

The Trade Organisations Ordinance, 1961

(ORDINANCE NO. XLV OF 1961)

[2nd December, 1961]

An Ordinance to provide for the regulation and control of trade organisations.

WHEREAS it is expedient to provide for the regulation and control of trade organisations and for matters ancillary thereto;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

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| Short title, extent and commencement | <ol style="list-style-type: none">1. (1) This Ordinance may be called the Trade Organisations Ordinance, 1961.(2) It extends to the whole of Bangladesh.(3) It shall come into force at once. |
| Definitions | <ol style="list-style-type: none">2. In this Ordinance, unless there is anything repugnant in the subject or context,-<ol style="list-style-type: none">(1) “Act” means the Companies Act, 1913;(2) “Administrator” means an Administrator appointed under section 10 and includes an officer empowered by the Government to perform the functions of the Administrator under this Ordinance;(3) “articles” means the articles of association of a trade organisation;(4) “Director” means the Director of Trade Organisations appointed by the Government and includes an officer empowered by the Government to perform the functions of the Director under this Ordinance;(5) “Executive Committee” means the Board of Directors, the Executive Committee, the managing committee or other body, by whatever name called, of a registered trade organisation responsible for the management or conduct of the affairs of such trade organisation;(6) “licence” means a licence granted or deemed to be granted under sub-section (1) of section 3; |

(7) “member of the Executive Committee” includes a Director where the Executive Committee is a Board of Directors, and the Chairman, Vice-Chairman, President and Vice-President of the Executive Committee;

(8) “memorandum” means the memorandum of association of a trade organisation;

(9) “register” means the register of companies required to be kept under the Act;

(10) “registered trade organisation” means a trade organisation registered under the Act as a company in pursuance of a licence;

(11) “registrar” means the registrar as defined in clause (15) of subsection (1) of section 2 of the Act; and

(12) “trade organisation” means an association which,-

(a) is capable of being formed as a limited company within the meaning of the Act;

(b) is formed or intended to be formed with the object of promoting any trade, commerce or industry or any group or class thereof, or for representing for any purpose, in any manner and to any extent, any trade, commerce or industry or any group or class thereof; and

(c) prohibits payment of any dividend to its members and applies or intends to apply its profits or other income for achieving its objects.

Licensing and registration of trade organisations

3. (1) Notwithstanding anything contained in the Act or in any other law for the time being in force relating to registration of societies, bodies or associations of persons, no trade organisation shall be registered under the Act or such other law unless it holds a licence granted by the Government authorising it to be so registered.

(2) No licence shall be granted for registration under the Act to a trade organisation unless it is-

(a) a Federation of Chambers of Commerce and Industry, organised on all-Bangladesh basis, to represent Chambers and Associations referred to in clauses (b), (c) and (d):

Provided that a licence for registration as a Federation of Chambers of Commerce and Industry shall not be granted to more than one trade organisation;

(b) a Chamber of Industry organised on all-Bangladesh basis:

Provided that a licence for registration of such a Chamber shall not be granted to more than one trade organisation;

(c) a Chamber of Commerce and Industry organised to represent trades and industries of specific areas, such as, divisions, districts, upazilas and municipalities;

(d) an Association of trade or industry or of both, organised on all-Bangladesh basis, to represent specific trades or industries or both:

Provided that a licence for registration of such an Association shall not be granted to more than one trade organisation;

(e) a Town Association organised to represent trades and industries at a place at which there is no Chamber of Commerce and Industry:

Provided that such Town Association shall be affiliated to the Chamber of Commerce and Industry of the district in which the place is situated;

(f) a Group organised to represent specific trades or industries or both of specific areas, such as, divisions, districts, upazilas and municipalities:

Provided that there shall not be more than one Group representing specific trade or industry or both in a specific area, and no group shall be granted a licence where there is a registered Town Association.

(3) A licence may be granted on such conditions and subject to such regulations as the Government may think fit to impose or prescribe and such conditions and regulations shall be binding on the trade organisation concerned and shall, if the Government so directs, be incorporated in the articles and memorandum of such trade organisation or in one of those documents.

(4) Any licence granted under section 26 of the Act before the commencement of this Ordinance to a trade organisation of any type specified in sub-section (2) shall be deemed to be a licence granted under sub-section (1) and all such licences granted before such commencement to other trade organisations shall stand revoked.

