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**PART II**

**Statutory Notifications (S. R. O.)**

**GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMERCE**

**NOTIFICATION**

*Islamabad, the 21st November, 2016*

**S.R.O. 1111(I)/2016:**—In exercise of the powers conferred by section 30 of the Pakistan Tobacco Board Ordinance 1968, (I of 1968) the Federal Government is pleased to make the following rules, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Tobacco Marketing Control Rules, 2016.

(2) These rules shall come into force at once.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or the context, -

(a) “Board” means the Pakistan Tobacco Board constituted under section 3 of the Pakistan Tobacco Board Ordinance, 1968;

(b) “Government” means the Federal Government of Pakistan;

(c) “grower” means a person truly engaged in the cultivation and production of tobacco;

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- (d) "mandi" means the premises established by the tobacco dealers at different places for the purchase and storage of tobacco;
- (e) "purchase depot" means the premises established by the tobacco companies at different places in tobacco growing areas for the purchase of tobacco used in manufacturing of cigarettes;
- (f) "supplier" means a person who purchases tobacco either from tobacco growers or dealers or agents and supplies it to the tobacco companies in prized form;
- (g) "tobacco" means as defined in the Pakistan Tobacco Board Ordinance, 1968;
- (h) "tobacco company" including a firm or agency or association or group of individuals engaged in the purchase, redrying and processing of tobacco used in the manufacture of cigarettes and its marketing;
- (i) "tobacco dealer" means a trader engaged in the purchase and sale of tobacco and includes a commission agent ; and
- (j) "weighted average price" means the average price weighted by the quantities of all graded tobacco purchased by a tobacco company or a tobacco dealer.

**3. Intimation regarding purchase targets and purchase points.—**

Every tobacco company or dealer or exporter intending to purchase tobacco during a crop year shall indicate to the Board its total requirements of the tobacco from the ensuing crop, by the 31st day of October in each year. The Board will publicize the indicated requirements for various types of tobacco, in appropriate manner, before the commencement of planting season. They will also intimate regarding all their purchase points before 31st May every year.

**4. Execution of agreements.—**(1) Every tobacco company for the purchase of their targeted requirements of Flue Cured Virginia (FCV), Burley, Dark Air Cured (DAC) or Cigar tobacco shall execute agreements with the growers on the form prescribed by the Board by the 31st day of December in respect of the ensuing crop of tobacco. A copy of each such agreement will be supplied to the grower concerned and a list of all such agreements will be furnished to the Board as soon as may be possible after the execution of the agreements but not later than 15th January.

(2) Every tobacco company and other purchaser of the tobacco shall strictly follow the grade classification of the tobacco as laid down by the Board from time to time.

(3) Every tobacco company and other purchaser of the tobacco shall prominently display at the purchase depots the leaf sample of each grade and its minimum price notified by the Federal Government.



(4) The weighted average price of tobacco for the crop of any year to be paid by a tobacco company to the tobacco growers shall not be lower than the weighted average price paid to them for the crop of the immediately preceding year.

(5) The tobacco growers will confine the bale weight from 50 to 60 kilograms and that six bales will be offered by a growers on his turn.

5. **Scrutiny of agreements.**—The Board shall constitute committees of growers for scrutiny of agreements executed by each tobacco company in order to verify its genuineness.

6. **Vigilance committee at purchase center.**—The Federal or Provincial Government shall constitute vigilance Committees at each purchase depot or point consisting of,—

- (a) a representative of the Board;
- (b) a representative of the Provincial Agriculture Department;
- (c) a representative of the tobacco growers, nominated by the PTB or Provincial Agriculture Department; and
- (d) a representative of the tobacco companies nominated by the tobacco companies.

7. **Vigilance committees.**—The vigilance committees shall check the grades assigned to various types of tobacco used for the manufacture of cigarettes and shall also ensure that no purchaser unnecessarily rejects, or pays price for tobacco, at rates lower than the minimum notified rates, It shall also resolve the differences or disputes between the tobacco growers and tobacco companies, if any, arising out of sale and purchase transactions of tobacco between the parties.

8. **Decision of vigilance committee.**—The decision of the vigilance committee shall be taken by majority and shall be binding on the parties.

9. **Payment of dues to growers.**—(1) The payment of dues to the growers by the tobacco companies or purchasers as a result of sale transaction of tobacco during a purchase season shall be made through designated Banks and in accordance with the following schedule:—

- (a) payment in respect of tobacco purchased during the 1st fortnight within 7 days;
  - (b) payment in respect of tobacco purchased during the 2nd fortnight within 15 days;
  - (c) payment in respect of tobacco purchased during the 3rd fortnight within 21 days; and
  - (d) payment in respect of tobacco purchased after the 3rd fortnight within 30 days.
- (2) All the tobacco companies and other purchasers shall issue

