

**[AS PASSED BY THE MAJLIS-E-SHOORA (PARLIAMENT)]**

**An**

**Act**

*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 shall be called the Islamabad Rent Restriction (Amendment) Act, 2021.

(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 or with proper receipt or acknowledgement.”.

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

**“10. Increase of rent of residential and non-residential buildings.-** (1) The rent of residential as well as non-residential building shall stand automatically increased at the end of every one year of its tenancy by ten 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-

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| (a) President, Islamabad Chamber of Commerce or any other office holder of Islamabad Chamber of Commerce nominated by him..... | Convener |
| (b) a representative of the tenant.....  | Member   |
| (c) a representative of the landlord.....  | Member   |

(2) Every dispute between landlord and tenant under this act including dispute relating to goodwill shall be referred to Mediation 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 representatives 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 thirty 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 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 may 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 expression, “, 16A” shall be inserted.

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