(5) A trade organisation holding a licence may be registered under the Act as a company with limited liability without the addition of the word "Limited" to its name and on such registration shall enjoy all the privileges of a limited company and be subject to all its obligations except those of-

(a) using the word "Limited" as any part of its name;

(b) publishing its name; and

(c) sending lists of members to the registrar.

(6) The Government may, by notification in the official Gazette, grant exemption to any trade organisation from any provision of this section and such exemption may be for such period and subject to such conditions as may be specified in the notification.

(7) No licence shall be granted to a trade organisation unless the promoters or organisers thereof have, before its formation, by a notice published in-

(a) at least two national daily newspapers, in the case of a trade organisation intended to be formed on all-Bangladesh basis;

(b) a local or regional newspaper, in the case of any other trade organisation;

declared their intention to form the trade organisation and the aims and objects thereof.

(8) No trade organisation shall function or engage in any activities without first obtaining a licence under this Ordinance.

Cancellation of licence and exemption

4. (1) The Government may, at any time, by notification in the official Gazette,-

(a) revoke a licence granted to a trade organisation after giving the trade organisation an opportunity of being heard;

(b) declare that all licences granted before the 19th February, 1959, shall stand revoked on the date specified therein; and

(c) cancel any exemption granted under sub-section (6) of section 3 after giving the trade organisation an opportunity of being heard.

(2) Upon the cancellation of exemption under clause (c) of sub-section (1) or upon the expiry of the period for which exemption was granted, the trade organisation concerned may within thirty days of such cancellation or expiry, apply for a licence.

Merger of trade organisations

4A. If on the date of commencement of the Trade Organisations (Amendment) Ordinance, 1984, two or more trade organisations are found to be functioning with similar aims and objects, the Director, may, if he thinks fit, order merger of all these organisations into one or cancel the licence of any of these trade organisations:

Provided that no such order for merger or cancellation of licence shall be made without giving the trade organisations an opportunity of being heard.

Cancellation of registration

5. (1) Notwithstanding anything contained in the Act, registration thereunder of-

(a) all trade organisations registered otherwise than in pursuance of a licence under section 26 of the Act except the trade organisations to whom exemption has been granted under sub-section (6) of section 3;

(b) a trade organisation originally registered in pursuance of a licence which was revoked before the commencement of this Ordinance;

(c) all trade organisations whose licences stand revoked under sub-section (4) of section 3;

(d) a trade organisation whose licence has been or stands revoked under sub-section (1) of section 4; and

(e) a trade organisation, which, being entitled to make an application under sub-section (2) of section 4, has not done so or whose application thereunder has been rejected,

shall stand cancelled and the registrar shall strike off the register, and publish in the official Gazette, the names of all such trade organisations.

(2) All affairs of a trade organisation whose registration stands cancelled under sub-section (1) shall be wound up-

(a) in accordance with the provisions made in that behalf in its articles or memorandum, or

(b) in the absence of any such provision, as if a special resolution under sub-section (2) of section 203 of the Act has been passed on the date on which the registration stands cancelled that it be wound up voluntarily.

(3) No trade organisation shall function and maintain office in any form after its licence has been cancelled under this Ordinance.

Companies not to use certain words in their names

6. (1) No company or trade organisation other than a registered trade organisation shall, after thirty days from the commencement of this Ordinance, use in its name or title the word "Federation" or "Chamber" or "Association".

(2) Every company or trade organisation other than a registered trade organisation having in its name or title any of the words mentioned in sub-section (1) shall, within the period specified therein, by special resolution or in any other manner it thinks convenient, so change its name or title as to omit therefrom any such word.

(3) Where a company or trade organisation changes its name or title in pursuance of sub-section (2), the registrar shall enter the new name or title in his register in place of the former name or title and issue a certificate of incorporation altered to meet the circumstances of the case and, upon the issue of such certificate, the change of name or title shall be complete.

(4) The change of name or title under this section shall not affect any rights or obligations of the company or trade organisation concerned or render defective any legal proceedings by or against such company or trade organisation and any legal proceedings that might have been continued or commenced by or against it by the former name or title may be continued by its new name or title.

(5) Nothing in this section shall apply to a company, association or body of persons formed for promoting art, science, religion, charity, sports, any profession other than trade, commerce or industry or any other useful object which the Government may, by notification in the official Gazette, specify in this behalf.

