

# Sindh Trust Bill 2020

## Enforced

Sindh Trusts Act, 2020 having been passed by the Provincial Assembly of Sindh on 21st August 2020 and assented to by the Governor of Sindh on 22nd September 2020.

## Repealed

Trust Act 1882 (Act No. 2 of 1882).

The provisions of the Trust Act 1882 (Act No. 2 of 1882), are hereby repealed to the extent of the Province of Sindh.

## ESSENTIAL CHANGES

Trust Act 1882	Sindh Trusts Act, 2020
Prior to the implementation of the Sindh Trust Act, 2020, this act registered all types of trusts. District-based Sub Registrar offices served as the registering authority.	All forms of trust after the commencement of the Sindh Trust Act, 2020 were registered under this Act. The registering Authority is the government of Sindh Directorate of Industries (Trust Wing).
There are two kinds of Trust. The first is Public Trust while the second is Private Trust. Public trusts, such as welfare trusts, are registered to provide societal advantages at large. Private trusts, such as Masjids and Madaris, benefit a specific social sect. Provident Fund and Gratuity Fund Trusts are register under the aforementioned Trust Act.	
Register once and remain registered until the party itself dissolves the registration.	Register on a recurring basis; annual renewal is required.
<ol style="list-style-type: none"><li>1. Original Trust Deed.</li><li>2. Original Rules.</li><li>3. Copy of Notarized CNIC.</li><li>4. Passport-sized photograph.</li><li>5. Proof of the registered office of the trust (Electricity/Sui Gas Bill or rent agreement, mutation, or any other proof). In case of rented property, signed NOC is required from the landlord.</li><li>6. Government Challan Fee.</li></ol>	<ol style="list-style-type: none"><li>1. Memorandum of Association in the Form of Schedule-I of Sindh trust Rules, 2020.</li><li>2. Trust deed [One original and attested copy, original will be returned by the registrar after registration]. Each paper of the trust should be signed by the author, trustee, and any other person associated with the trust and attested by a notary public.</li><li>3. Affidavit under schedule II of Sindh Trust rules, 2020 {Acceptance certificate by trustee}</li><li>4. Attested Copies of CNIC or passport copies of members of the trust.</li><li>5. Proof of the registered office of the trust (Electricity/Sui Gas Bill or rent agreement, mutation, or any other proof). In case of rented property, signed NOC is required from the landlord.</li></ol>

## Registering Authority

## Kind of Trust

## Life of Trust

## Documents Required

## Procedure for Registration with Authority

	<ol style="list-style-type: none"> <li>6. Affidavit under schedule III of Sindh Trust rules, 2020 attesting that neither trust nor a member of the trust is involved in any criminal activities/ proceedings, etc.</li> <li>7. Bank Challan of Rs. 10,500/- Credit to provincial Government under head of Accounts C-03818.</li> <li>8. Trust members' details on schedule IV of Sindh Trust rules, 2020.</li> <li>9. Any other document as Director may require.</li> </ol>
<p>The Trust Deed must be registered with the Trust Registrar. Trustees must appear before the Registrar for physical verification and Bio-Metric together with copies of all trustees' ID cards and two passport-sized pictures of each trustee must be filed with the original Trust Deed and a copy of the Rules before the Registrar. After registering, the Trust must get a National Tax Number.</p>	<p><b>Step 1: Submission of Documents with draft Trust Deed and Rules.</b></p> <p>All documents will be submitted to the government of the Sindh Directorate of Industries (Trust Wing).</p> <p><b>Step 2: Verification.</b></p> <p>Sindh Directorate of Industries (Trust Wing) forward all documents to the Home Department for verification. The concerned officers shall report within 14 days of receiving a request from the director. 14 days is not applicable in case of any member is a foreigner and his/her credentials will be verified through the Embassy of Pakistan in that country.</p> <p><b>Step 3: NOC.</b></p> <p>A NOC will be issued by the Home Department to Trust Sindh Directorate of Industries (Trust Wing) that all particulars and trustees are eligible for registration.</p> <p><b>Step 4: Payment of Challan and presenting the Original Trust Deed.</b></p> <p>Challan and the original trust deed will be presented to the Director Trust Sindh Directorate of Industries (Trust Wing).</p>



	<p><b>Step 5: The registration certificate of the trust will be issued when</b></p> <ol style="list-style-type: none"><li>1. Trust/its members are not involved in the dissemination of hatred, militancy, money laundering, or threats to national security and harmony.</li><li>2. Members of the trust have submitted comprehensive personal information, none of which is forged/falsified.</li></ol> <p>The certificate issued will adhere to Schedule-V of the 2020 Sindh Trust rules.</p>
<p>After registering with the Authority, an application for tax exemption approval must be filed to the Commissioner of Inland Revenue.</p>	

**Impact of the New Trust Act on registering and following the rules on time to get the most benefits and avoid sanctions:**

The following complication will occur from noncompliance with the Sindh Provincial Trust Act of 2020:

- *The trust will cease to operate;*
- *Its bank accounts will freeze.*
- *The trust will be ineligible to get an exemption certificate for non-withholding taxes;*
- *Penalties and sanctions may be imposed.*

**Remedy:**

- To avoid confusion, companies or banks are required to register their **Gratuity Funds** and **Provident Funds** under the aforementioned laws for their smooth operation and so that their employees can get their post-retirement benefits.

