is expedient further to amend the Islamabad Rent Restriction Ordinance, 2001 (IV of 2001) to further regulate the relations between the landlord and tenants of rented premises in the Islamabad Capital Territory and to provide for matters ancillary thereto or connected therewith;

It is hereby enacted as follows:-

1. **Short title and commencement.**- (1) This Act may be called the Islamabad Rent Restriction (Amendment) Act, 2014.

(2) It shall come into force at once.

2. **Amendment of section 2, Ordinance IV of 2001.**- In the Islamabad Rent Restriction Ordinance, 2001 (IV of 2001), hereinafter referred to as the said Ordinance, in section 2, after clause (g), the following new clause shall be inserted, namely:-

“(ga) “Mediation Council” means Mediation Council constituted under section 16A.”

3. **Amendment of section 5, Ordinance IV of 2001.**- In the said Ordinance, for section 5, the following shall be substituted, namely:-

“5. **Agreement between landlord and tenant.**- (1) A landlord shall not let out a premises to a tenant except by a tenancy agreement in writing.

(2) A landlord shall present the tenancy agreement before the Controller within thirty days of signing the agreement.

(3) The Controller shall enter the particulars of the tenancy in a register, affix his official seal on the tenancy agreement, retain a copy thereof and return the original tenancy agreement to the landlord.

(4) The entry particulars of the tenancy shall not absolve the landlord or the tenant of their liability to register the tenancy agreement under the law relating to registration of documents.

(5) A tenancy agreement entered in the office of a Controller or a certified copy thereof shall be a proof of the relationship of landlord and tenant.

(6) Any other agreement which may be executed between the landlord and the tenant in respect of the premises shall be presented before the Controller in the same manner as provided in sub-section (2)."

4. **Substitution of section 8, Ordinance IV of 2001.**- In the said Ordinance, for section 8, the following shall be substituted, namely:-

**"8. Landlord and Tenant to Fix Initial Rent.**- (1) The landlord and Tenant shall through mutual agreement, fix initial rent of building, residential or non-residential rented land.

(2) All payments in connection with tenancy between landlord and tenant shall be made through crossed cheques to be deposited by the tenant in the bank account of the landlord which shall be written in the agreement or with proper receipt or acknowledgment."

5. **Substitution of section 10, Ordinance IV of 2001.**- In the said Ordinance, for section 10, the following shall be substituted, namely:-

**"10. Increase in the Rent (1)** The rent of residential as well as non-residential building shall stand automatically increased at the end of every three year of its tenancy by twenty percent of the rent already being paid by the tenant.

(2) Nothing in sub-section (1), shall apply if a landlord and a tenant agree to increase or not to increase rent by agreement in writing."

6. **Insertion of new section, Ordinance IV of 2001.**- In the said Ordinance, after section 16, the following new section shall be inserted, namely:-

**"16A. Mediation Council.**- (1) There shall be a Mediation Council consisting of-

- a) President, Islamabad Chamber of Commerce and Industry or any other office bearer or member of Islamabad Chamber of Commerce and Industry nominated by him..... Convener
- b) A representative of/or the tenant..... Member
- c) A representative of/or the landlord.....Member
- d) The Convener may nominate one or more persons as member(s) from the business community including Chamber of Small Traders and Small Industries and Market Union(s) to assist him during mediation proceedings.

(2) Every dispute between landlord and tenant under this Act including disputes relating to goodwill shall be referred to Medication Council.

(3) On the first date of hearing after service of summons on the respondent, the Controller shall refer the matter to the Convener for mediation and direct the parties to appear before the Convener within seven days.

(4) On receipt of a reference from the Controller for mediation and on appearance of the parties, the Controller shall require both the landlord as well as the tenant to nominate a representative within three days who shall be duly authorized by him in writing and attested by Oath Commissioner to make statement about the dispute and settlement of dispute on his behalf.

(5) On receipt of nomination of members for Mediation Council by the landlord and the tenant, the Convener shall convene the meeting of the Mediation Council not later than seven days and thereafter continue its proceedings on day to day basis and complete the same within sixty days.

(6) In case settlement is not arrived at or any of the parties withdraws from the mediation proceedings, the Convener shall intimate the Controller in writing who shall proceed with the case.

(7) If a settlement is arrived at with the consent of representatives of tenant and landlord, the Convener shall make a settlement deed authenticated by him under his signatures and stamp of the ICC, providing all necessary details and also signed by the members of the Mediation Council and provide a copy of the settlement deed to each member without any cost.

(8) The Convener shall file the settlement deed before the Controller within seven days who shall pass an order in terms of settlement deed arrived at by the parties and such order shall be final.

7. **Amendment of section 21, Ordinance IV of 2001.**- In the said Ordinance, in section 21, for sub-section (2), the following shall be substituted, namely:

“(2) An appeal can lie from an interlocutory order passed by the Controller.”

8. **Amendment of section 23, Ordinance IV of 2001.**- In the said Ordinance, in section 23 after the figure ‘14’, the comma, figure and letter”, 16A”, shall be inserted.

### **STATEMENT OF OBJECTS AND REASONS**

1. It is pertinent that our Constitution under its chapter: Principles of State Policy, Article 38 (a) lays down for mandatory equitable adjustment of relations between landlords and tenant. There is a decade old demand of tenants and landlords in the Federal Capital to have the Islamabad Rent Restriction Ordinance, 2001

amended to meet their concerns. The amended Bill entails that every agreement between landlord and tenant shall be presented before the Controller for record keeping. Any payments related to the tenancy agreement shall be made through cross cheques or with an official receipt/acknowledgement. The rents of residential and non-residential building shall be annually increased by ten percent automatically unless the parties decide to the contrary in writing. For dispute resolution between the landlord and tenant there shall be a Mediation Council to be presided by the President Islamabad Chamber of Commerce or his nominee as its Convener. A representative of the tenant and the landlord will both constitute as members of the Council. The convener may nominate one or more persons to assist him during mediation proceedings, from the business community including Chamber of Small Traders and Small Industries and Market Unions. The Controller, before proceeding with as case shall refer it to the Mediation Council. In case of no settlement, the Controller shall proceed with the case. In case of a settlement, the order passed by the Controller in accordance with the decision of the Mediation Council shall be considered final.

2. The Bill is designed to meet the aforesaid objectives.

Sd/-

**Mian Abdul Manan,**  
**Member, National Assembly.**