Classification
and recognition
of trade
organisations

7. (1) The Government may,-

(a) classify registered trade organisations into various classes according to their status in terms of membership subscription rates incorporated in the Articles of Association, importance or standing in the context of the relative position of the trade, commerce or industry concerned in the national economy of the country;

(b) by an order notified in the official Gazette, grant recognition to any such trade organisation; and

(c) accord such privileges to the trade organisations so recognised as it thinks fit keeping in view their relative importance in the national economy.

(2) A trade organisation recognised under sub-section (1) shall be entitled, according as the Government may direct, to-

(a) all the privileges accorded generally to trade organisations so recognised; or

(b) all the privileges accorded to the trade organisations of the class to which it belongs; or

(c) to such other privileges as may be accorded to it by the order granting recognition.

(3) The Government shall publish in the official Gazette the names of the trade organisations recognised under sub-section (1).

Amendment,
repeal, etc, of
articles,
memorandum,
etc, of trade
organisations

8. (1) Notwithstanding anything contained in the Act or in any other law for the time being in force or in the articles or memorandum,-

(a) a registered trade organisation shall not rescind, amend or otherwise modify its articles or memorandum without the prior approval of the Government; and

(b) the Government may, whenever it considers expedient to do so, by order in writing, direct any such trade organisation to rescind, amend or otherwise modify its articles, memorandum, rules or bye-laws or to make any rule or bye-law, in such manner and within such period as may be specified in the order.

(2) If any registered trade organisation fails or neglects to comply with the direction under clause (b) of sub-section (1), the Government may, by notification in the official Gazette, rescind, amend or otherwise modify the articles, memorandum, rules or bye-laws of such trade organisation, or make any rule or bye-law in the manner specified in the direction or with such modification as it thinks fit, and any such rescission, amendment, modification or making shall be deemed to have been duly done by the trade organisation in accordance with the Act or its articles or memorandum or in the manner it is otherwise competent to do so.

Condonation of
delay in holding
election of a
trade
organisation

8A. Notwithstanding anything contained in the Act or in any other law for the time being in force or in the articles of memorandum, if a trade organisation fails to hold the election in time, the Director, either on his own motion or on receipt of an application from the trade organisation, may, for reasons to be recorded in writing, condone the delay and direct the trade organisation to hold the election within such time as he may determine.

Registered trade
organisations to
be subject to the
control of
Director

9. (1) All acts and proceedings of a registered trade organisation shall be subject to the control of the Director and the affairs of such trade organisation shall be managed and conducted in such manner as the Director may, from time to time, direct.

(2) Notwithstanding anything contained in any law for the time being in force or in the articles or memorandum of a registered trade organisation and without prejudice to the generality of the foregoing provision, the Director may-

(a) require any such trade organisation or any competent person connected therewith to furnish him with any information, documents and returns relating to the affairs of such trade organisation or to answer any query with respect thereto;

(b) inspect, with or without prior notice, any office of such trade organisation including any of its branch or regional, circle, zonal or liaison office, or any record or document found therein;

(c) attend any meeting of the general body or the Executive Committee of such trade organisation or of any committee or other body set up or appointed to transact any business, or to conduct any affair, of such trade organisation;

(d) watch and supervise, or cause to be watched and supervised, any election held by, or for the purpose of electing persons to the Executive Committee or other body including a regional, circle or zonal body of any such trade organisation;

(e) within thirty days of the announcement of the results of any election held by any such trade organisation, or any body exercising any function relating thereto for the purpose of electing any person to the Executive Committee or other body including regional, circle or zonal body of such trade organisation or for any other purpose and with the approval of the Government, annul such election if he is satisfied,-

(i) upon his own knowledge;

(ia) after an investigation on the basis of a complaint received from any of the contestants; or

(ii) upon a report made by a person authorised by him to make investigation for the purpose,

that the unfairness in the conduct of such election justify such annulment and, by order in writing, direct fresh election to be held within such period as may be specified in the order;

(f) cancel, suspend or modify any resolution adopted or any decision taken, by the general body or the Executive Committee of such trade organisation if he is satisfied that such resolution or decision is not in conformity with the provisions of the articles or memorandum or any rules or regulations made thereunder, or that the requirements of the provisions of the articles or memorandum or any rules or regulations made thereunder have not been complied with while adopting such resolution or taking such decision, or that such resolution or decision is contrary to any rules, regulations, directions or instructions issued by the Director or by the Government to such trade organisation;

(g) if he considers it necessary, on the basis of a report made by a person, authorised by him to make investigation for the purpose, for smooth, orderly and efficient functioning of any such trade organisation,-

(i) remove or cause to be removed any member of the Executive Committee, not exceeding a total of five in any calendar year, of such trade organisation and fill up, or cause to be filled up, the resultant vacancy for the unexpired period;

(ii) suspend, or cause to be suspended, for a specified period, any member not exceeding a total of fifteen in one calendar year, of any such trade organisation and cancel, or cause to be cancelled, any such suspension or the suspension of any member otherwise than by or at the instance of the Director;

(iii) remove, or cause to be removed, from the membership register, the name of any member, not exceeding a total of fifteen in one calendar year, of any such trade organisation, and reinstate, or cause to be reinstated, in the membership register, any member so removed or removed otherwise than by or at the instance of the Director:

Provided that the power for removal or suspension under this clause shall not be exercised except with the approval of the Government.

Supersession of Executive Committee and appointment of Administrator

10. (1) Where the Government is of opinion that the affairs of a registered trade organisation are not being properly managed and that the interests of trade and industry so require, it may, by order in writing, supersede the Executive Committee of such trade organisation for such period, not exceeding one year, as may be specified in the order:

Provided that no such order shall be made unless the Executive Committee has been given a notice in writing of, and afforded an opportunity to make a representation against, the intended supersession.

(2) Where-

(a) an Executive Committee is superseded under sub-section (1), or

(b) it is not, in the opinion of the Government, possible for any reason to reconstitute the Executive Committee at the due time of such reconstitution, or

(c) the Executive Committee is debarred by an order of any Court, from discharging its functions,

the Government may appoint, for such period, not exceeding one year, as it may think fit, an Administrator to take over the functions of such Committee and to manage and conduct the affairs of the trade organisation:

Provided that if the period of super session is terminated or the Executive Committee is reconstituted or the order of the Court is vacated before the expiry of the period for which the Administrator shall have been appointed, the Government may direct the Administrator to relinquish the functions taken over by him in favour of the Executive Committee.

(3) Upon the appointment of an Administrator under clause (a) or clause (b) of sub-section (2), the members of the Executive Committee shall be deemed to have vacated their respective offices and no such member shall act or transact any business after such appointment.

Administrator to
act under the
control of
Director

11. (1) The Administrator shall manage and conduct the affairs of the registered trade organisation under the supervision and control of the Director and in accordance with the rules, if any, made in this behalf by the Government and, until such rules are made, in accordance with such directions as the Director may, from time to time, give.

(2) The rules and directions referred to in sub-section (1) may provide for-

(a) the appointment of an advisory committee consisting of persons selected from the members of the trade organisation to assist the Administrator in the discharge of his functions;

(b) holding of elections for the purpose of reconstitution of the Executive Committee at any time considered appropriate before the expiry of the term of appointment of the Administrator;

(c) compliance with the provisions of sections 130, 131, 131A, 132, 132A, 133, 134 and 135 of the Act to the extent applicable to the trade organisation except those relating to the laying of the income and expenditure account and reading of the auditor's report in the general meeting;

(d) withholding, during the period of super session of the Executive Committee, of the general meeting of the trade organisation other than the meeting to hold elections for reconstituting the Executive Committee;

(e) conduct of any business, during the period the general meeting remains withheld, which requires the approval or assent of the members at a general meeting;

(f) the pay, allowances, remuneration and other privileges of the Administrator and the members of the advisory committee; and

(g) such other matters as are necessary for efficient management of the affairs of the trade organisation.

(3) Any expenditure incurred in connection with the management of a trade organisation by the Administrator including pay, allowances and remuneration of the Administrator and the members of the advisory committee shall be met as expenses, and be a charge on the income, of the trade organisation.

Restriction on suits against trade organisations

12. (1) Notwithstanding anything contained in any law for the time being in force or in the articles or memorandum of a registered trade organisation, no suit or other legal proceedings shall be instituted or commenced against such registered trade organisation or any member thereof or any member of the Executive Committee of such trade organisation questioning the validity or propriety of any act or proceeding of such trade organisation or of the Executive Committee or other body thereof, or the constitution of, or election or appointment to, such Committee or body, by any member of such trade organisation or by, or by any member of, any other trade organisation unless such member or other trade organisation has made an application, accompanied by such fee not less than one thousand taka as may be prescribed by rules, referring the matter to the Arbitration Tribunal constituted for the purpose of deciding such references by the Federation of Chambers of Commerce and Industry registered under the Act in pursuance of a licence and such Arbitration Tribunal has given its decision or award thereon.

(2) The Arbitration Tribunal constituted under sub-section (1) shall consist of not less than three and not more than five members appointed by the said Federation of Chambers of Commerce and Industry and shall conduct its proceedings and give its decision or award in accordance with the rules made in this behalf.

(3) Nothing in this section shall affect any suit or other legal proceedings instituted or commenced before the commencement of this Ordinance.

Compulsory membership of registered trade organisations

13. (1) Notwithstanding anything contained in any other law for the time being in force or in the articles or memorandum of association of any trade organisation or other company or in any agreement or other instrument, the Government may,-

(a) subject to any rules made in this behalf, by order in writing, direct any person, partnership firm, company or other concern engaged in any trade, commerce or industry to be a member of a registered trade organisation specified in the order; or

(b) if it consider expedient in the interest of trade, commerce or industry, by notification in the official Gazette, direct all such persons, firms, companies or concerns or any class thereof engaged in trade, commerce or industry as may be specified in the notification subject to exception, if any, to be members of the registered trade organisation or organisations specified in this behalf in such notification.

(2) Upon the issue of an order or notification under sub-section (1) the registered trade organisation concerned shall admit as its member any person, firm, company or concern directed to be its member by such order or notification.

Restriction on membership 14. No person shall be a member of more than such number of trade organisations as the Government may, by notification in the official Gazette, specify in this behalf.

Restriction on holding office 14A. No person convicted for an offence under this Ordinance shall hold, or be eligible for holding, any office in a registered trade organisation unless a period of six years has elapsed after the date of his conviction.

Appeal 15. (1) Any person or any trade organisation aggrieved by any decision or order of the Administrator or the Director may, within fourteen days of such decision or order, appeal to the Director, on payment of a fee of one hundred taka in such manner as the Government may direct, against the decision or order of the Administrator, and to the Government, on payment of a fee of five hundred taka in such manner as the Government may direct, against the decision or order of the Director, and the decision of the Government on such appeal shall be final.

(2) Upon an appeal under sub-section (1), the Director or the Government, as the case may be, may stay the implementation or execution of the decision or order appealed against until the disposal of such appeal.

Delegation of powers 16. (1) The Government may, by notification in the official Gazette, direct that all or any of its powers under this Ordinance shall, in relation to such matters or subject to such conditions as may be specified therein, also be exercisable by the Director.

(2) The Director may, by order in writing, authorise the Administrator or any other officer to exercise and perform any of his powers and functions under this Ordinance.

Government may carry out the functions of the Director	17. Notwithstanding anything contained in any other provision of this Ordinance, the Government may, by notification in the official Gazette, direct that the powers and functions of the Director shall, under such circumstances, or in such cases, as may be specified in the notification, be exercised and performed by the Government and upon such notification reference to the Director in the relevant provisions of this Ordinance shall be construed as reference to the Government and such provisions shall have effect accordingly.
Penalties	18. Whoever contravenes any provision of this Ordinance, or any rule or order made, or any direction or instruction given, thereunder, or obstructs any officer or person acting under or in pursuance of any such provision, rule, order, direction or instruction, shall be punishable with fine which may extend to ten thousand taka and, in case of contravention of the provisions of sections 13 and 14A or of any order or notification issued thereunder, with a further fine which may extend to five hundred taka for every day of the period during which such contravention continues.
Offences by companies or other bodies	19. Where a person guilty of an offence punishable under section 18 is a company or other body corporate, every managing director, director, manager, secretary or other officer or agent thereof shall, unless he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent its commission, be deemed to be guilty of such offence.
Cognizance and trial	20. No Court shall take cognizance of an offence punishable under section 18 except upon a complaint in writing made by the Director or an officer authorised by him in this behalf and no Court inferior to that of a Magistrate of the First Class shall try any such offence.
Presumption as to orders	21. Where an order purports to have been made or signed by an authority or person in exercise of any power conferred by or under this Ordinance, a Court shall presume that such order was so made by that authority or person.
Indemnity	22. (1) An order made under this Ordinance shall not be questioned in any Court. (2) No suit, prosecution or other legal proceedings shall lie against any person for anything which is, in good faith, done or intended to be done in pursuance of this Ordinance or any rule or order made or any direction given thereunder.
Power to make rules	23. The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance.